

West Newton Armory JAPG
Notes from October 19, 2020 Meeting
Zoom Meeting
7:00 – 9:00 p.m.
FINAL

In attendance:

JAPG: Ted Hess-Mahan, Sue Parsons, Mitch Fischman, Larry Bauer, David Koven, Barry Abramson. Jonathan Katz, Anita Lichtblau, and Kelly Brown

Newton Planning Department: Amanda Berman, Director of Housing and Community Development, Eamon Bencivengo, Housing Development Planner, Barney Heath, Director of Planning,

Affirmative Investments (AI) Consultant Team: David Ennis, Adam Goldstein, Tara Mizrahi, and Michael Kaufman, Project Architect

Others: Ward 3 Councilor-at-large Wright, Newton Fair Housing Committee Vice Chair Kathy Laufer, and Members of the General Public.

1. Minutes of Previous Meeting (10/14/2020)

Unanimously approved by roll call without reading or comment. Several JAPG members complimented Barry on the organization and thoroughness of his meeting summary.

1. AI Consultant Team Presentation: AI described in detail its West Newton Feasibility Analysis

David Ennis (DE) and Michael Kaufman (MK) presented four scenarios for development of the West Newton Armory into fully affordable housing. The scenarios laid out the architectural and building changes that each option would require, along with the numbers of units built, the cost per unit, the populations that would be accommodated, and the financing that may be available. The potential funding sources include local, state and federal sources, and depending on the scenario selected, the possibility of the use of historic tax credits.

It should be noted that AI presented an updated matrix and financials, slightly different from what the JAPG had received with their meeting agenda earlier. The updated matrix was emailed to the JAPG shortly after the 10/19 meeting. Brief descriptions of the building scenarios and their challenges follow, along with AI's recommendations of which scenarios may meet the State's and the City's goals for fully affordable housing within a reasonable per unit cost.

Scenario 1: Uses the existing historic Armory building to qualify for historic tax credits. Would accommodate seniors & special needs residents, 33 one-bedroom units at cost of \$586,252. Parking spaces in basement for 27 cars. Scenario 1A also uses the existing historic Armory building, has the same number of units and per unit cost, but does not seek historic tax credits.

Scenario 2: Retains the Armory head house and demolishes the drill shed for a mix of some preservation and some new construction. Would accommodate seniors and special needs residents in 53 one-bedroom units on four floors, at per unit cost of \$438,532. Since none of the 30 parking spaces are constructed below, with all on grade, expenses are less. Historic tax credits are not available.

Scenario 3: Accommodates families in a mix of one-, two- and three-bedroom units. Total number of units is 46 with a per unit cost of \$628,178 on five floors. The Armory head house is retained and the drill shed is demolished. Parking for 57 vehicles both on grade and below.

Historic tax credits are not available. Affirmative Investments to conduct further analysis on this scenario.

Scenario 4: Full demolition with all new construction for a mix of 46 one-, two- and three-bedroom units on four floors, accommodating families. Per unit cost is \$601,066, with parking for 48 vehicles both above and below grade. Historic tax credits are not available. The new building comes out to Washington St. using existing zoning. Three stories front Washington St., with four at the rear.

AI's assessment of feasibility of these scenarios

- Achieving historic tax credits here would be challenging.
- Scenario 1 builds good homes, but the lowest number of units. 1A doesn't work as it yields a \$4.6 million shortfall. Feasible if, as in Natick and Plymouth, a for-profit developer were building market-rate units.
- Scenario 2 has a good variety of types of units with greater square footage to accommodate a variety of needs. AI thinks this scenario works well and comes in below the \$500,000 state cap. Parking is only outside the building with none in the basement.
- Scenario 3 has even more square footage than Scenario 2. The State gives same subsidy amount no matter size of units. Challenges include a funding gap of \$1.6 million and possibly less parking than needed. AI will reconsider this version with possibility of shrinking size of some units and finding more parking on the first level.
- Scenario 4, the full demolition, would probably be favored, but it's expensive. State doesn't usually give subsidy for projects over \$500,000 per unit. Sometimes they'll bend. The City subsidy is usually \$90,000 per unit, but sometimes will go higher.
- In final analysis, two scenarios could work well, two need work, but one of those is quite challenging if we use the entire existing historic building.
- Mandate: Is this doable? AI points out that if the City had to acquire the land, rather than buying it for \$1, the cost per unit could be as much as \$700,000. The \$1 price tag for the land means developers will be interested in building.

JAPG Discussion of Scenarios

- The JAPG asked clarifying questions on cost, parking and set-backs, likelihood of developer interest, along with additional comments.
 - Should the City wish to develop affordable housing at another site where the land needed to be purchased, would the per unit cost be closer to \$650 to \$700,000 per unit?
 - Parking needs should include use by not only residents, but visitors and service providers, in the case of seniors, veterans, etc.
 - A question on whether the project would be "zoning compliant" with appropriate setbacks, height, etc. Could it be a 40 B-friendly project?
 - JAPG asked AI who might be interested in bidding on this project; would there be interest? AI: we get more sophisticated developers depending on the size of the project and if City clarifies the type of housing we're looking for. The free land makes it attractive, not just for nonprofit developers. Already had inquiries from developer of Natick Armory and the Caritas Community.
 - JAPG discussed the potential affordable housing funding sources that were identified in AI's matrix, and went over their processes and timeframes. The Planning Dept. offered information on availability of 3 sources of Newton funding. This project would have access to both CDGB funds and HOME funds. CPA funds offer approximately \$3.5 million/yr total for affordable housing.

- On potential State affordable housing funding, AI offered these observations: funding is competitive and challenges increase if one applies for historic tax credits. (Note: this is not available for four of the five scenarios being considered here)
 - However, the State is increasing its support for affordable housing with a new bond bill. And, of course, offering the Armory site for \$1 for all affordable housing is a sign of that support.
 - The deeper the affordability of the units, more interest from the state in offering funding. Other factors State considers: need “quality developers;” need to have made it through the City’s permitting process, and if it’s a 40 B, to have completed that process.
 - On the timeframe, the State holds one and a half funding rounds a year with a big round in January and a mini version in Aug/Sept. With quality projects, it usually takes 1 1/2 to 2 1/2 rounds to receive a funding award.
- Considerations of senior housing, special needs (incl veterans) and family housing
 - With family housing, Scenario 4 maxes out at 46 units for State support. Planning Dept. asks AI if we apply for State resources, would we have a competitive proposal with the lower number of units in some of these scenarios? AI says State wants to see “more production.”
 - Planning Dept. reminds us that we want to keep our RFP flexible, so developers can propose what they think would make the best project on this site with this building. There are still many steps to prioritizing the number of units, the deepest level of affordably possible, etc.
 - JAPG member points out that for “the best process and one more attractive to the developer,” it is important that the City identify its priorities clearly in the RFP.
 - Needs of a family housing site: JAPG points out the importance of open space for family housing, and the challenges with the current parking proposals. Putting more of the parking underground raises the costs, while parking on the open grade takes away open space.
- JAPG discussed with the Planning Dept. the options for AI’s work in phase 2; for example, contributing to crafting the RFP, or working with the City on the historic process, if we pursue that.
- JAPG discussed the potential use of the Castle head house for “supportive services,” which are an allowed use for the Armory with affordable housing. While the size of the head house may be larger than supportive services need, members pointed out that along with office(s) for a coordinator, onsite health care services are newly permitted, and consideration should be given to a fitness center, a community room, etc.
- JAPG discussed AI’s and the JAPG’s remaining steps since the JAPG is close to completing its report to the City Council’s Real Property Reuse Committee. Chair Ted Hess-Mahan related that the mission of the JAPG is to determine if, from our work, we believe the Armory is a feasible project to create fully affordable housing, and therefore, the City should continue to pursue that goal.
- The JAPG Chair asked AI to review where they are with the scenarios they’ve presented and which scenarios they planned to pursue after this feedback. AI responded that they will turnaround revised numbers for each scenario along with physical plans (the JAPG has since received those).
- The JAPG requested that AI provide more detailed narratives on each of the four scenarios

- The JAPG plans to reconsider AI's narratives of each scenarios along with their revised project costs, unit measurements, parking numbers and outside amenities, etc.
- Next, AI meets with the Newton Historical Commission Oct 22 on the project. At this point, AI thinks that Scenario 2 and Scenario 3 are the best to pursue.
 - Scenario 2: 53 one-bedroom units for special needs (includes Veterans) and seniors
 - Scenario 3: 46 one-, two- and three bedroom units for family housing
- When asked if under these scenarios, AI thought the Armory "was feasible for affordable housing," AI responded, "absolutely, it's a great opportunity."
- Members of the JAPG comment that if a "larger development" is pushed for, they are not sure how the neighborhood will react. Height is also a consideration for some neighbors.
 - JAPG Chair pointed out that the JAPG is not recommending nor deciding what the final project will be. There will be a public process involving the City Council, the City staff and the public. Meetings with groups like the Newton Housing Partnership will take place, and public hearings will be held which include abutters to inform the broader Newton community and to consider public input.
- The JAPG also reviewed the following outcome as the City weighs the potential purchase of the Armory for affordable housing, and the JAPG considers its recommendations on the purchase and use of the Armory:
 - Not only is the acquisition minimal at \$1, but there is a reverter provision. If the City moves forward with purchasing the Armory and then determines its development into affordable housing is not feasible, then the Armory will revert back to the State.

Public Comments

One member of the public had questions and comments.

- One was on whether the Newton Housing Partnership and the Fair Housing Committee would be involved in the process. Response was that they will be, and in fact the NHP Chair has met and presented to the JAPG.
- Another was on a 40 B designation: no decision has been made; that comes from the developer.
- Finally, concern was expressed about focusing on the property first, rather than "who are the people" this will be developed to house. This member voiced concern about looking both inside and outside the City to see who most needs to be served. They feel that with much senior housing coming online, Newton needs a focus on families and low-income families especially.

Next Step: The Planning Department will meet with AI and determine whether AI can meet with the JAPG one additional time as we wrap our work on the JAPG report and recommendation to the City. The next JAPG meeting will be Wed., Oct 28, 7 to 9 pm via Zoom

The JAPG thanked AI for their good presentation.

Meeting adjourned.

Submitted by Sue Parsons

