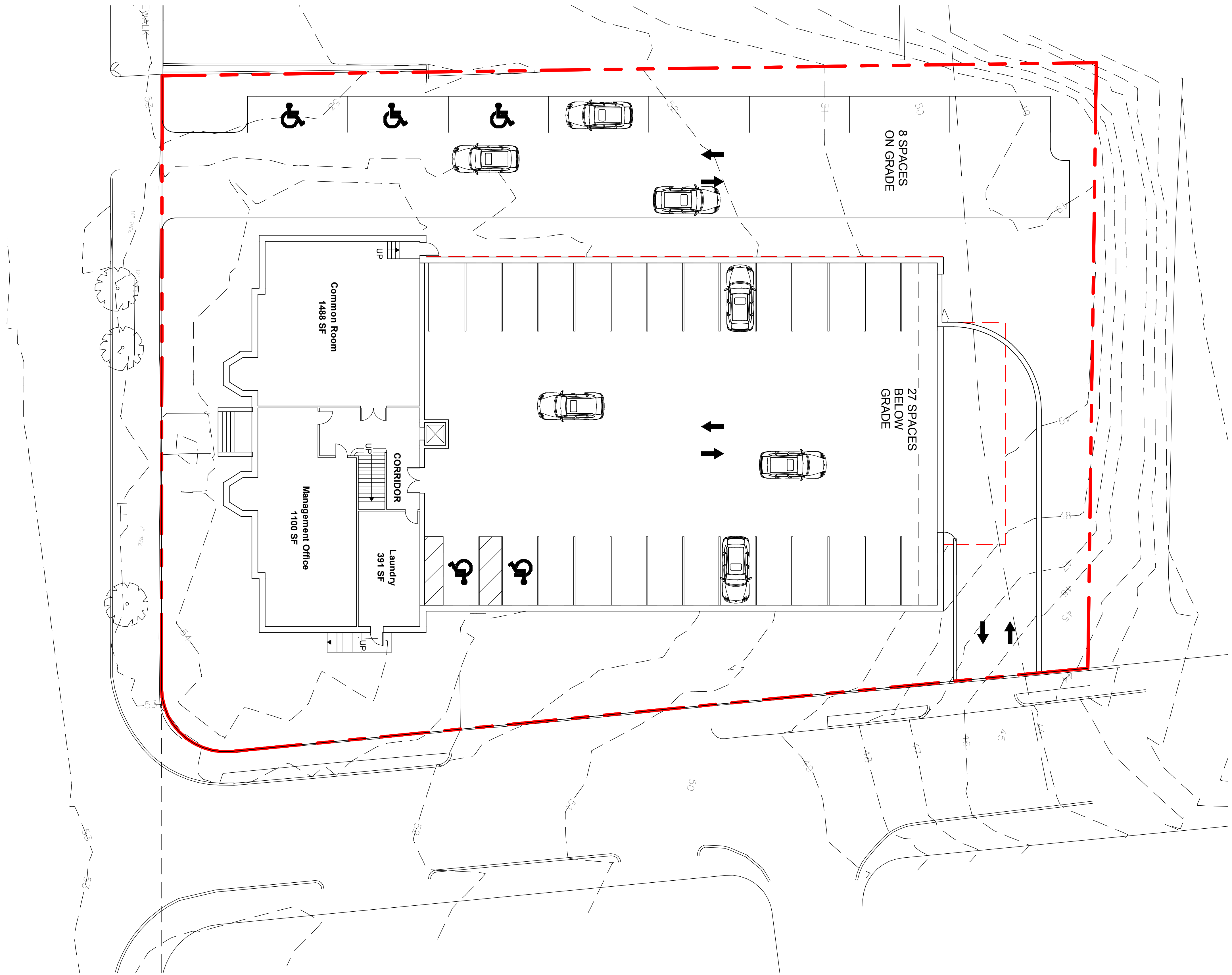
WEST NEWTON ARMORY
REDEVELOPMENT

10/19/2020

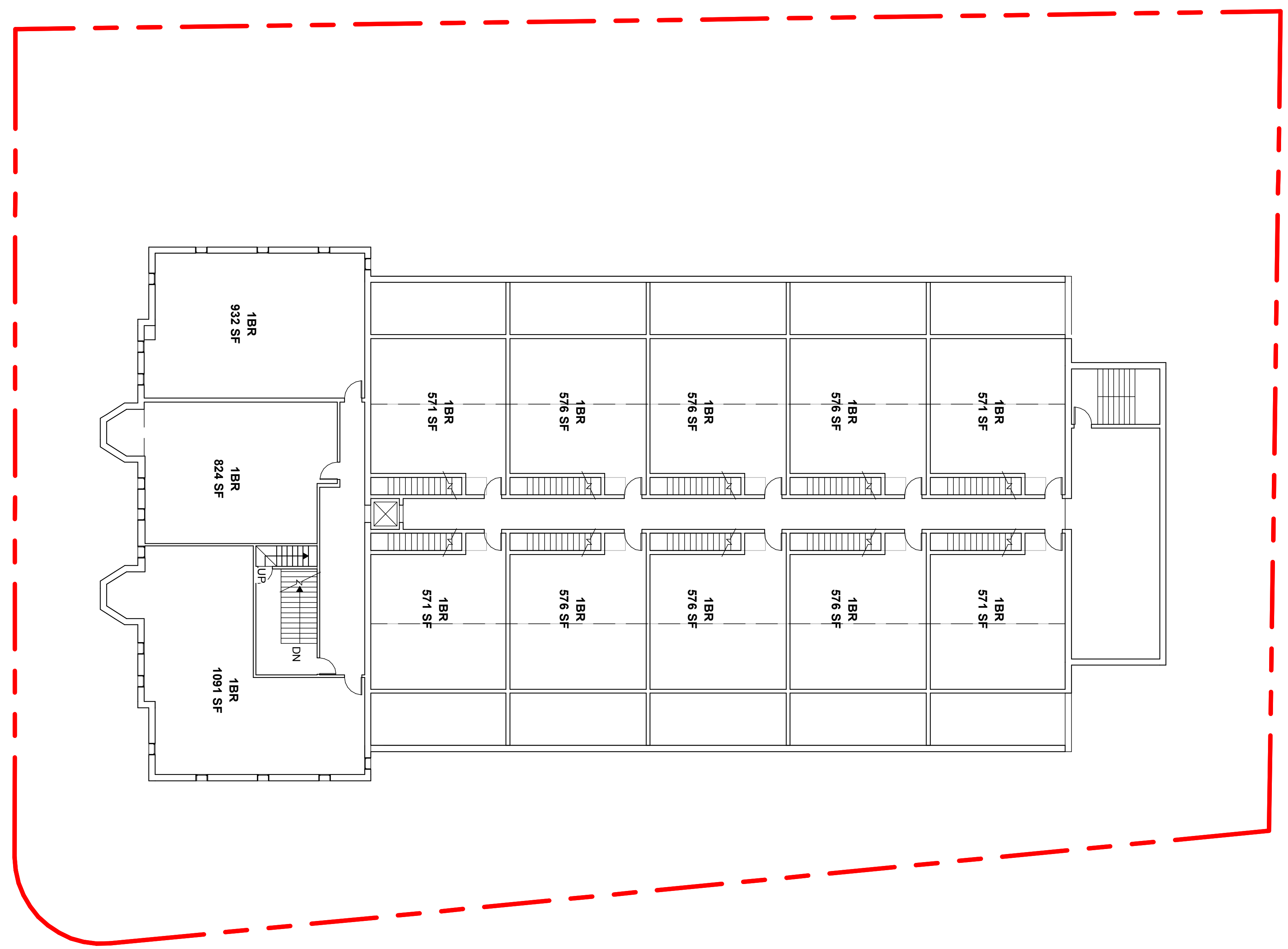
SCENARIO 1



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

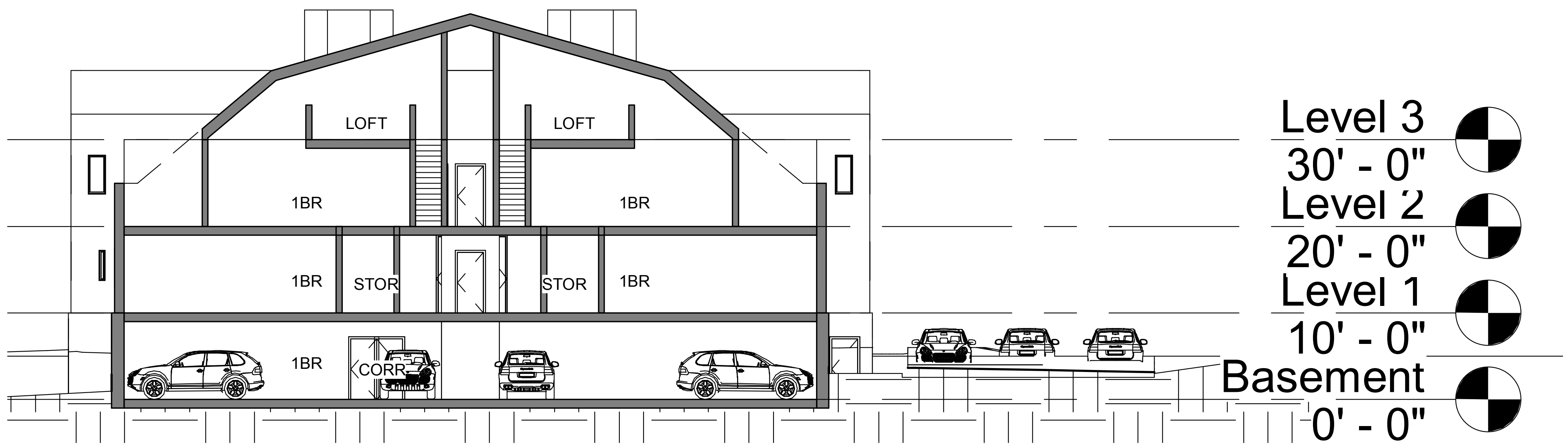
SCHEME C- EXISTING BUILDING - ALL 1BR
BASEMENT PLAN

DHK



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

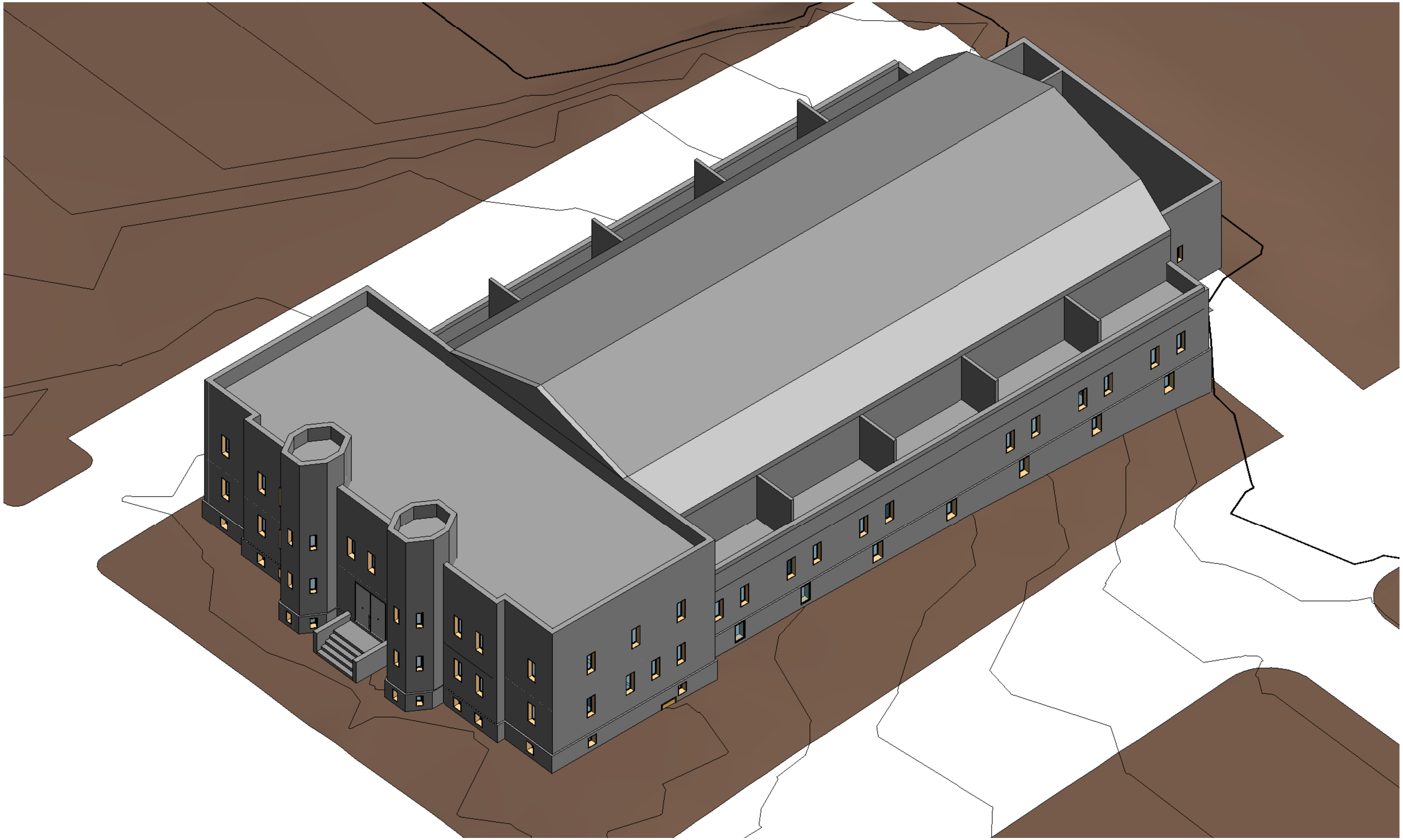
SCHEME C- EXISTING BUILDING - ALL 1BR
TYPICAL FLOOR PLAN



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME C- EXISTING BUILDING - ALL 1BR
SECTION

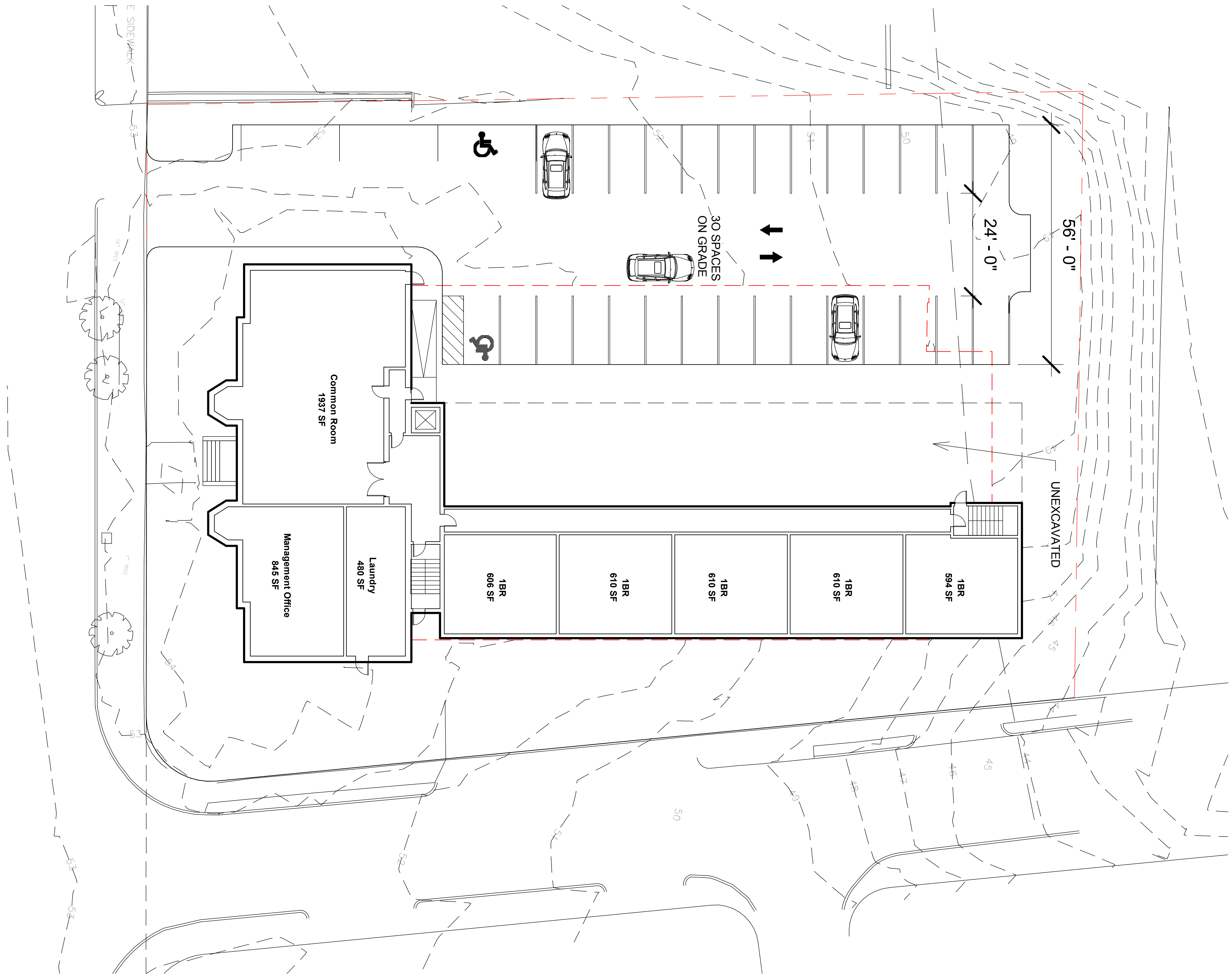
DHK



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

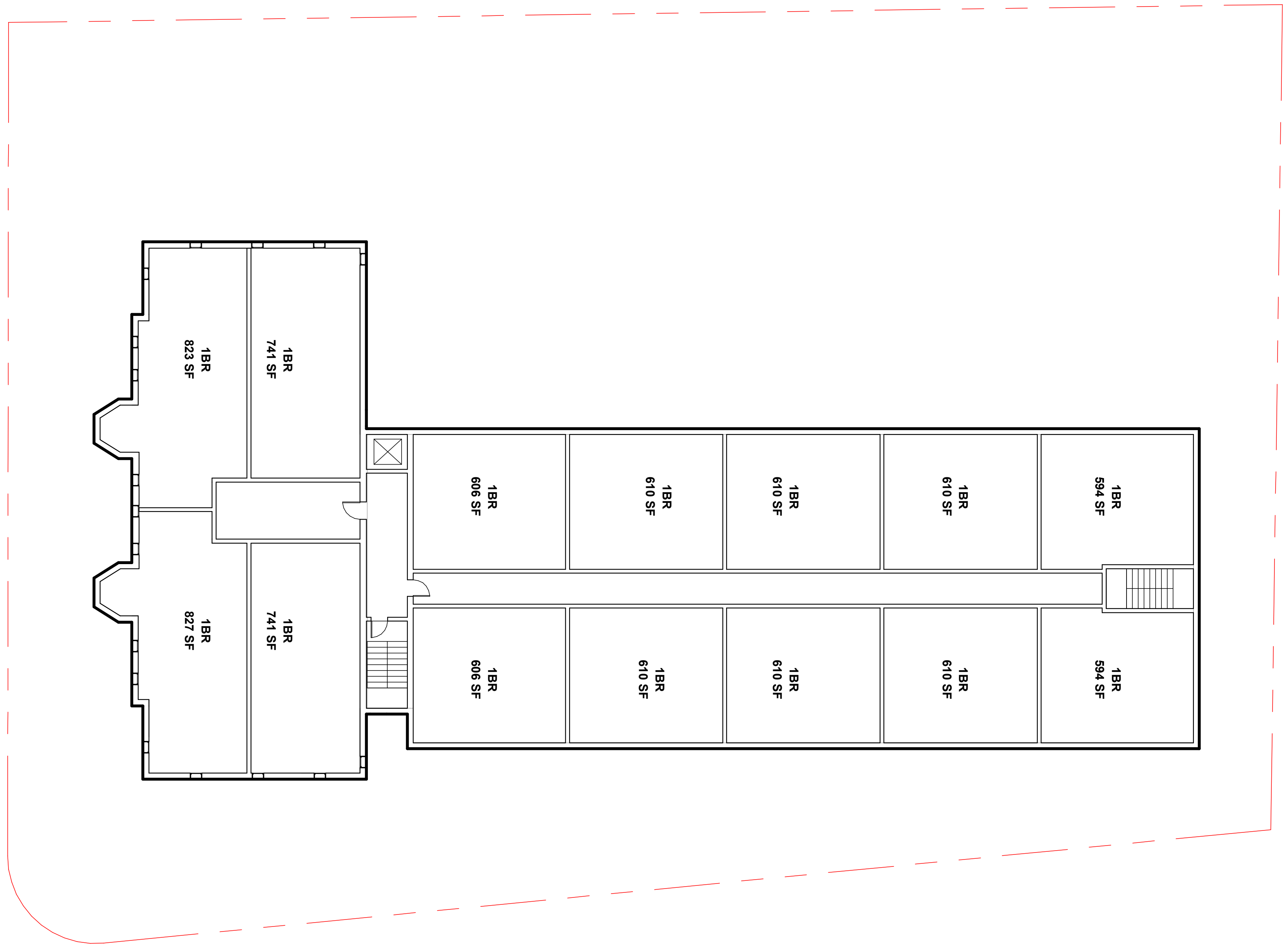
SCHEME C- EXISTING BUILDING - ALL 1BR
VIEWS

SCENARIO 2



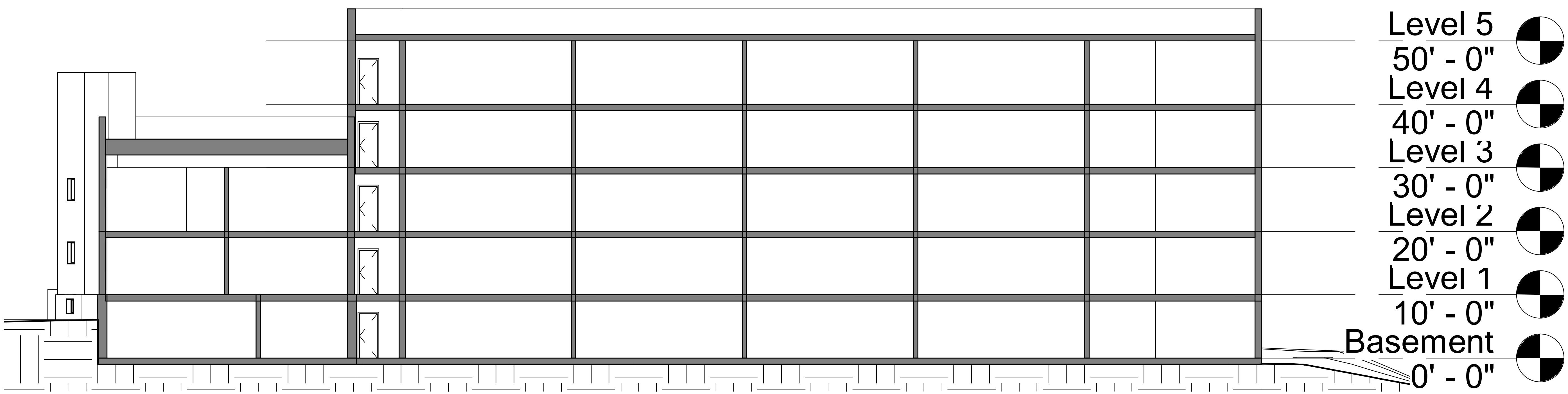
WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME B - ALL 1BR WITH NEW ADDITION
BASEMENT PLAN



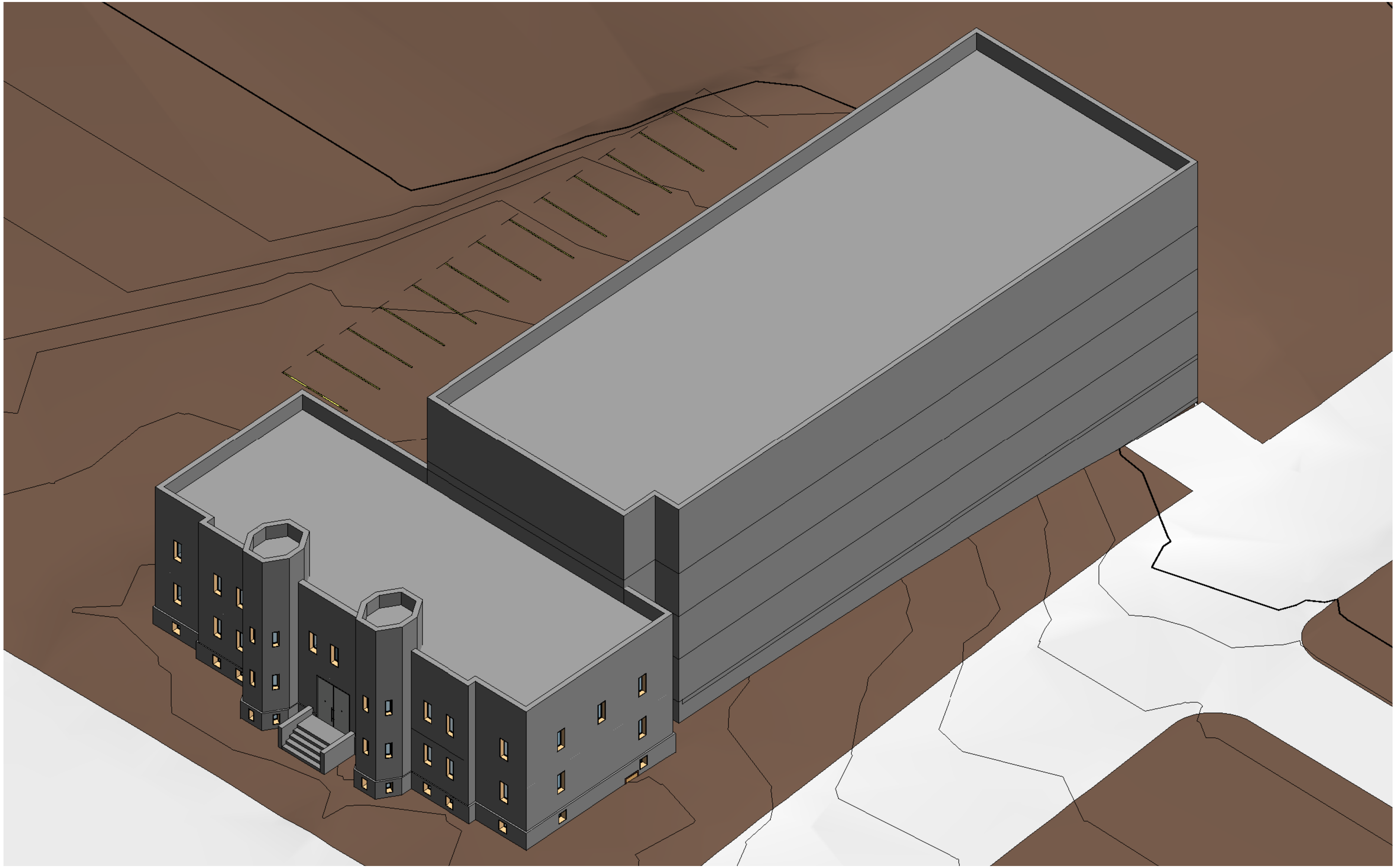
WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME B - ALL 1BR WITH NEW ADDITION
TYPICAL FLOOR PLAN



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

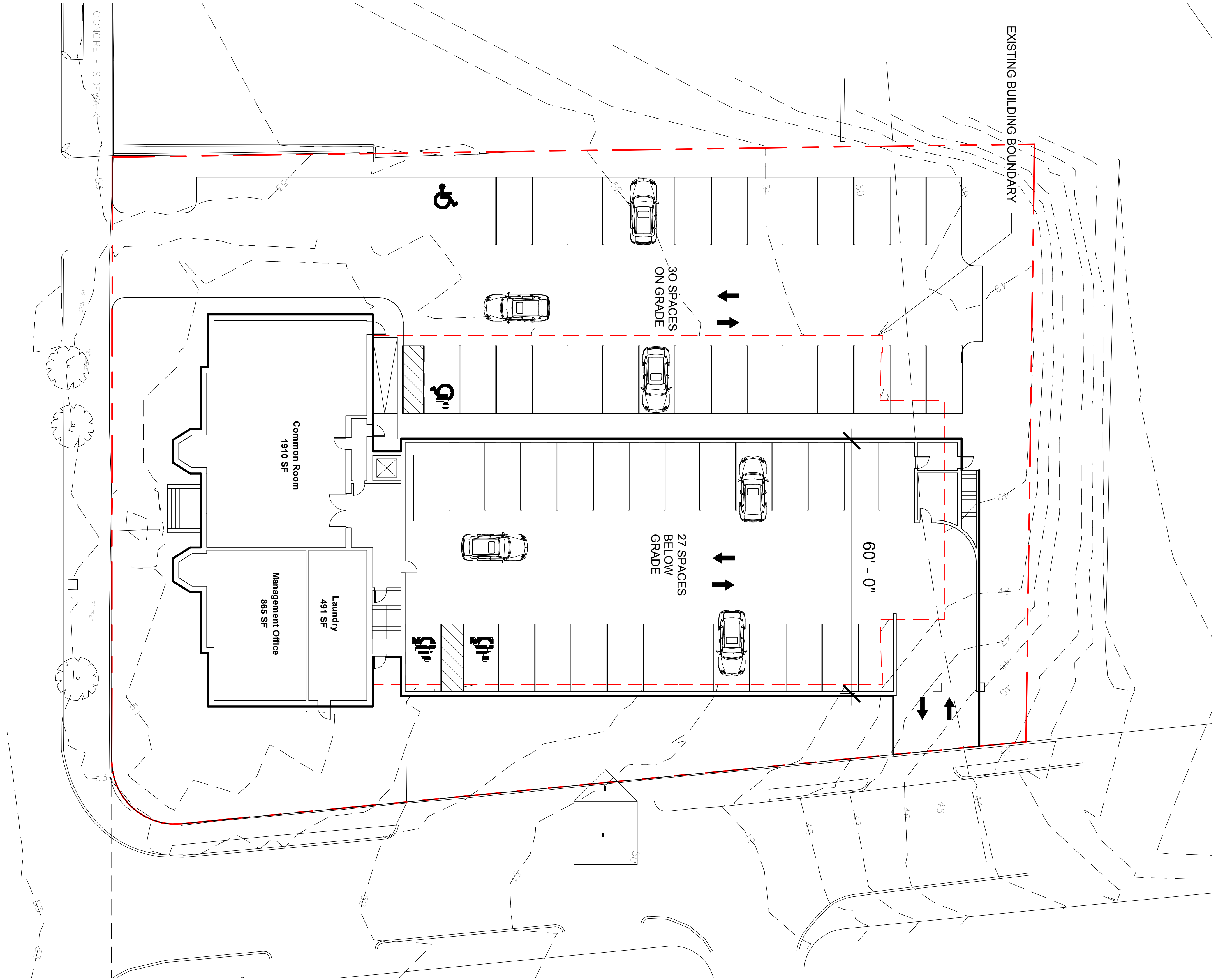
SCHEME B - ALL 1BR WITH NEW ADDITION
SECTION



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME B - ALL 1BR WITH NEW ADDITION
VIEWS

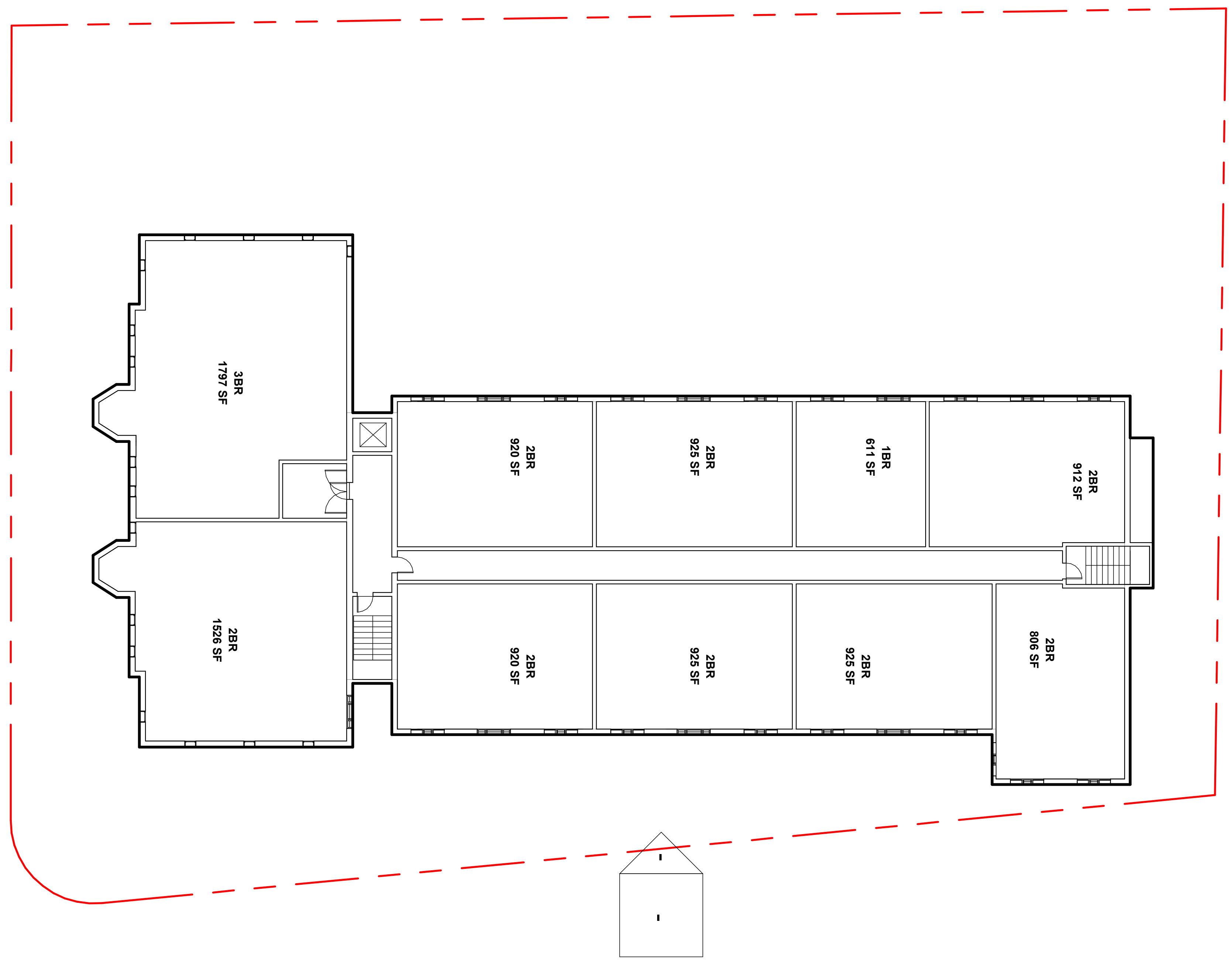
SCENARIO 3



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

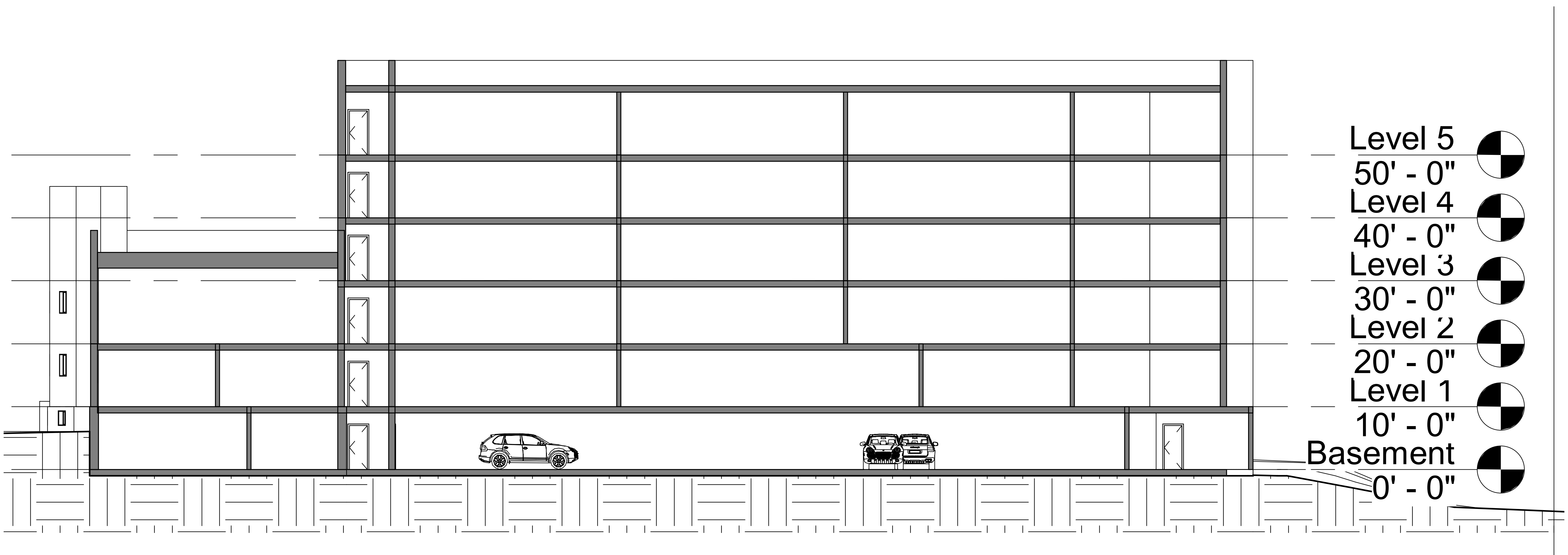
SCHEME A - HYBRID SCHEME
BASEMENT PLAN

DHK



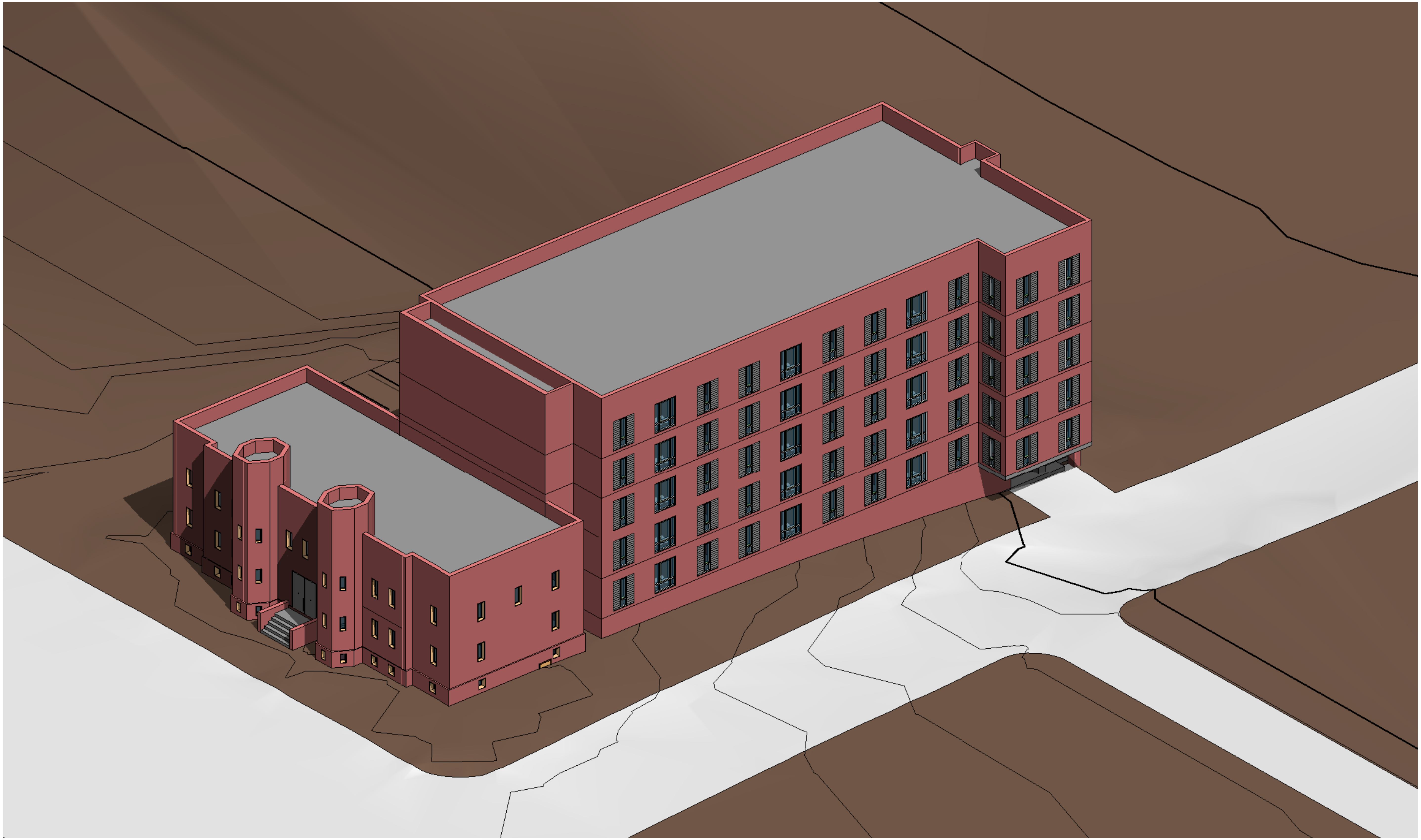
WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME A - HYBRID SCHEME
TYPICAL FLOOR PLAN



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

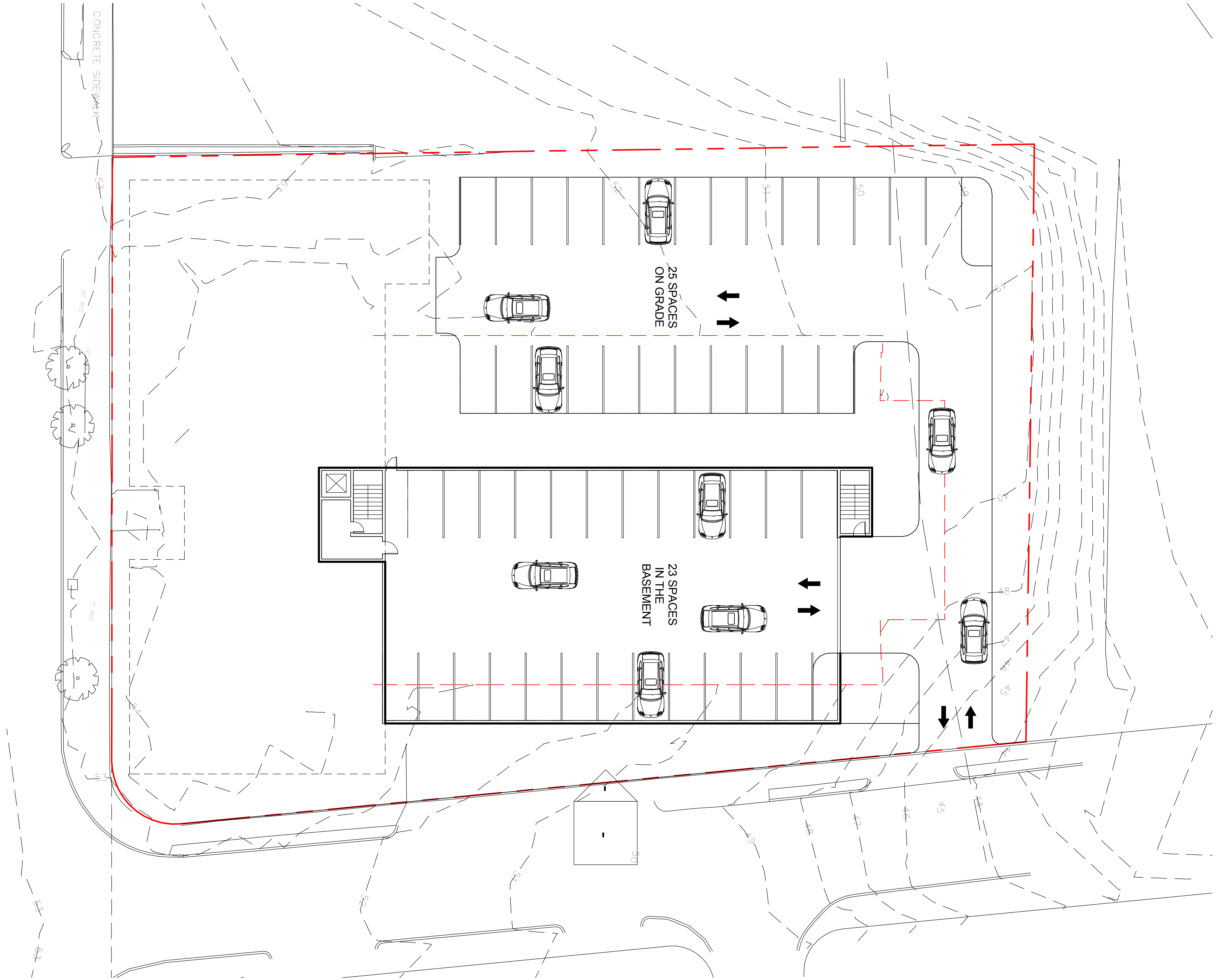
SCHEME A - HYBRID SCHEME
SECTION



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME A - HYBRID SCHEME
VIEWS

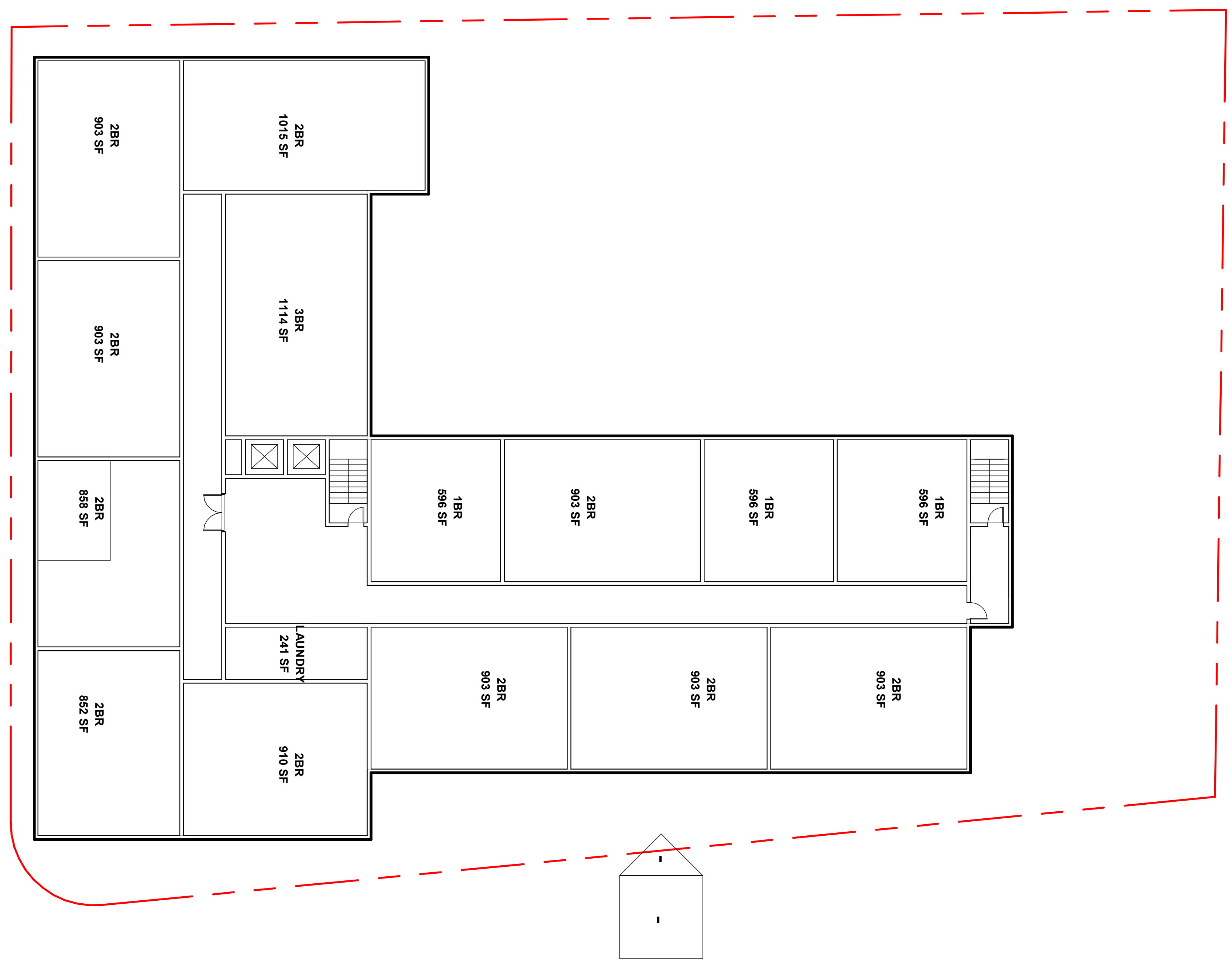
SCENARIO 4



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

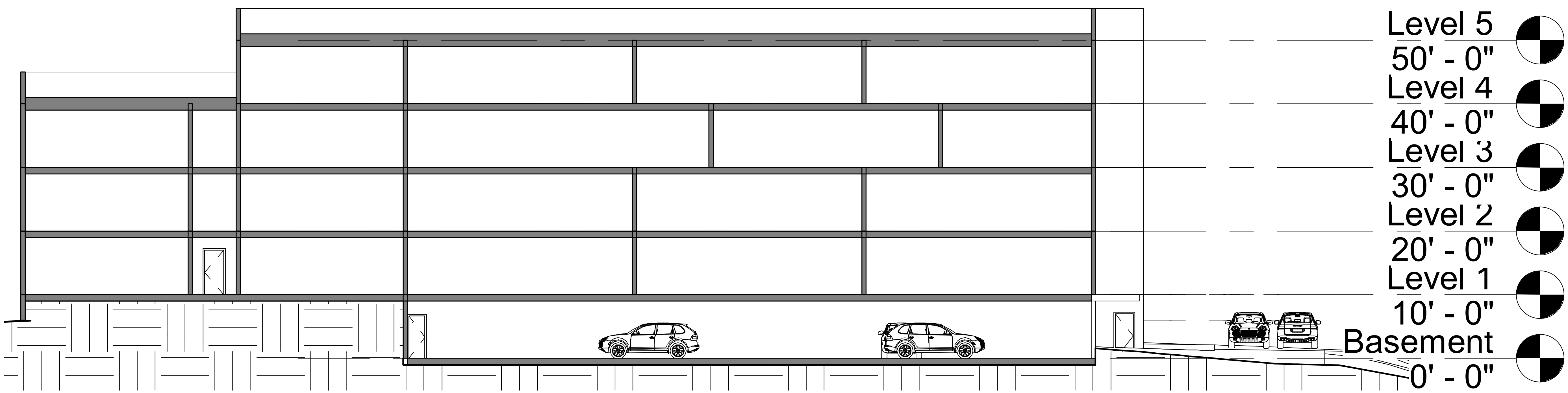
SCHEME D- ALL NEW MIX
BASEMENT PLAN

DHK



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME D- ALL NEW MIX
TYPICAL FLOOR PLAN



WEST NEWTON ARMORY,

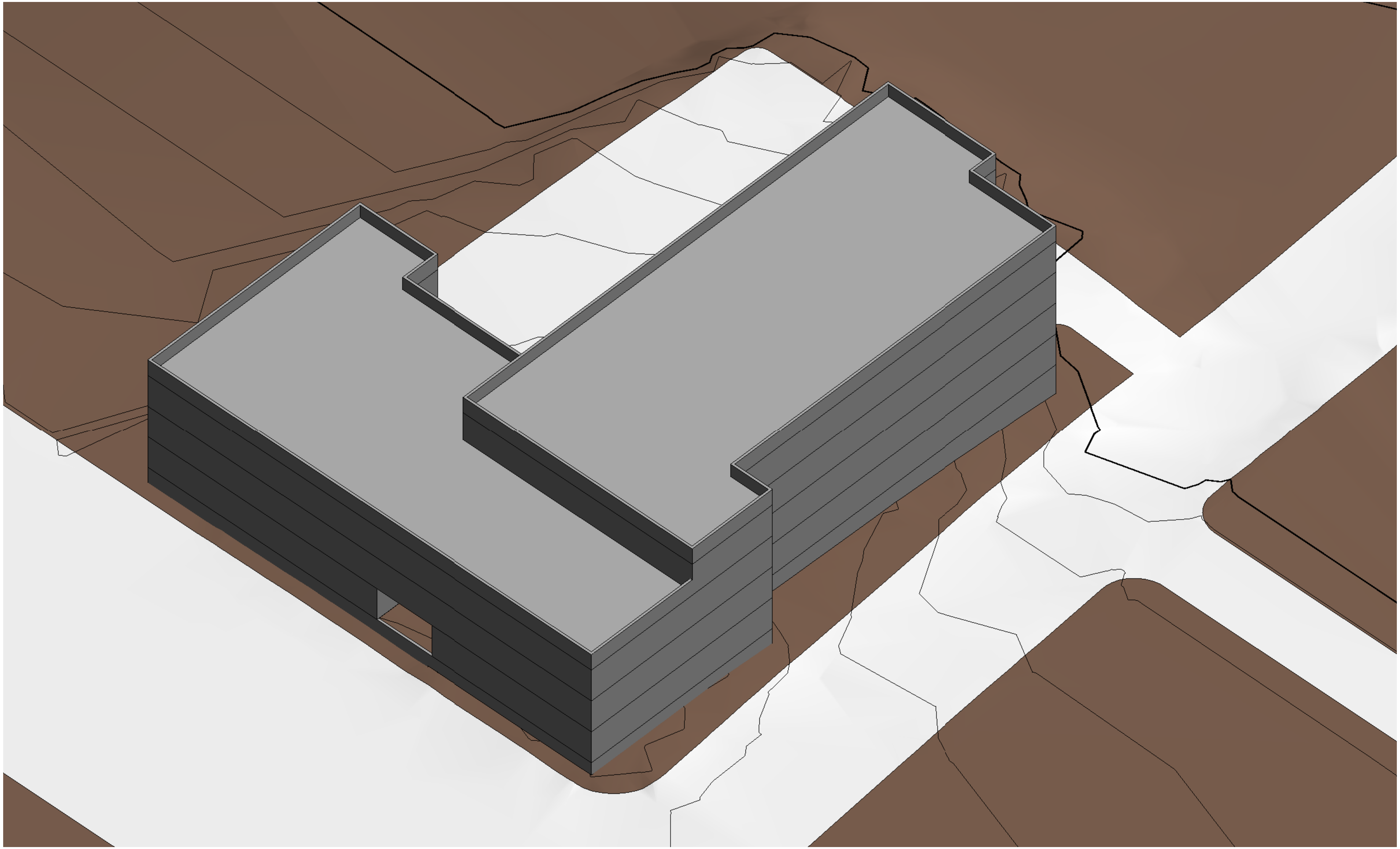
1137 WASHINGTON STREET, NEWTON, MA

10/19/2020 DHK ARCHITECTS, INC

SCHEME D- ALL NEW MIX

SECTION

DHK



WEST NEWTON ARMORY,
1137 WASHINGTON STREET, NEWTON, MA
10/19/2020 DHK ARCHITECTS, INC

SCHEME D- ALL NEW MIX
VIEWS

West Newton Armory - Feasability Analysis 10/19/20

	Scenario 1	Scenario 1A	Scenario 2	Scenario 3	Scenario 4
	Use existing building Use historic tax credits	Use base of historic build No tax credits	Keep head, demolish field Mixed - preservation/new const.	Keep head, demolish field Mixed - preservation/new const.	Full demolition New construction
Number of units	33	33	53	46	46
Type of units	Senior/Special Needs	Senior/Special Needs	Senior/Special Needs	Family	Family
Cost per unit	$ 586,252	$ 586,252	$ 438,532	$ 628,178	$ 601,066
(Gap)/Surplus	$ (0)	$ (4,623,424)	$ 0	$ (1,599,313)	$ (0)
Newton funding/unit	$ 90,000	$ 90,000	$ 90,000	$ 90,000	$ 90,000
DHCD funding/unit	$ 79,669	$ 79,669	$ 59,088	$ 100,000	$ 100,000
Construction cost per square foot	$ 425	$ 425	400/350	400/350	$ 350
Square footage	36,753	36,753	46,996	64,250	55,490
Parking: Surface/Garage Total	8/27 35	8/27 35	30/0 30	30/27 57	25/23 48
Parking Ratio	1.06	1.06	0.57	1.24	1.04
First mortgage/unit	$ 73,979	$ 73,979	$ 79,632	$ 130,584	$ 135,607
Income mix Very Low Income - 30%	9	9	14	6	6
Tax credit - 60% AMI	24	24	39	40	40

	Scenario 1	Scenario 1A	Scenario 2	Scenario 3	Scenario 4
Hard Costs	$ 15,431,363		$ 18,095,808	$ 22,998,243	$ 21,883,245
Soft Costs	$ 1,528,541		$ 1,807,009	$ 2,146,838	$ 2,015,383
Finance	$ 482,177		$ 622,100	$ 639,092	$ 611,519
Developer Fees/Reserves	$ 1,904,249		$ 2,717,268	$ 3,111,999	$ 3,138,884
Total Development Costs	$ 19,346,330		$ 23,242,184	$ 28,896,171	$ 27,649,031

	Scenario 1	Scenario 1A	Scenario 2	Scenario 3	Scenario 4
Newton CPA	1,770,000		3,570,000	2,940,000	2,940,000
Newton CDBG	800,000		800,000	800,000	800,000
Newton HOME	400,000		400,000	400,000	400,000
DHCD Soft	2,629,085		3,131,669	4,600,000	4,600,000
Bank Financing	2,441,321		4,220,515	6,006,858	6,237,913
LIHTC Equity	6,682,500		9,000,000	9,000,000	9,000,000
State LIHTC	-		2,120,000	2,800,000	2,800,000
Historic Equity - Federal	3,348,949		-	-	-
Historic Equity - State	1,274,475		-	-	-
Developer Equity	-		-	750,000	871,118
Total Development Sources	19,346,330		23,242,184	27,296,858	27,649,031

	Scenario 1	Scenario 1A	Scenario 2	Scenario 3	Scenario 4
Considerations:	Historic Cost per unit Accessing state credits Achieving consensus		Historic Achieving consensus	Historic Achieving consensus Cost per unit	Historic Achieving consensus Cost per unit
Feasible	????	Not feasible	Feasible	????	Feasible

Assumptions

Price per LIHTC	$ 0.90
Price per Federal Historic Tax Credit	$ 0.90
Price per State LIHTC	$ 0.80
Price per State Historic Tax Credit	$ 0.90
Bank Debt Coverage Ratio	1.15
Interest rate on long-term debt	4.25%
Term of Debt	30 years
Vacancy Rates	7.0%
Income trending	2.0%
Expense trending	3.0%
Prevailing Wage Rates	no
MRVP rents	at LIHTC rents
Section 8 rents	at FMR

Scenario 2 Development Budget

Save Headhouse, build new where fieldhouse		
100% LIHTC		Singles
# of units:		53
Cost per unit	$	438,532
Surplus/(Gap)	$	0

Sources of Funds

Newton CPA	$	3,570,000	Total Newton per unit	$	90,000
Newton CDBG	$	800,000			
Newton HOME	$	400,000			
DHCD Soft	$	3,131,669	Total DHCD per unit	$	59,088
Bank Financing	$	4,220,515			
LIHTC Equity	$	9,000,000	Max at $1MM of credits		
State LIHTC	$	2,120,000			
Historic Equity - Federal	$	-			
Historic Equity - State	$	-			
Developer Equity	$	-			
	$	**23,242,184**			

Uses of Funds

Acq							
				sq. feet	$ per sq. ft.		
Hard Costs	Construction- Castle	$	4,463,600	11,159	$	400	
	Construction- New	$	12,542,950	35,837	$	350	
	Remediation	$	15,000	-			
	Contingency	$	1,074,258	10% on historic, 5% on new			
Soft Costs	Arch & Eng.	$	1,191,509	7% of construction			
	Civil Eng.	$	50,000				
	Geotech	$	40,000				
	Env. Consultant	$	10,000				
	Survey	$	18,000				
	Appraisal	$	8,000				
	Market Study	$	7,500				
	DHCD Fees	$	57,000				
	Cost Certification	$	45,000				
	Historic Consultant	$	25,000				
	Legal - RE, incl title/record	$	75,000				
	Insurance	$	75,000				
	FFE	$	40,000				
	Testing/Commissioning/Backcl	$	90,000				
	Owner's Rep	$	75,000				
Finance	Legal - Finance	$	75,000				
	Bank Fees	$	60,000				
	Inspecting Engineer	$	30,000				
	Bank Legal	$	25,000				
	Construction Interest	$	315,000				
	Syndication Fees	$	20,000				
	Soft Cost Contingency	$	97,100				
	Operating Reserve	$	417,268	6 mos. of operating expenses and debt service			
	Lease-up Reserve	$	100,000				
	Developer Overhead	$	1,100,000				
	Developer Fee	$	1,100,000				
		$	23,242,184	$	438,531.78	per unit	
	Surplus/(Gap)	**$**	**0**				

Scenario 2 Operating

Save Headhouse, build new where fieldhouse	
100% LIHTC	Singles
# of units:	53

		MRVP	Section 8
	LIHTC rents		
	30% rents	60% rents	FMR
1Br	$ 719	$ 1,440	$ 1,900
2Br	$ 863	$ 1,728	$ 2,311
3Br	$ 997	$ 1,995	$ 2,880

Debt Capacity with 20% of units at 30% AMI, 10 MRVP vouchers and 4 Section 8 for 30% units

Potential Revenue	# of Units	LIHTC rents	Monthly Revenues	Yearly Revenues
1 bed 30%	10	$ 1,440	$ 14,400	$ 172,800
1 bed 30%-Section 8	4	$ 1,900	$ 7,600	$ 91,200
1 bed 60%	39	$ 1,440	$ 56,160	$ 673,920
2 bed 60%	0	$ -	$ -	$ -
3 bed 30%	0	$ -	$ -	$ -
3 bed 60%	0	$ -	$ -	$ -
	53			$ 937,920
Vacancy			7.00%	$ (65,654)
Net Revenues				$ 872,266
Expenses				
Per Unit per year			$ 11,000	$ 583,000
Net Operating Income				$ 289,266
Serviceable Debt				
Rate				4.25%
Term				30
Debt coverage ratio				1.15
Supportable debt				$ 4,220,515
Annual debt service				$ 251,535
Annual operating expenses				$ 583,000
				834,535

Year	1	2	3	4	5
Revenues	$ 872,266	$ 889,711	$ 907,505	$ 925,655	$ 944,168
Expenses	$ (583,000)	$ (600,490)	$ (618,505)	$ (637,060)	$ (656,172)
NOI	$ 289,266	$ 289,221	$ 289,000	$ 288,595	$ 287,997
Debt Service	$ (251,535)	$ (251,535)	$ (251,535)	$ (251,535)	$ (251,535)
Cash Flow	$ 37,730	$ 37,686	$ 37,465	$ 37,060	$ 36,461
DSCR	$ 1.15	$ 1.15	$ 1.15	$ 1.15	$ 1.14
Year	6	7	8	9	10
Revenues	$ 963,052	$ 982,313	$ 1,001,959	$ 1,021,998	$ 1,042,438
Expenses	$ (675,857)	$ (696,132)	$ (717,016)	$ (738,527)	$ (760,683)
NOI	$ 287,195	$ 286,180	$ 284,943	$ 283,471	$ 281,755
Debt Service	$ (251,535)	$ (251,535)	$ (251,535)	$ (251,535)	$ (251,535)
Cash Flow	$ 35,660	$ 34,645	$ 33,407	$ 31,936	$ 30,220
DSCR	$ 1.14	$ 1.14	$ 1.13	$ 1.13	$ 1.12
Year	11	12	13	14	15
Revenues	$ 1,063,287	$ 1,084,553	$ 1,106,244	$ 1,128,369	$ 1,150,936
Expenses	$ (783,503)	$ (807,008)	$ (831,219)	$ (856,155)	$ (881,840)
NOI	$ 279,784	$ 277,544	$ 275,025	$ 272,213	$ 269,096
Debt Service	$ (251,535)	$ (251,535)	$ (251,535)	$ (251,535)	$ (251,535)
Cash Flow	$ 28,248	$ 26,009	$ 23,490	$ 20,678	$ 17,561
DSCR	$ 1.11	$ 1.10	$ 1.09	$ 1.08	$ 1.07

Scenario 3 Development Budget

Save Headhouse, build new where fieldhouse		
100% LIHTC		Family
# of units:		46
Cost per unit	$	628,178
Surplus/(Gap)	$	(1,599,313)

Sources of Funds

Newton CPA	$	2,940,000	Total Newton per unit	$	90,000
Newton CDBG	$	800,000			
Newton HOME	$	400,000			
DHCD Soft	$	4,600,000	Total DHCD per unit	$	100,000
Bank Financing	$	6,006,858			
LIHTC Equity	$	9,000,000			
State LIHTC	$	2,800,000			
Historic Equity - Federal	$	-			
Historic Equity - State	$	-			
Developer Equity	$	750,000			
	$	27,296,858			

Uses of Funds

Acq						
				sq. feet	$ per sq. ft.	
Hard Costs	Construction- Castle	$	4,463,600	11,159	$	400
	Construction - New	$	15,387,050	43,963	$	350
	Basement Parking	$	1,825,600	9,128	$	200
	Remediation	$	15,000			
	Contingency	$	1,306,993	10% on historic, 5% on new		
Soft Costs	Arch & Eng.	$	1,517,338	7% of construction		
	Civil Eng.	$	50,000			
	Geotech	$	40,000			
	Env. Consultant	$	10,000			
	Survey	$	18,000			
	Appraisal	$	12,000			
	Market Study	$	7,500			
	DHCD Fees	$	57,000			
	Cost Certification	$	45,000			
	Historic Consultant	$	25,000			
	Legal - RE, incl title/record	$	85,000			
	Insurance	$	75,000			
	FFE	$	40,000			
	Testing/Commissioning/Bac	$	90,000			
	Owner's Rep	$	75,000			
Finance	Legal - Finance	$	75,000			
	Bank Fees	$	60,000			
	Inspecting Engineer	$	30,000			
	Bank Legal	$	25,000			
	Construction Interest	$	315,000			
	Syndication Fees	$	20,000			
	Soft Cost Contingency	$	114,092			
	Operating Reserve	$	431,999	6 mos. of operating expenses and debt service		
	Lease-up Reserve	$	80,000			
	Developer Overhead	$	1,300,000			
	Developer Fee	$	1,300,000			
		$	28,896,171	628,178	per unit	
	Surplus/(Gap)	**$**	**(1,599,313)**			

Scenario 3 Operating

Save Headhouse, build new where fieldhouse	
100% LIHTC	Family
# of units:	46

LIHTC rents

	30% rents	60% rents	FMR
1Br	$ 719	$ 1,440	$ 1,900
2Br	$ 863	$ 1,728	$ 2,311
3Br	$ 997	$ 1,995	$ 2,880

Debt Capacity with 13% of units at 30% AMI, with 8 Section 8's and 5 MRVPs

Potential Revenue	# of Units	LIHTC rents	Monthly Revenues	Yearly Revenues
1 bed 30%	2	$ 1,440	$ 2,880	$ 34,560
1 bed 60%	8	$ 1,440	$ 11,520	$ 138,240
1 bed Section 8	1	$ 1,900	$ 1,900	$ 22,800
2 bed 30%	3	$ 1,728	$ 5,184	$ 62,208
2 bed 60%	22	$ 1,728	$ 38,016	$ 456,192
2 bed Section 8	6	$ 2,311	$ 13,866	$ 166,392
3 bed 30%	1	$ 1,995	$ 1,995	$ 23,940
3 bed 60%	2	$ 1,995	$ 3,990	$ 47,880
3 bed Section 8	1	$ 2,880	$ 2,880	$ 34,560
	46			$ 986,772
Vacancy			7.00%	$ (69,074)
Net Revenues				$ 917,698
Expenses				
Per Unit per year			$ 11,000	$ 506,000
Net Operating Income				$ 411,698
Serviceable Debt				
Rate				4.25%
Term				30
Debt coverage ratio				1.15
Supportable debt				$ 6,006,858
Annual debt service				$ 357,998
Annual operating expenses				$ 506,000
				863,998

Year	1	2	3	4	5
Revenues	$ 917,698	$ 936,052	$ 954,773	$ 973,868	$ 993,346
Expenses	$ (506,000)	$ (521,180)	$ (536,815)	$ (552,920)	$ (569,507)
NOI	$ 411,698	$ 414,872	$ 417,958	$ 420,949	$ 423,838
Debt Service	$ (357,998)	$ (357,998)	$ (357,998)	$ (357,998)	$ (357,998)
Cash Flow	$ 53,700	$ 56,874	$ 59,959	$ 62,950	$ 65,840
DSCR	$ 1.15	$ 1.16	$ 1.17	$ 1.18	$ 1.18
Year	6	7	8	9	10
Revenues	$ 1,013,213	$ 1,033,477	$ 1,054,146	$ 1,075,229	$ 1,096,734
Expenses	$ (586,593)	$ (604,190)	$ (622,316)	$ (640,986)	$ (660,215)
NOI	$ 426,620	$ 429,286	$ 431,830	$ 434,244	$ 436,519
Debt Service	$ (357,998)	$ (357,998)	$ (357,998)	$ (357,998)	$ (357,998)
Cash Flow	$ 68,622	$ 71,288	$ 73,832	$ 76,246	$ 78,521
DSCR	$ 1.19	$ 1.20	$ 1.21	$ 1.21	$ 1.22
Year	11	12	13	14	15
Revenues	$ 1,118,669	$ 1,141,042	$ 1,163,863	$ 1,187,140	$ 1,210,883
Expenses	$ (680,022)	$ (700,422)	$ (721,435)	$ (743,078)	$ (765,370)
NOI	$ 438,647	$ 440,620	$ 442,428	$ 444,062	$ 445,513
Debt Service	$ (357,998)	$ (357,998)	$ (357,998)	$ (357,998)	$ (357,998)
Cash Flow	$ 80,649	$ 82,622	$ 84,430	$ 86,064	$ 87,514
DSCR	$ 1.23	$ 1.23	$ 1.24	$ 1.24	$ 1.24