

## Feasibility of Building Affordable Housing at the West Newton Armory Site on Washington Street

November 5, 2020

The following is a preliminary summary of our feasibility work on the West Newton Armory site. We have incorporated helpful comments and ideas from members of the Joint Advisory Planning Group, the Newton Housing Partnership, the Newton Historical Commission and the Newton Department of Planning Development. In the interest of really testing feasibility, our cost assumptions are conservative. For example, we are using a 20% contingency for historic renovation along with high construction costs of \$425/\$400 per square foot. We believe that developers could make decisions and choices that could lower the cost per unit that we are showing in this feasibility.

Below are changes we have made since we last met with JAPG and a restatement of some of our critical assumptions:

- Created a community room/space for services on the first floor of the castle, which has lowered our unit counts as follows:
  - Scenario 1 – 31 units – reuse existing building
  - Scenario 2 – 44 units - reuse the castle, demolish the field house and build new for seniors/special needs
  - Scenario 3 – 44 units - reuse the castle, demolish the field house and build new for family
  - Scenario 4 – 46 units - demolish existing structure and build new for family (this could also be senior/special needs)
- Created a small play area/green space on the western side of the site
- Designed an exterior deck on the roof of the castle
- Used the flat roof of the new construction for an array of solar panels
- Used a parking ratio of 0.5 for senior/special needs housing and 1.0 for family housing
- Assumed access to Section 8 subsidies and MRVP subsidies from DHCD and Housing Authorities to provide a minimum of 20% Very Low-Income units
- Assumed funding levels from DHCD that fit within the agency's guidelines
- Assumed standard capital subsidy from the City of Newton for all affordable units
- Assumed that the City and a Developer can work effectively with the Massachusetts Historical Commission and the Newton Historical Commission to find a compromise to make the building/site work as affordable housing.

Our conclusion is that 3 of the 4 scenarios are not only feasible, but present excellent opportunities to develop affordable housing in Newton for those at or below 60% of Area Median Income. Scenario 1 is too expensive and will require significant changes to the building that we believe will jeopardize access to historic tax credits. Without those credits, the project at the current site does not work.

The other 3 scenarios work well, both financially and on the site. The site is an excellent location with access to public transportation, retail and services. The site is graded in a manner that will allow for greater height at the back that is not imposing on the street and lends itself easily to parking underneath, as either garage or podium. Initial studies have shown very limited environmental issues. For families and children, there is limited green space, but there are opportunities to create common areas for play in the castle first floor, on the roof of the castle, in the basement of the castle, and the small green space on the site.

The acquisition of the site for \$1 is an excellent opportunity to build quality affordable housing in Newton.

Attached is a matrix showing fact sheet info/financial analysis for the various scenarios. Also attached are a site plan, floor plans and elevations of the Scenario 3, the family project that maintains the castle and builds new behind the castle.