

for 12 January 2017
Newton CPC public hearing

Crescent Street Off-cycle Proposal – Budget Pages



On the Newton CPC webpage for this project, these pages are both

- ◆ included in the proposal itself and
- ◆ posted separately.

70 Crescent Street Feasibility Study and Design Cost Estimate			
Summary of CPA Funding Request for Master Plan/Feasibility Study and Design Phase			
12/12/2016			
Master Planning/Feasibility Study Effort			
Environmental Analysis/Phase I Site Assessment	\$ 10,000		
Public Meetings	\$ 6,000		
Master Plan (Alternative Options; Preferred Plan)	\$ 30,000		
Contingency (8%)	\$ 3,680		
Total Master Planning/Feasibility Study	\$ 49,680		
Final Design			
Task Description:			
Preliminary Design	\$ 30,000		
Final Design	\$ 50,000		
Construction Documents	\$ 20,000		
Bid Assistance	\$ 5,000		
Construction Administration	\$ 30,000		
Final Design and Bidding Services	\$ 135,000		
Contingency @15%	\$ 20,250		
Estimated Design/Bidding/Construction Admin. Services	\$ 155,250		
CPA Eligible Architecture and Engineering (Housing)			
<i>Building Architect (including design consultants)</i>	\$ 50,000	\$100,000	
<i>Additional services</i>	\$ 10,000	\$20,000	
<i>Reimursable Expenses</i>	\$ 6,625	\$13,250	
<i>Engineering (site/civil/landscape/permitting)</i>	\$ 15,000	\$30,000	
<i>Acoustical Engineering</i>	\$ 2,500	\$5,000	
<i>Geotechnical/Environmental Engineering</i>	\$ 10,000	\$20,000	
<i>Survey</i>	\$ -	\$0	
<i>Misc. Design Consultants</i>	\$ 12,500	\$25,000	
<i>Structural/Materials Testing</i>	\$ 5,000	\$10,000	
Architecture and Engineering Total (Housing)	\$ 111,625	\$223,250	
Total CPA Request for Feasibility Study/Master Plan/De	\$ 316,555		
Total Estimated Design Costs	\$ 428,180		

70 Crescent Street Community Park				
Cost Estimate for Master Plan, Design, and Construction				
12/12/2016				
<u>Master Planning/Feasibility Study Effort</u>				
Environmental Analysis/Phase I Site Assessment	\$	10,000		
Public Meetings	\$	6,000		
Master Plan (Alternative Options; Preferred Plan)	\$	30,000		
Contingency (8%)	\$	3,680		
Total Master Planning/Feasibility Study	\$	49,680		
<u>Final Design</u>				
Task Description:				
Preliminary Design	\$	30,000		
Final Design	\$	50,000		
Construction Documents	\$	20,000		
Bid Assistance	\$	5,000		
Construction Administration	\$	30,000		
Final Design and Bidding Services	\$	135,000		
Contingency @15%	\$	20,250		
Total Design/Bidding/Construction Admin. Services	\$	155,250		
<u>Community Park Construction</u>				
Improvement Description:				
General Conditions	\$	90,000		
Demolition, Site Preparation and Restoration	\$	160,000		
Lawns and Landscaping	\$	80,000		
Pathways and Gathering Spaces	\$	90,000		
Fencing and Edge Improvements	\$	60,000		
Children's Playground (incl. rubber surfacing)	\$	200,000		
Community Gardens	\$	60,000		
Site Furnishings	\$	50,000		
1/2 Court Basketball	\$	30,000		
Other Recreation Improvements	\$	75,000		
Construction	\$	895,000		
Contingency @20%	\$	179,000		
Grand Total Construction	\$	1,074,000		
<u>City of Newton Staff Time</u>	\$	65,877		
Master Plan + Final Design + Construction+City Staff Time				
	\$	1,344,807		
Total CPA Funding Request	\$	1,300,000		

Proposed Crescent Street Community Park										
Estimated Annual Maintenance Costs (assumes 3% annual increase)										
12/12/2016										
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Mowing	\$2,520	\$2,596	\$2,673	\$2,754	\$2,836	\$2,921	\$3,009	\$3,099	\$3,192	\$3,288
Leaf Removal	\$450	\$464	\$477	\$492	\$506	\$522	\$537	\$553	\$570	\$587
Mulching	\$400	\$412	\$424	\$437	\$450	\$464	\$478	\$492	\$507	\$522
Pruning	\$350	\$361	\$371	\$382	\$394	\$406	\$418	\$430	\$443	\$457
Fibar	\$625	\$644	\$663	\$683	\$703	\$725	\$746	\$769	\$792	\$815
Fibar Install	\$740	\$762	\$785	\$809	\$833	\$858	\$884	\$910	\$937	\$966
Playground Maintenance	\$500	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652
Total	\$5,585	\$5,753	\$5,925	\$6,103	\$6,286	\$6,475	\$6,669	\$6,869	\$7,075	\$7,287

70 CRESCENT STREET, NEWTON MA

12/12/2016										
PROJECT OVERVIEW										
Number of Units			8 units							
% Affordable Units			50%							
Gross Square Footage			12,588	SF						
Rentable Square Footage			10,700	SF						
Number of Buildings			1							
Site Size (acres)			1							
ESTIMATED PROJECT SCHEDULE										
Venture Date										
Complete Permitting										
Construction period			12	months						
Commence Construction										
Occupancy Date										
UNIT MIX SUMMARY										
Market Rate Units										
Unit Type			# of Units	Average NRA	Monthly/Unit	Monthly/SF	Total SF	Monthly Total	Annual Total	
1 bed, 1 bath			1	850	\$ 2,338	\$ 2.75	850	\$ 2,338	\$ 28,056	
2 bed, 2 bath TH			2	1,400	\$ 3,360	\$ 2.40	2,800	\$ 6,720	\$ 80,640	
3 bed, 2 bath TH			1	1,700	\$ 3,825	\$ 2.25	1,700	\$ 3,825	\$ 45,900	
Market Rate Averages			4	1,338	\$ 3,221	\$ 2.45	5,350	\$ 12,883	\$ 154,596	
Affordable Rate Units										
Unit Type			# of Units	Average NRA	Monthly/Unit	Monthly/SF	Total SF	Monthly Total	Annual Total	
1 bed, 1 bath			1	850	\$ 1,250	\$ 1.47	850	\$ 1,250	\$ 15,000	
2 bed, 2 bath			2	1,400	\$ 1,400	\$ 1.00	2,800	\$ 2,800	\$ 33,600	
3 bed, 2 bath			1	1,700	\$ 1,530	\$ 0.90	1,700	\$ 1,530	\$ 18,360	
Market Rate Averages			4	1,338	\$ 1,395	\$ 1.09	5,350	\$ 5,580	\$ 66,960	
Property Totals			8	10,700	\$ 18,463	\$ 1.77	10,700	\$ 18,463	\$ 221,556	
Property Averages			8	1,338	\$ 2,308	\$ 1.77				
Annual Rent Analysis										
			Market Rate			Affordable			Total	
			<i>Inflation</i>	<i>Annual Rent</i>	<i>PSF/Month</i>	<i>Inflation</i>	<i>Annual Rent</i>	<i>PSF/Month</i>	<i>Inflation</i>	<i>Annual Rent</i>
Non-Trended Rental Income Year 1				\$ 154,590	\$ 2.41		\$ 66,954	\$ 1.04		\$ 221,544
Total Rental Income Year 2			3.0%	\$ 159,228	\$ 2.48	1.5%	\$ 67,958	\$ 1.06	2.5%	\$ 227,186
Total Rental Income Year 3			3.0%	\$ 164,005	\$ 2.55	1.5%	\$ 68,978	\$ 1.07	2.6%	\$ 232,982
Stabilized Rental Income Year 4			3.0%	\$ 168,925	\$ 2.63	1.5%	\$ 70,012	\$ 1.09	2.6%	\$ 238,937

70 CRESCENT STREET, NEWTON MA

Crescent Street Eight Unit Housing Development Summary						
12/12/2016						
Development Program	Area (SF)	Units	Average			
Market Rate Apartments	5,350	4	1,338			
Affordable Apartments	5,350	4	1,338			
Total Net Rentable Area	10,700	8	1,338			
Building Efficiency	85%					
Total Gross Square Feet	12,588					
Development Budget Summary			Total	Per Unit	PSF	
Land			\$ -	\$ -	\$ -	
Hard Costs Base Building			\$ 2,517,647	\$ 314,706	\$ 200	
Hard Costs- Site Work			\$ 300,000	\$ 37,500	\$ 24	
Costs- Environmental Remediation			\$ 50,000	\$ 6,250	\$ 4	
Demolition			\$ 75,000	\$ 9,375	\$ 6	
Hard Costs- Contingency			\$ 140,882	\$ 17,610	\$ 11	
Soft Costs			\$ 329,679	\$ 41,210	\$ 26	
Finance Costs			\$ 102,750	\$ 12,844	\$ 8	
City of Newton Staff Contribution			\$ 136,621.00	\$ 17,078	\$ 11	
Total Development Costs			\$ 3,652,579	\$ 456,572	\$ 290	
Capitalization			Total			
City of Newton Funds		57%	\$ 2,000,000			
CPA Funds		40%	\$ 1,400,000			
City of Newton Staff Time		4%	\$ 136,621			
Total*			\$ 3,536,621			
*Shortfall in budget will be covered by City of Newton funds, if necessary. Existing shortfall results from financing costs which are carried in budget, but project may not have any debt depending on source of City of Newton funds						
Income Analysis- Trended			Total	PSF/Month	Per Unit/Year	PSF/Year
	Apartment Rental Income- Market Rate		\$ 164,005	\$ 2.55	\$ 41,001	\$ 30.66
	Apartment Rental Income- Affordable		\$ 68,978	\$ 1.07	\$ 17,245	\$ 12.89
	Total Income		\$ 232,983	\$ 1.81	\$ 29,123	\$ 21.77
	Less Market Unit Vacancy	5%	\$ (8,200)	\$ (0.06)	\$ (1,025)	\$ (0.77)
	Less Affordable Unit Vacancy	3%	\$ (2,069)	\$ (0.02)	\$ (259)	\$ (0.19)
	Effective Gross Income		\$ 222,713	\$ 1.73	\$ 27,839	\$ 20.81
Less						
	Operating Expenses		\$ 66,306	\$ 0.52	\$ 8,288	\$ 6.20
	Capital Reserve		\$ 2,122	\$ 0.02	\$ 265	\$ 0.20
	Total Expenses		\$ 68,428	\$ 0.53	\$ 8,554	\$ 6.40
	NET OPERATING INCOME		\$ 154,285	\$ 1.20	\$ 19,286	\$ 14.42
Less						
	Debt Service		\$ 121,322	\$ 11.34	\$ 10,110	\$ 0.94
	NET CASH FLOW		\$ 32,963	\$ 3.08	\$ 2,747	\$ 0.26
	RETURN ON COST			4.22%		

**70 CRESCENT STREET, NEWTON MA
HOUSING DEVELOPMENT BUDGET SUMMARY**

12/12/2016		Total	Per Unit	Per Gross SF
LAND				
	Land	\$ -	\$ -	\$ -
	Total Land	\$ -	\$ -	\$ -
HARD COSTS				
	Base building construction	\$ 2,517,647	\$ 314,706	\$ 200.00
	Site work / landscaping	\$ 300,000	\$ 37,500	\$ 23.83
	Environmental remediation	\$ 50,000	\$ 6,250	\$ 3.97
	Demolition of house and building	\$ 75,000	\$ 9,375	\$ 5.96
	Hard cost contingency (5%)	\$ 140,882	\$ 17,610	\$ 11.19
	Total Hard Cost	\$ 3,083,529	\$ 385,441	\$ 244.95
SOFT COSTS				
	Architecture and Engineering	\$ 223,250	\$ 27,906	\$ 17.73
	<i>Building Architect (including design consultants)</i>	100,000	12,500	7.94
	<i>Additional services</i>	20,000	2,500	1.59
	<i>Reimursable Expenses</i>	13,250	1,656	1.05
	<i>Engineering (site/civil/landscape/permitting)</i>	30,000	3,750	2.38
	<i>Acoustical Engineering</i>	5,000	625	0.40
	<i>Geotechnical/Environmental Engineering</i>	20,000	2,500	1.59
	<i>Survey</i>	0	0	0.00
	<i>Misc. Design Consultants</i>	25,000	3,125	1.99
	<i>Structural/Materials Testing</i>	10,000	1,250	0.79
	Permitting	\$ -	\$ -	\$ -
	Legal	\$ 15,000.00	\$ 1,875	\$ 1.19
	<i>Legal - General expenses, permitting, misc.</i>	10,000	1,250	0.79
	<i>Bond Financing Fees /costs</i>	0	0	0.00
	<i>Title Insurance/Fees</i>	5,000	625	0.40
	Marketing and Leasing	\$ 12,500.00	\$ 1,563	\$ 0.99
	<i>Advertising, misc.</i>	5,000	625	0.40
	<i>Public Relations & Special Events</i>	5,000	625	0.40
	<i>Affordable units processing costs</i>	2,500	313	0.20
	<i>Model Unit</i>	0	0	0.00
	Miscellaneous	\$ 60,000	\$ 7,500	\$ 4.77
	<i>Project management overhead</i>	50,000	6,250	3.97
	<i>FF&E (site benches, signage, etc.)</i>	0	0	0.00
	<i>Neighborhood Mitigation (playground)</i>	0	0	0.00
	<i>Real Estate Taxes During Construction</i>	0	0	0.00
	<i>Builder's Risk Insurance</i>	10,000	1,250	0.79
	Sub-Total Soft Costs	\$ 310,750.00	\$ 38,844	\$ 24.69
	Soft Cost Contingency	\$ 18,928.84	\$ 2,366	\$ 1.50
Total Soft Costs		\$ 329,678.84	\$ 41,209.85	\$ 26.19
City of Newton Staff Time		\$ 136,621.00	\$ 17,077.63	\$ 10.85
FINANCING COSTS				
	Bond financing costs (MHFA Program 2.5% of bond amount)	\$ 50,000.00	\$ 6,250	\$ 3.97
	Operating Deficit- Lease Up	\$ 10,000.00	\$ 1,250	\$ 0.79
	Contruaction Period Interest (4.5% @ 50% outstanding balance, interest only)	\$ 42,750.00	\$ 5,344	\$ 3.40
	Interest Reserve	\$ -	\$ -	\$ -
Total Financing Costs		\$ 102,750.00	\$ 12,844	\$ 8.16
TOTAL DEVELOPMENT COST*		\$ 3,652,579	\$ 456,572	\$ 290.16

* City of Newton is committed to meeting budget shortfalls in the project; total estimated development cost is approximately \$3,400,000 when City of Newton staff time is accounted for through department budgets and financing costs are not included in the project

**70 CRESCENT STREET, NEWTON MA
OPERATING BUDGET SUMMARY**

12/12/2016											
		Year 1 - Untrended	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
INCOME											
	Apartment Rental Income- Market Rate (3%	\$ 154,590	\$ 159,228	\$ 164,005	\$ 168,925	\$ 173,992	\$ 179,212	\$ 184,589	\$ 190,126	\$ 195,830	\$ 201,705
	Apartment Rental Income-Affordable (1.5%	\$ 66,954	\$ 67,958	\$ 68,978	\$ 70,012	\$ 71,063	\$ 72,128	\$ 73,210	\$ 74,309	\$ 75,423	\$ 76,555
	Misc. Income	\$ -	\$ -	\$ -	\$ -						
	Total Income	\$ 221,544	\$ 227,186	\$ 232,982	\$ 238,937	\$ 245,055	\$ 251,341	\$ 257,799	\$ 264,435	\$ 271,253	\$ 278,259
	Less Affordable Unit Vacancy 3.0%	\$ (2,009)	\$ (2,039)	\$ (2,069)	\$ (2,100)	\$ (2,132)	\$ (2,164)	\$ (2,196)	\$ (2,229)	\$ (2,263)	\$ (2,297)
	Less Market Rate Vacancy 5.0%	\$ (7,730)	\$ (7,961)	\$ (8,200)	\$ (8,446)	\$ (8,700)	\$ (8,961)	\$ (9,229)	\$ (9,506)	\$ (9,791)	\$ (10,085)
	Effective Gross Income	\$ 211,806	\$ 217,186	\$ 222,713	\$ 228,390	\$ 234,223	\$ 240,216	\$ 246,373	\$ 252,699	\$ 259,199	\$ 265,878
EXPENSES	<i>3% annual increase</i>										
	Personnel	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
	Rental Expense	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
	Advertising	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
	Administrative	\$ 5,000	\$ 5,150	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796	\$ 5,970	\$ 6,149	\$ 6,334	\$ 6,524
	Cleaning	\$ 7,500	\$ 7,725	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695	\$ 8,955	\$ 9,224	\$ 9,501	\$ 9,786
	Turnover	\$ 4,000		\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
	Utility Expense	\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956	\$ 7,164	\$ 7,379	\$ 7,601	\$ 7,829
	Repairs & Maintenance	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
	Contract Services	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941	\$ 12,299	\$ 12,668	\$ 13,048
	Professional Fees	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610
	Property Insurance	\$ 4,000	\$ 4,120	\$ 4,244	\$ 4,371	\$ 4,502	\$ 4,637	\$ 4,776	\$ 4,919	\$ 5,067	\$ 5,219
	Real Estate Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Operating Expenses	\$ 62,500	\$ 60,255	\$ 66,306	\$ 68,295	\$ 70,344	\$ 72,455	\$ 74,628	\$ 76,867	\$ 79,173	\$ 81,548
	Capital Reserve	\$ 2,000	\$ 2,060	\$ 2,122	\$ 2,185	\$ 2,251	\$ 2,319	\$ 2,388	\$ 2,460	\$ 2,534	\$ 2,610
	NET OPERATING INCOME	\$ 147,306	\$ 154,871	\$ 154,285	\$ 157,910	\$ 161,628	\$ 165,443	\$ 169,357	\$ 173,372	\$ 177,492	\$ 181,720
	Debt Service	\$ 121,322	\$ 121,322	\$ 121,322	\$ 121,322	\$ 121,322	\$ 121,322	\$ 121,322	\$ 121,322	\$ 121,322	\$ 121,322
	NET CASH FLOW	\$ 25,984	\$ 33,549	\$ 32,963	\$ 36,588	\$ 40,306	\$ 44,121	\$ 48,035	\$ 52,050	\$ 56,170	\$ 60,398
	RETURN ON COST	4.03%	4.24%	4.22%	4.32%	4.43%	4.53%	4.64%	4.75%	4.86%	4.98%