



**Coleman House Preservation Project
Newton Community Preservation Program
Final Report
February 13, 2024**

Project Summary

The Coleman House preservation project permanently preserves this 100% affordable 146-apartment development for very low income seniors. The Coleman preservation demonstrates financial and environmental stewardship for the City of Newton, and advances 2Life's vision that every older adult should have the opportunity to age in community and live a life full of purpose and connection in a dynamic and supportive environment. The renovation plan for Coleman was designed to meet the building's needs for the next 30 years, including significant universal design and accessibility upgrades as well sustainability improvements to reduce our energy consumption and lower our carbon emissions.

The CPC and City's commitment of \$4.2 million in CPA funding was critical to the financing needed for the Coleman preservation project. With the CPA, HOME, WestMetro HOME, CDBG and a forthcoming \$1.5 million grant from the Newton Affordable Housing Trust, Coleman will have received \$6,768,216 in City/local funds, representing 21% of the total development cost of the renovation project. 2Life also takes great pride in accomplishing this comprehensive 30-year preservation project with \$24.8 million, 75% of the total cost, generated from the 2018 refinancing of the property. As a non-profit, 2Life Communities invested these refinancing proceeds in property preservation so that we can continue to deliver our high-quality service enriched aging in community experience for the very low and extremely low-income seniors who live at Coleman House.

Project Status

Construction began in September 2021, and as of November 2023, all apartment renovations are complete and are occupied by very excited residents who are enjoying their adaptable kitchen and bathrooms, better indoor air quality and an improved envelope with no drafts. All corridors were completed in early January 2024. The contract value has been billed 100%, less subcontractor retainage.

Hard Cost Overruns

2Life encountered several atypical and costly conditions during construction that could not have been predicted when the renovation was originally scoped and priced and that exceeded the project's construction contingency. We discovered that the building had extensive asbestos containing materials, despite the building being constructed five years after the use of asbestos was prohibited. The required asbestos abatement and containment work lengthened the construction schedule and the contractor's general conditions cost, resulting in the project finishing four months late. Additionally, City fire and electrical inspectors determined the need for systems updates that were not



required when the project received its building permit in the fall of 2021. When these conditions and new requirements were discovered, 2Life implemented significant scope removal and reduction measures to offset some of these costs, but the work required exceeded our remaining project resources.

2Life staff went to great lengths to identify federal and state sources to cover the cost overruns, however these other sources were either not available or the project was not eligible. Therefore, 2Life submitted an additional funding request to the Newton Affordable Housing Trust for \$2,547,000 in the fall of 2023. The NAHT awarded \$1.5 million in grant funding in November 2023 to cover the current development cost overruns in order to be able to pay the contractor and subcontractors for the work that has been performed.

There is one significant scope of work remaining to be completed - the Coleman I electric room and related infrastructure work, which arose due to code requirements post-permitting. The work has been designed and the equipment has largely been selected. Due to supply chain lead times for transformers, the work is currently anticipated to be completed in the fall of 2024. 2Life is still seeking approximately \$1.1 million in other sources to fund this upcoming electrical work and the soft cost budget overrun described below.

Soft Cost Overruns

2Life closely managed the Coleman project's soft costs, strategically deploying staff for construction oversight and relocation oversight to reduce consulting fees which made funds available for critical low voltage investments. These include a robust two-way speaker emergency call system with pull cords, smart thermostats to manage the all-electric heating systems usage and wireless internet access in common areas. Spending on the fire alarm consultant throughout the project phases was the most significant cost overrun and makes up almost the entire soft cost budget overrun at \$114,000.

Enclosed are photos of the project and the closing budget vs actual comparison.

COLEMAN HOUSE PRESERVATION PROJECT

| SOURCES of Funds |
|--------------------------|
| 2Life Development |
| 2Life Development Repaid |
| 2Life Equity |
| Newton CPA |
| Newton Trust |
| HUD CSP Grant |
| Newton CDBG FY21 |
| City of Newton HOME |
| WestMetro HOME |
| Source TBD |
| Utility Rebates & Grants |
| |
| |

| Original Budget | Adjustments | Revised Budget |
|------------------------|--------------------|-----------------------|
| Sources | | Sources |
| | | |
| \$24,830,000 | | \$24,830,000 |
| \$4,214,622 | | \$4,214,622 |
| \$0 | \$1,500,000 | \$1,500,000 |
| \$0 | \$148,428 | \$148,428 |
| \$411,898 | | \$411,898 |
| \$119,156 | | \$119,156 |
| \$522,540 | | \$522,540 |
| \$0 | \$1,136,144 | \$1,136,144 |
| \$100,000 | (\$16,208) | \$83,791.51 |
| | | |
| \$30,198,216 | \$2,768,364 | \$32,966,580 |

| Construction Cost: |
|--------------------------------|
| Direct Construction Budget |
| Construction Contingency |
| Electrical room infrastructure |
| SUBTOTAL CONSTRUCTION |

| | | |
|--------------|---------------|--------------|
| \$22,527,601 | \$3,932,047 | \$26,459,648 |
| \$2,252,760 | (\$2,252,760) | \$0 |
| \$0 | \$973,350 | \$973,350 |
| \$24,780,361 | \$2,652,637 | \$27,432,998 |

| General Development Costs: |
|-----------------------------------|
| Architect & Engineering |
| Survey & Permits |
| Clerk of the Works |
| Environmental |
| Legal |
| Title/Recording |
| Accounting |
| Marketing & Rent-Up |
| Insurance (Construction) |
| Relocation |
| Appraisal |
| Pre-Construction Services |
| FF&E |
| Low Voltage |
| Energy/Green Consulting |
| Commissioning & Testing |
| Soft Cost Contingency |
| Soft Cost Total |
| GENERAL DEVELOPMENT COST |

| | | |
|--------------------|------------------|--------------------|
| \$1,527,800 | \$48,592 | \$1,576,392 |
| \$75,000 | (\$11,449) | \$63,552 |
| \$190,000 | (\$128,362) | \$61,638 |
| \$10,900 | \$37,572 | \$48,472 |
| \$90,000 | \$50,177 | \$140,177 |
| \$20,000 | (\$18,044) | \$1,957 |
| \$5,000 | (\$5,000) | \$0 |
| \$15,000 | (\$15,000) | \$0 |
| \$80,000 | (\$79,789) | \$211 |
| \$993,381 | (\$159,134) | \$834,247 |
| \$0 | \$2,500 | \$2,500 |
| \$0 | \$2,805 | \$2,805 |
| \$100,000 | \$6,810 | \$106,810 |
| \$715,000 | \$277,152 | \$992,152 |
| \$69,300 | \$1,250 | \$70,550 |
| \$75,000 | (\$1,176) | \$73,824 |
| \$151,473 | \$106,822 | \$258,295 |
| \$4,117,854 | \$115,727 | \$4,233,581 |
| \$28,898,215 | \$2,768,364 | \$31,666,579 |

| |
|-------------------------------|
| Developer Overhead |
| TOTAL DEVELOPMENT COST |

| | | |
|--------------|-------------|--------------|
| \$1,300,000 | \$0 | \$1,300,000 |
| \$30,198,215 | \$2,768,364 | \$32,966,579 |

**Coleman House Comprehensive
Preservation Project**
146 Unit Low-Income Senior Property

**Final Community Preservation Act
(CPA) Report**
February 2024

Photo Log

Existing Conditions, Building Systems
and As-Constructed



Coleman House

A 2Life Community

Defiantly joyous living.



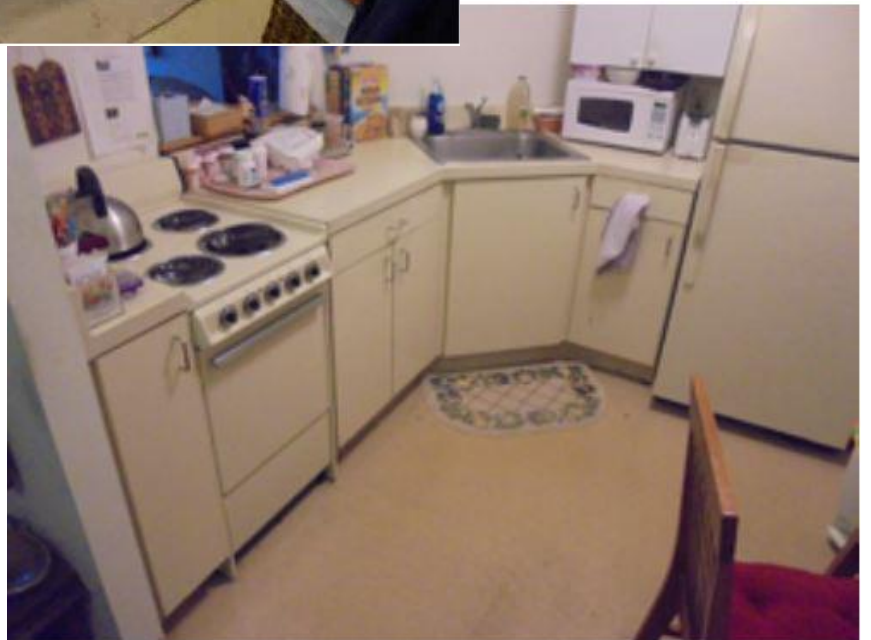
Window Leaks



Asbestos and Failing Structure



Non-compliant bathrooms with tubs



Non-compliant kitchens with corner sinks



All-Electric Heating and Cooling



New In-Unit Plumbing and Electrical



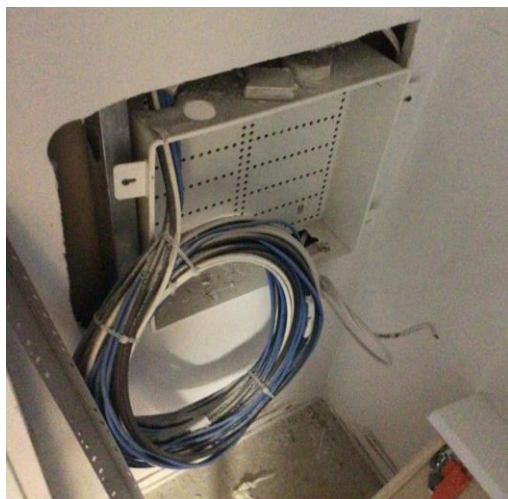
ERV Continuous Ventilation



Smart Thermostats



Fully sprinklered apartments



Media Panels for Internet



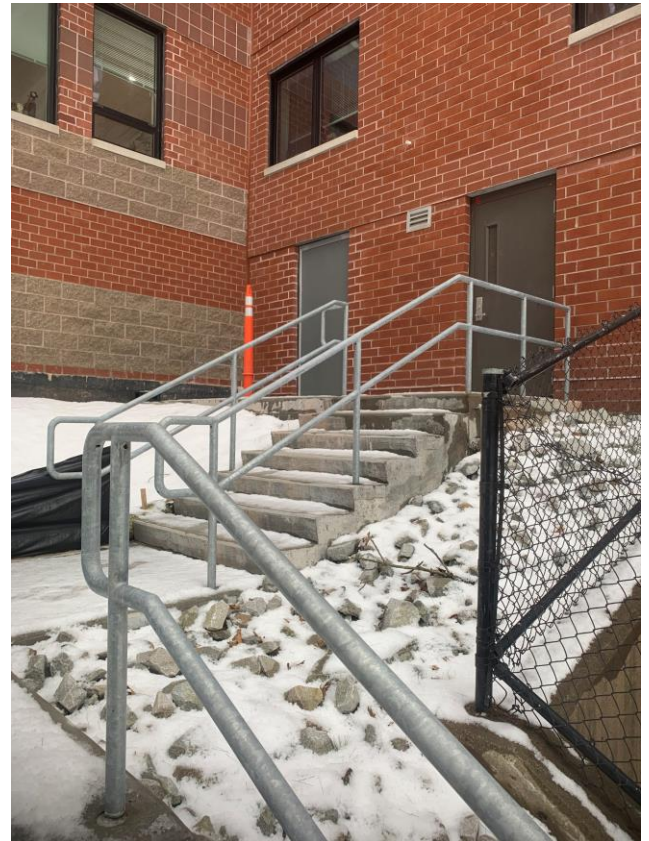
Repaired Façade and New Windows



Concert at new patio



Code Compliant Egress Doors and Improved Foundation Drainage Path





Unit Entry Doors with purse shelf



Corridors with increased lighting & wayfinding accent color by floor



Art Room



Staff Office Suite



Code compliant typical kitchens with full appliances and turning radiuses



Code compliant bathrooms with turning radiuses and low threshold showers and/or roll in showers depending on existing slab conditions