

Newton Armory Affordable Housing:

Dignity, Housing and Support for
Those Who Need It Most



Preventing homelessness. Improving lives. One Room at a time.

An Urgent Need in the Community to House the Most Vulnerable



- Caritas's Proposal is to house the most vulnerable people in the Newton Community: 100% of units at 30% of Annual Median Income. All units are efficiency studio units.
- The extremely low-income demographic is very under-served in the Newton area, as described in the *Housing Needs Analysis* and the *Washington Street Vision Plan*, amongst other sources.
- At least 25% of the units will be reserved for people with disabilities.
- People who are homeless or at risk of homelessness often have a physical disability, mental illness, or substance use disorder. All suffer from trauma related to poverty and homelessness.
- In Newton, ~60% of the disabled population is over 65, and this proposal would contribute to the stability and dignity of the elders in our community.



Caritas is the Expert in Managing Properties and Providing Services for Vulnerable Residents



- Caritas has developed and managed housing for extremely low-income residents for 36 years, with almost 1,000 units currently under management in Eastern MA.
- Caritas's philosophy is that permanent housing is only the first step in stabilizing a person. Supportive services must be provided for the resident to succeed and thrive in housing. This is the best outcome for the individual and the community.
- Caritas's resident services team is highly experienced and has extensive relationships with community service providers to help stabilize and improve the quality of life of our residents.
- Caritas's property management team has the skill, experience, and capacity to ensure the longevity of the property and the satisfaction of its resident population.
- Caritas's current portfolio of highly vulnerable residents demonstrates the organization's deep expertise in housing and services for this population.



Caritas is the Expert in Developing Deeply Affordable Housing



- Recent project: O'Connor Way in South Boston: 47-units for seniors, fully accessible.
- Caritas's Acquisitions and Development Committee is led by William McLaughlin, Head of Development and Construction for AvalonBay, a \$40B multifamily REIT.
- Director of Acquisition and Development, Greg Rittchen, has ten years of multifamily experience, with a particular emphasis on complex affordable housing transactions.
- Development Consultant: Sharon Loewenthal is best-in-class.
- Architect: TAT, led by Michael Binette, is best-in-class.
- Relationships: Caritas has an excellent, longstanding reputation in the Eastern Massachusetts affordable housing industry, with innumerable relationships in banking, construction, consulting, and more.



Design Proposal



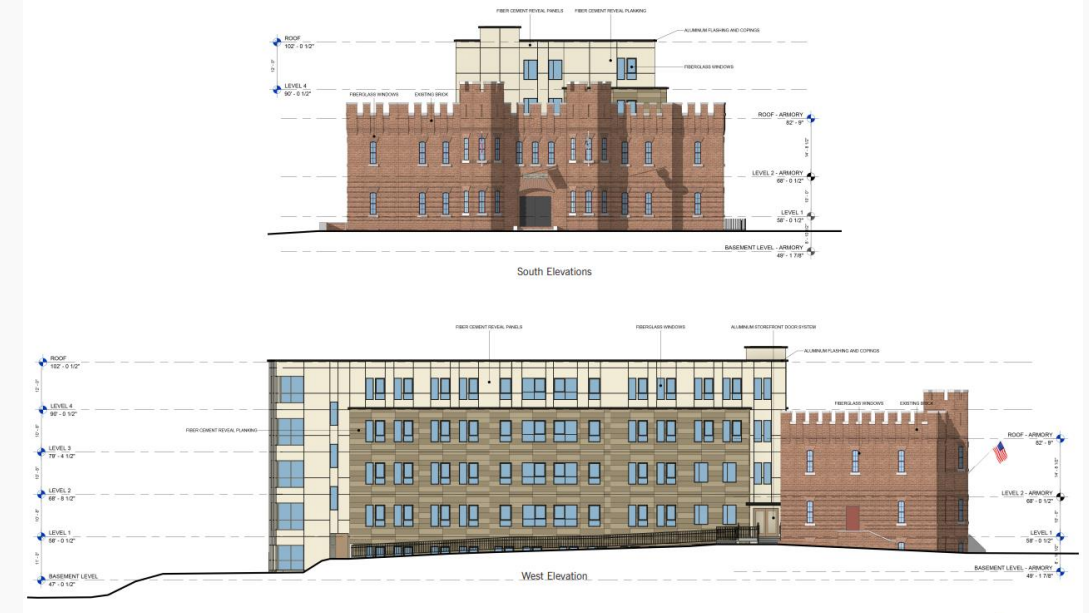
- The design proposal incorporates “human scale” design and aligns with the *Washington Street Vision Plan* through:
 - Thoughtful landscaping, green space, and new pedestrian connections.
 - The design creates substantial green space in the northwest quadrant of the site which compliments the open space proposed along the eastern side of the Dunstan East development.
- Setting the addition behind the historic administration building and taking advantage of the change in grade from front to back of the site which affords an additional floor of units without imposing the mass of a five-story building on the administration building.
- Locating the new accessible main entry behind the northwest façade of the administration building preserves the aesthetic of the historic administration building and provides a simpler more accessible main entrance.



Design Proposal (cont.)



- Keeping the headhouse of the armory and eliminating the field house adequately maintains the historic character of the building while repurposing it most efficiently, addressing concerns of the *Washington Street Vision Plan*.
- The building will be designed to meet the most current version of Enterprise Green Communities' (EGC) Green Building Rating System standards in effect at the time of special permit application. The EGC design will be overseen by the project team's green building expert, New Ecology, Inc.
- The development will fall under the preferred guidelines set by the City of Newton regarding sustainability and parking because the need for parking is so limited amongst the ELI residents the property will serve.



Design Proposal (cont.)



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Design Proposal (cont.)



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Financing



- Caritas estimates a financing gap of approximately \$2.6M. Caritas would request to work with the City of Newton to create an action plan to identify plans to fill this funding gap and create this amazing project.
- Caritas would defer approximately half of its \$2.75M developer fee to help finance the project.
- Caritas has a long track-record of excellent compliance and management of lending agency requirements.
- Caritas would restrict 100% of units at 30% AMI in perpetuity, far surpassing any income limitation imposed by a subsidizing agency.
- Gap financing: There are monies available to fund the \$2.6M financing gap at the city, state and federal level.

<u>SOURCES</u>			
	Construction Sources	Perm Sources	Total
LIHTC Loan-to-Equity	\$ 5,106,000	\$ 4,894,000	\$ 10,000,000
State LIHTC	\$ 3,285,000		\$ 3,285,000
Tax Exempt Bonds	\$ 13,200,000	\$ (13,200,000)	\$ -
Newton CDBG	\$ 800,000		\$ 800,000
Newton HOME	\$ 400,000		\$ 400,000
Newton CPA	\$ 2,200,000		\$ 2,200,000
MetroWest HOME	\$ 400,000		\$ 400,000
GAP FINANCING FROM CITY		\$ 2,624,000	\$ 2,624,000
National Housing Trust Fund		\$ 1,000,000	\$ 1,000,000
Affordable Housing Trust Fund		\$ 3,000,000	\$ 3,000,000
Housing Stabilization Fund		\$ 1,000,000	\$ 1,000,000
Housing Innovations Fund		\$ 1,000,000	\$ 1,000,000
HPSTF		\$ 1,000,000	\$ 1,000,000
Perm Financing		\$ -	\$ -
Deferred Developer Fee		\$ 1,400,000	\$ 1,400,000
Total	\$ 25,391,000	\$ 2,718,000	\$ 28,109,000
<u>USES</u>			
	Construction Budget	Perm Budget	Total
Acquisition	\$ -		\$ -
Hard Costs incl contingency	\$ 22,000,000		\$ 22,000,000
Soft Costs incl contingency	\$ 2,116,000		\$ 2,116,000
Developer Fee	\$ 700,000	\$ 2,050,000	\$ 2,750,000
Financing fees	\$ 200,000		\$ 200,000
Operating Reserve	\$ 375,000		\$ 375,000
Construction Loan Interest Payoff		\$ 668,000	\$ 668,000
Total	\$ 25,391,000	\$ 2,718,000	\$ 28,109,000
Budget Overage (Shortfall)	\$ -	\$ -	\$ -

Conclusion: An Alignment of Mission and Goals



- Flexibility: Caritas and TAT believe the current iteration of the design represents a tasteful middle-ground between the taller, denser projects to the west of the site and the shorter buildings to the east of the site. However, there are options to increase or decrease height and massing and the team is prepared to work with the City of Newton to accommodate the community's wishes.
- Partnership: Caritas is more than capable of developing and operating the proposed project by itself. However, Caritas has experience working with other developers if the city decides a partnership would result in the best outcome for the community.
- The Consolidated Plan from HUD (2020-2025) lists the following categories as overarching goals for the city: affordable housing, fair housing, human services, supportive services for homeless/at-risk, and architectural access for the disabled. Caritas's Proposal addresses all five of these categories
- The Caritas team is dedicated to its mission and sincerely looks forward to discussing the Proposal with City Officials and community residents.

