

To: Lara Kritzer, Community Preservation Program Manager
From: Jennifer Van Campen, Executive Director Metro West Collaborative Dev.
Re: 236 Auburn Street, Final Report to Newton CPC
Date: June 29, 2020

The 236 Auburn Street project created eight affordable housing units: the Historic House (1 unit), the Duplex (2 units) and the Congregate House (5 units). This was accomplished through the renovation of the historic house located at 236 Auburn Street and the addition of two “modular” structures in the rear. The project was permitted under Chapter 40B. Financing sources included the City of Newton HOME and CDBG Programs, Historic and Affordable Housing CPA funds, Commonwealth of Massachusetts Facilities Consolidation Funds and sale proceeds of the Congregate House to the Barry Price Center.

The project was extremely complex and complexity often brings with it delays. As a result, the project took longer than projected and accrued additional construction management cost, construction loan interest cost in addition to typical project change orders. The property was purchased in December 2016 and a Final Certificate of Occupancy was issued in June 2020.

The Partners – the project involved three non-profit organizations: CAN-DO, Metro West Collaborative Development and the Price Center. The project involved the City of Newton, the State of Massachusetts and the Village Bank as lenders. “Closing” calls involved 6-10 lawyers weekly for several months while we tried to execute the sale to the Price Center.

The Permitting – a comprehensive permit involves significant compliance and certifications that cause delays.

Condominium Association – the project required the establishment of a Condo Association, which was another set of legal documents that the partners and funders had to all agree to. It also meant there was an initial acquisition and a subsequent sale, increasing transaction costs.

Public procurement – the City of Newton required a public procurement process although it is not required under state or federal law. This caused not only a several month delay but did not result in the selection of a qualified bidder, as a whole fails to introduce value engineering at the beginning of the project when it is most needed (and which is more common place in the affordable housing industry), and sets up a less collegial relationship amongst the parties.

Modular Construction – did not save money or time. This is likely due to the fact that the design was not “standard” product and the items delivered had many defects.

Overall, the conceptual budget was off by about \$475,000 or 13%. The final as-built budget was \$617,500 off or 15% higher than the conceptual budget. The majority of the cost increases were with the Congregate House. The TDC was \$521,647 per unit (8 units) or \$321,014 per bedroom (13 bedrooms).