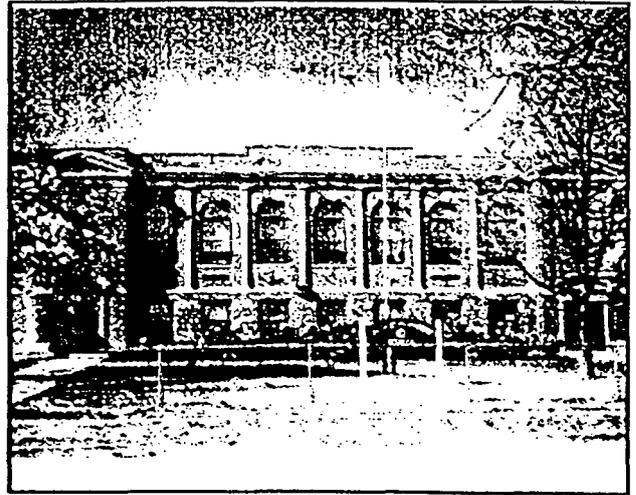


12/1997

**MCCARTHY-TOWNE SCHOOL
BUILDING EVALUATION**

DATA:

Address: Charter Road
 Use: Elementary School
 Site Area: 3.11 Acres
 Zoning: R2
 Construction Type: 3B
 Use Group: E, A3
 Gross Area: 54,371 Sq. Ft.
 Built: 1920's
 Additions: 1952, 1961, 1975.
 Renovations: 1975, Reroofing 1982.



GENERAL DESCRIPTION:

The McCarthy-Towne School consists of : the Towne wing, built as the Acton High School in the 1920's, converted to an elementary school in the 1950's and renovated with the latest construction in the 1970's: and the McCarthy wing, constructed as a series of additions from 1952 through 1975.. The additions are poorly laid out in relation to the site and to the existing building, and are, generally, not well constructed. In addition, the renovation of the Towne wing in 1975 is without character and of poor quality. The circulation through the building is linear due to the additive process of construction. Classrooms are undersized, and the building has insufficient space for Art, Computer lab, Multi-purpose, SPED, Kitchen, and Staff. Providing adequate space for these functions could reduce the school's capacity from the current 483 to 326.

CURRENT CONDITIONS

Site:

- Wetlands: Natural vegetative buffer (0-25 ft), no build (25-40 ft), and regulated construction (40-100 ft) zones.
- Ledge outcropping to north.
- Building very close to property line and neighbors.
- Car and bus prop-off combined, very tight, needs improvement.
- Accessibility: Handicap parking, curb cuts have been provided.
- Asphalt paving, asphalt curbs and walkways. Some repair required.
- Expansion potential: very tight site. Some potential to north.
- Good play areas near building, small soccer field and ball field.



Parking for 39 cars (2 HC). Very tight.

Building Envelope:

Roof:

Adhered EPDM roof, applied in 1982, with an $r=16.7$ insulation value. Skylights in 1952, 1961 additions roofed over in 1982. Roof is too accessible - children climb up to retrieve things. Some original metal framed skylights at Towne wing.

Roof 1982
4 years old

Roof Edge/Fascia:

Lead-coated copper roof edge. Painted wood fascia at 1952, 1961 additions.

Exterior Walls:

Brick walls, standard size brick at Towne building, and 1952, 1961 additions. Brick and mortar need cleaning and repointing.

Painted wood siding at recent window infill, 1952 building

Stone copings capped with lead-coated copper at Towne building need cleaning, repair.

Split ribbed and smooth face concrete block at 1974 addition

Windows:

Bronze anodized replacement single-hung windows, with insulated glass at Towne.

Original wood frames at 1952 addition, about 60% filled in with wood studs and siding. Wood awning windows with insul. glass. Approx. 30% of original single glazing remains. Rotted wood sills.

Natural aluminum frames with single glazing, awning windows at 1961 addition.

Bronze anodized frames, single glazing, awning windows at 1975 addition.

Exterior doors:

Aluminum and glass entry units at Towne and 1975 addition.

Hollow metal and glass at 1952 addition.

Hollow metal service and secondary doors.

Building Interior:

Floors:

Rubber tile at entry., VCT at corridors, good condition.

Composition floor at gymnasium.

Ceramic mosaic at toilets in 1952 wing.

Epoxy floor at toilets in Towne building.

Walls:

Corridors: 1952, glazed structural tile, painted plaster above: painted brick at lobby: 1961, glazed structural tile. Towne building, first floor combination of painted brick, glazed structural tile, and gyp. board: second floor gyp. board.

Classrooms: 1952, cmu, plywood, fiberboard panels at window wall: 1961, painted cmu. Towne building, painted gyp. board, painted masonry.



Cafeteria, natural finish plywood panels, painted cmu.

Toilet rooms: painted cmu.

Gymnasium, library: painted cmu.

Offices: painted plaster, painted gyp. board, wood panel.

Ceilings:

Typical (corridors, classrooms, offices, etc.) layin ACT. 1961 classrooms, wood deck, ACT.

Gymnasium Media Center: natural finish wood deck.

Window Treatment:

Fabric curtains at cafetorium. In fair condition.

Shades at classrooms. In fair condition.

Venetian blinds at offices. In fair condition.

Interior Doors and Hardware:

Doors are solid core wood in pressed metal frames. Good condition in Towne wing, fair to poor condition in McCarthy wing.

Pairs of corridor doors at both ends of McCarthy corridor with 36" leaf and 28" leaf. Good condition.

Hardware is a mix of round knobs and lever handles.

MAAB - ADA:

Ramps are provided at change in floor elevation between McCarthy and Towne wings and at Towne exit doors.

Hardware:

Mostly lever handles at Towne wing, mix of levers and knobs at McCarthy wing. Knobs do not comply with MAAB/ADA. Lever handles required at all accessible locations. Knurled knobs required at hazardous areas. Some hardware replacement required.

Interior doors:

Doors typically have adequate clearance.

Exterior Doors:

Typically 36" wide: stair doors to exterior 42" wide.

Main entry, pair of 36" doors, leading to two interior 35" doors, with a removable mullion. Should be 36" min. clear. Pair of doors at opposite (south) side of main entry are 30" with a removable mullion. Should be 36" min. clear.

Toilets:

McCarthy Wing:

Water closet seat height is 17": recommended height is 15" (max for k thru 3rd, min for 4th thru 6th).

Typical stall 36" by 60".

No HC stall provided.



No grab bars are provided. Grab bar required for HC at 25" (20" to 25" for K thru 3rd, 25" to 27" for 4th thru 6th)

Lavatory height is 24": current required clearance of 27", (max height of 30") cannot be met.

Typical urinal height is 24", current HC requirement is 15".

Student Toilets Room at Towne Wing, Second Floor:

One Boys' and one Girls' toilet, rooms are 60" wide by 72" deep. Door, 36" wide, swings in, encroaches on required 42" clearance in front of toilet.

Water closet seat height is 17": recommended height is 15" (max for k thru 3rd, min for 4th thru 6th). Grab bar required at 25" (20" to 25" for K thru 3rd, 25" to 27" for 4th thru 6th). No grab bars are provided.

Lavatory height is 27", HC lav at 33". Current requirement is 30" max, with a 27" min clearance beneath.

Men's and Women's Toilet near entry, designated HC accessible:

One stall at each, 66" wide by 117" deep.

Water closet seat height is 19", current standard is 17" to 19".

Grab bars are provided at 35". Current standard is 33" to 36".

Lavatory height is 34", with a 31" clearance below. Current requirement is 30" max., with a 27" min. clearance.

One stall at Women's, 32" by 57", Water closet at 17".

One urinal at Men's, at 16" height. Current standard is 17" max.

Building Code

Allowable Area:

Construction type is assumed to be Type 3B, (noncombustible/combustible, unprotected). This assumes that the exterior bearing walls of the gymnasium and media center can achieve a 2-hour fire rating..

Areas are as follows:

	Total
Floor Area	41,603
Assembly Area (A3)	5,978
Percent of Total	14.4%

Based on 1997 Mass building code: Allowable Tabular area for Type 3B construction is as follows: Since more than 10% of floor area is assembly, use tabular area of 8,400 sq ft for Use Group A3 (assembly). Area increase for street or other open frontage = 150% [2% for each percent of open perimeter over 25% = 2 (100-25)=150]. This yields a total allowable floor area of 21,000, which is less than the actual floor area.



Calculations can be based on Use Group E (Education) if a two-hour fire separation exists between assembly areas and educational areas. A review of construction documents shows that currently no fire separation exists.

Alternatively, if a fire separation were provided at the gymnasium (carrying existing masonry walls up to roof) 3,750 sq. ft. of assembly area would be removed from the first floor of the main building, with 2,228 sq. ft. of assembly area remaining - less than 10% of the remaining 37,853 sq. ft. The allowable area is then based on Use Group E, with a tabular area of 14,400 sq. ft.: increase by 150% for open frontage, yielding an allowable area of 36,000 sq. ft., still slightly less than the actual area.

Providing sprinklers throughout the building would allow an additional 200% increase of tabular floor area. This yields an allowable area of 64,800 sq. ft.



MCCARTHY-TOWNE ELEMENTARY SCHOOL

I. PLUMBING

- Provide a new domestic cold water system throughout the entire building due to the age and presence of lead solder within the existing system. This system shall be fed from the new domestic water service.
- Provide a new domestic hot water supply and pumped hot water recirculation system throughout the entire building due to the age and presence of lead solder within the existing system. This system shall include a new gas fired storage type water heater.
- Provide a new hi-low mixing valve assembly.
- Provide new plumbing fixtures where required. Fixture installation will be in conformance with the Massachusetts Architectural Access Board and the American with Disabilities Act (ADA), where fixtures are required to be accessible.

II. FIRE PROTECTION

- Provide a complete automatic wet sprinkler system throughout the entire facility. The service entrance shall include a double check valve style backflow preventer and wet alarm check valve assemblies. Below ceiling sprinkler protection shall be provided throughout. Above ceiling sprinkler protection shall be provided in areas of combustible construction. It is the intent to use the City water pressure. The system shall connect to the provided on-site fire service. A hydrant flow test shall be required on the street water main to determine the available water pressure and volume.

III. HVAC

- No additional systems capacity.
- Demolish both boiler plants and replace with new central gas fired hot water boiler plant (two boilers each sized for 65% of load).
- Replace steam distribution piping in McCarthy, reuse hot water piping in Towne and Classroom addition and Gym in McCarthy.
- Replace existing unit ventilators in existing to remain classrooms
- Reuse exterior wall penetration for outdoor air requirement
- Replace all existing exhaust fans for bathrooms and classrooms which remain.
- Provide air conditioning for Media center and administration areas.

IV. ELECTRICAL

- Existing pad mounted service transformer located adjacent to Towne Building is served from aerial primary campus distribution system.

- Test existing transformer and replace if required.
- Majority of electrical power distribution equipment in poor condition. Replace entire power distribution system. No capacity for expansion/addition.
- Majority of battery powered emergency egress lighting in poor condition. Replace entire battery powered emergency lighting system.
- Fire Alarm automatic (smoke and heat) detection coverage is currently inadequate per current codes for a partially sprinklered building. Consult with local Fire Department to determine required modifications. Current codes require 100% automatic detection coverage for partially sprinklered buildings.
- Fire Alarm indicating devices (horn/strobes) upgraded approximately two years ago to meet ADA requirements. Selective demolition and replacement as required to support program.
- Replace entire existing inoperable master clock system.
- Replace entire existing Public Address/Intercom system with integrated telephone/public address/intercom system consistent with High School and Douglas Elementary School.
- Fluorescent lighting upgraded approximately 7 years ago through BECo demand side management (rebate) program to Advance Hybrid (combination electronic and magnetic) PowrKut Ballasts and T-12 energy saving lamps.
- Maintain existing lighting. Selective demolition and replacement as required to support program. New fluorescent ballasts and lamps shall match existing.
- Maintain existing ADT security system in Library/Media Center.

McCARTHY - TOWNE SCHOOL - ACTON -Structural Report

The interior and exterior of the school complex were observed and existing structural drawings of the 1961 and 1975 additions were reviewed.

The original Towne School building is a two-story structure of exterior unreinforced masonry bearing walls with interior steel beams and columns. The roof and floor framing are ordinary wood joist construction. The foundation is concrete slab on grade with assumed spread footings. The lateral resisting system is the exterior bearing walls and interior stair walls.

The 1952 addition, by S. W. Haynes and Associates, is a one-story structure, basement of unreinforced exterior masonry bearing walls and interior and exterior steel columns and laminated wood beams. The roof framing is wood deck and some ordinary wood joist construction. The foundation is concrete slab on grade with spread footings. The lateral resisting system is the exterior masonry bearing walls and interior partitions. The building was not designed for vertical expansion.

The 1962 addition by The Architects Collaborative, is a one-story structure with exterior and interior masonry bearing walls and laminated wood beams. The roof framing is wood deck. The foundation is concrete slab on grade with spread footings. The lateral resisting system is the exterior and interior bearing walls. The building was not designed for vertical expansion.

The 1975 addition by Drummey Rosane Anderson, Inc. is a one-story structure with exterior unreinforced masonry bearing walls and interior steel columns with laminated wood beams. The roof framing is wood deck with partial ordinary wood joist framing. The foundation is concrete slab on grade with spread footings. The lateral resisting system is the exterior bearing walls. The building was not designed for vertical expansion.

The buildings showed no signs of distress that would indicate problems with the structural framing or differential settlement in the foundation. The roof areas of the 1975 building, adjacent to the high roof areas are subject to drifting snow loading and were designed to a higher roof load, but should be checked with present day requirements. The unreinforced exterior and interior bearing or shear walls are not in accordance with present code requirements. The exterior of the original building is in need of repointing of the precast stone columns, band course, corner, etc. and the steel lintels at the rear projections are in need of replacement.

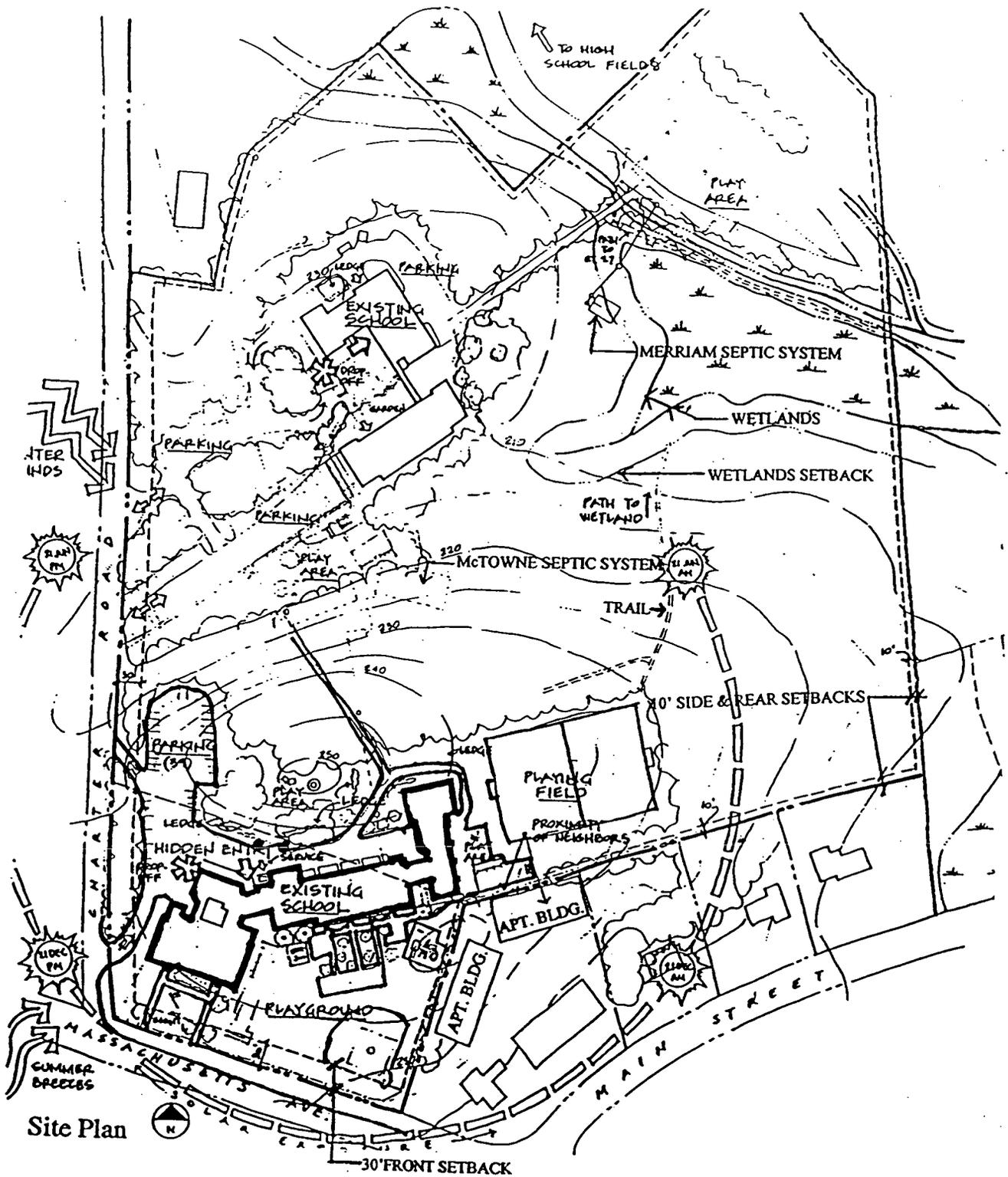
McCARTHY - TOWNE SCHOOL - ACTON - STRUCTURAL REPORT

Page 2

Assuming no change in use and the cost of alterations exceeds 50% of the assessed valuation of the building, the seismic category would be 2. This requires the correction of special earthquake hazards. In the original building, masonry walls require tying to the roof and floor framing and the roof parapet requires bracing. If the cost of alterations is less than fifty percent of the assessed valuation, the seismic category would be 1 and no corrective work is required. In both categories the lateral load resistance is not reduced. A change of use from educational to business would be the same requirements.

In the 1952, 1962 and 1975 additions, the interior and exterior walls require tying to the building frame.

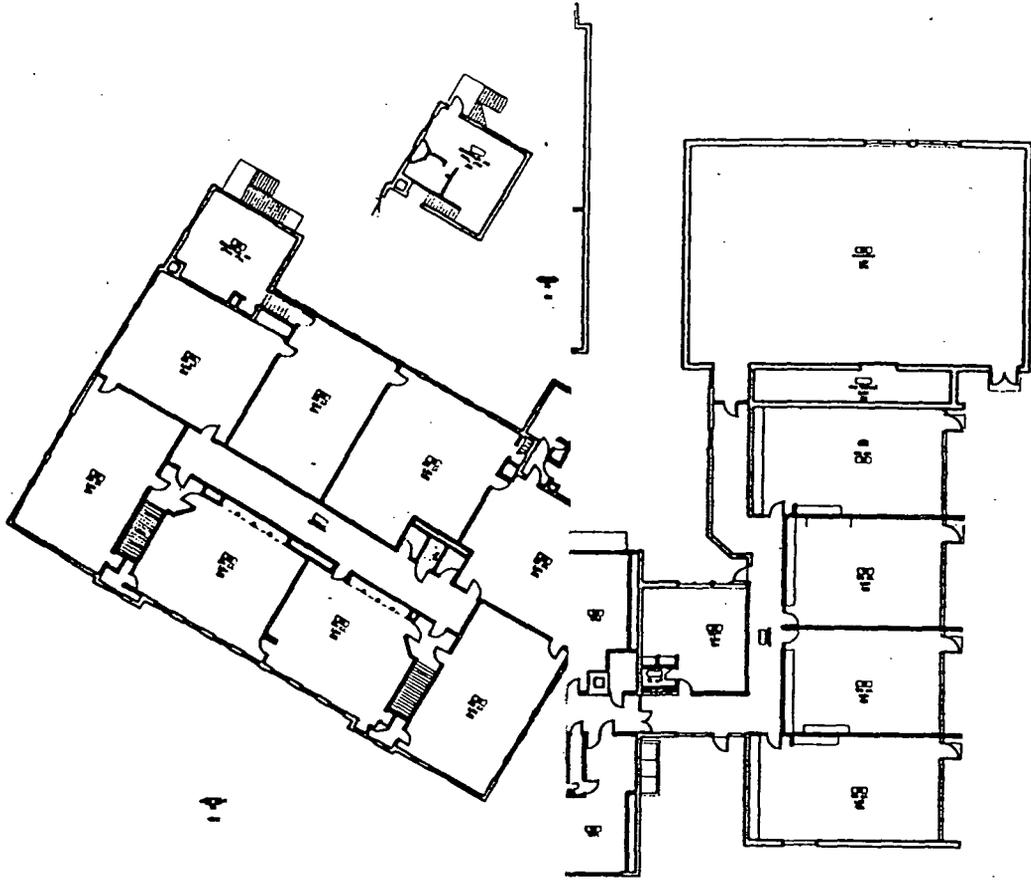
The 1975 addition exterior walls are of particular concern as to the high height-to-thickness ratio and the resistance to wind loading additional bracing is required.



Site Plan

McCarthy-Towne School -- Site Analysis
Acton Public Schools / Acton-Boxborough Regional School District

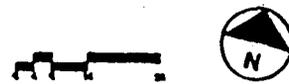
Acton & Boxborough, Massachusetts



Upper Floor Plan

McCarthy-Towne School

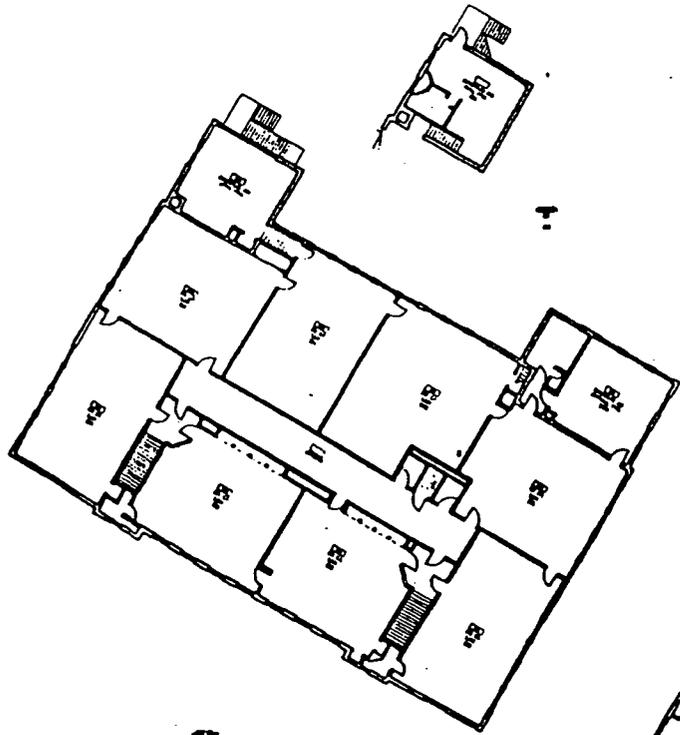
Acton Public Schools



19 DECEMBER 1997

Acton & Boxborough, Ma, Inc., Architects
West Acton, MA

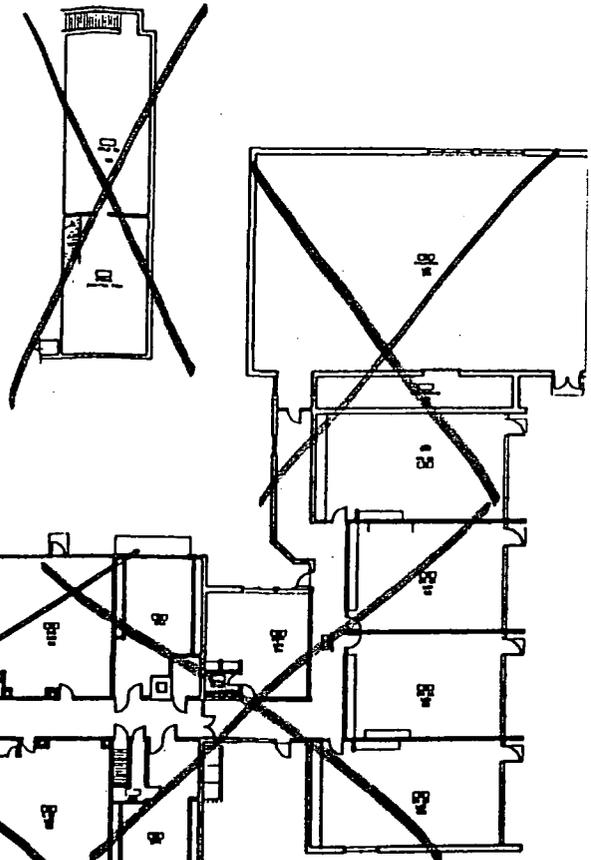




Towne School
Upper Floor Plan



McCarthy School (to be demolished)
Lower Floor Plan
MAR. YOUNG



12/1997

Acton Public Schools
 OMR Project No. 9708.00
 Maintenance Cost Analysis

Maintenance Costs
 Analysis - OMR -
 Feasibility Study

McCARTHY-TOWNE SCHOOL

	(1) maintenance (no project) (non-reimbursable)	(2) possible addition/substitution if add/renov. is made (reimbursable)	(3) combine cols. (1) and (2)
Septic System	\$12,000 tie into new sewer		\$12,000
			\$31,000 <i>Connect To Sewer</i>
Exterior/Other Sitework	\$26,000 paving binder course	\$80,000 new paving and base (expanded parking not included)	\$80,000
Seismic & Structural	\$50,000 reinforce gym walls		\$50,000
Exterior Envelope (vertical)	\$20,000 misc. repointing & masonry repairs X \$280,000 new curtain wall (McC)	<i>Towne School</i>	\$300,000
Roof	\$105,000 new roof to \$210,000 <i>\$200K</i>		\$105,000 to \$210,000
AAB/ADA Issues	\$70,000 + elevator \$4,500 signage \$6,250 hardware \$2,500 grab bars, etc.		\$83,250
Interior Finishes	\$81,500 painting \$50,000 patching (3% M.E.P.) \$127,000 flooring \$87,000 ceilings		\$340,500
Specialties and Equipment	\$35,000 window treatment \$15,000 chalk/white boards		\$50,000
Kitchen	\$80,000 Colburn & Guyette to \$90,000 Replace worst kit. in system	incl. at left Colburn & Guyette	\$80,000 to \$90,000
Mechanical	\$1,087,000 \$20/sf all new 560K		\$1,087,000

Acton Public Schools
 OMR Project No. 9708.00
 Maintenance Cost Analysis

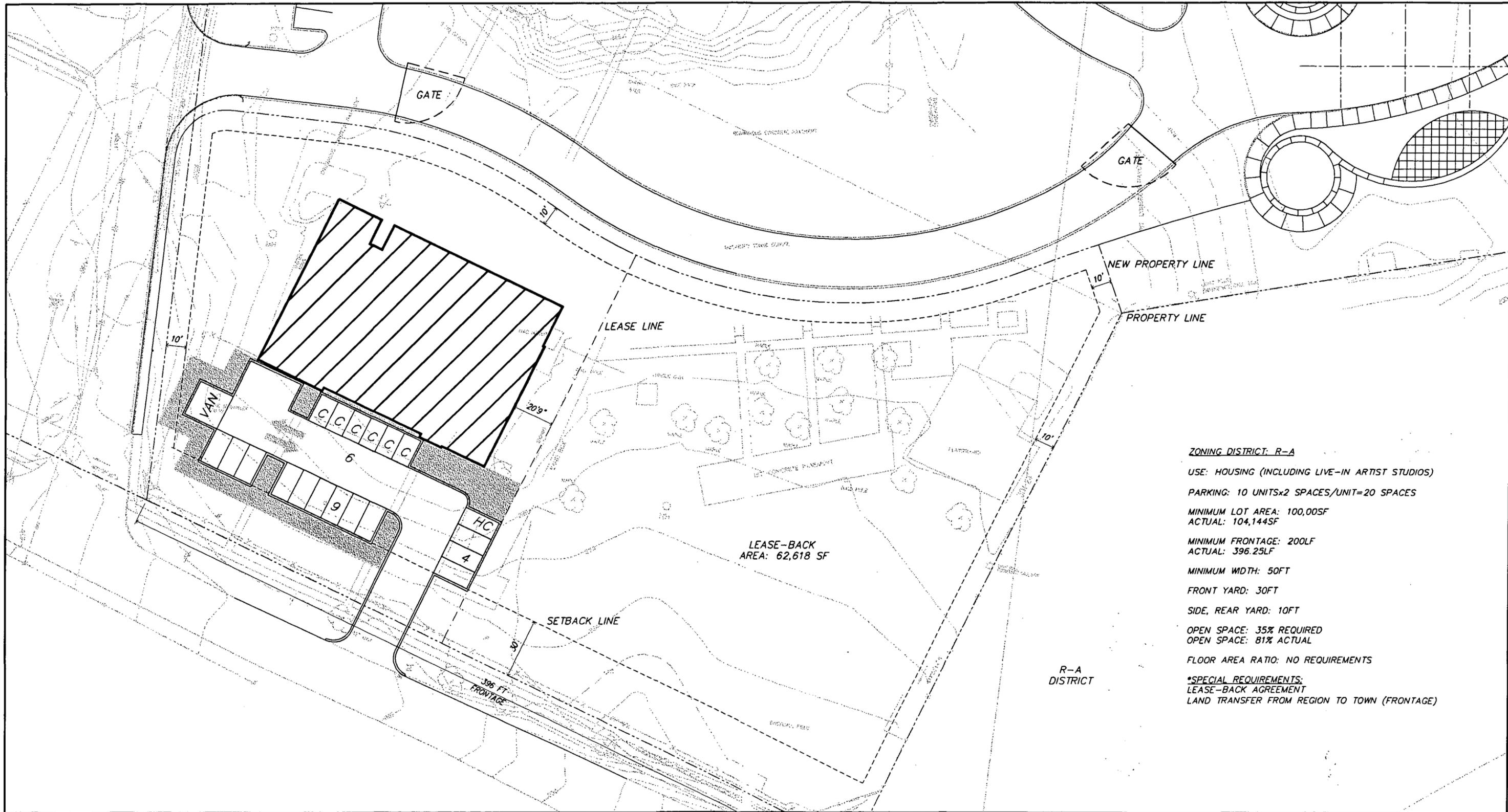
McCARTHY-TOWNE SCHOOL

	(1) maintenance (no project) (non-reimbursable)	(2) possible addition/substitution if add/renov. is made (reimbursable)	(3) combine cols. (1) and (2)
Sprinkler System	\$108,000 \$2/sf all new		\$108,000
Electrical	\$435,000 \$8/sf all new		\$435,000 <i>217,500</i>
Technology (incl. related electrical)	\$158,000 Technology Plan (O) \$29,300 telephone system (O) \$69,400 video distr. & equip. \$72,000 TV connections & accessories		\$328,700
Hazardous Materials	<i>asbestos present? exposed asbestos removed</i>	\$201,000 Owner Survey (O) <i>needed</i>	\$201,000 <i>6,100</i>
SUB-TOTAL	\$3,010,450		\$3,260,450
General Contractor Mark-ups, Soft Costs and Contingencies (40%)	\$1,204,180		\$1,304,180
SUB-TOTAL	\$4,214,630		\$4,564,630
Reimbursable by State (63%)	N/A		* \$2,875,717
TOTAL COST TO TOWN	\$4,214,630		\$1,688,913

* under this scenario, column (1) work becomes reimbursable

Notes:

- (1) Maintenance items have been identified by the School Department and by OMR and its consultants as a result of conditions readily apparent during building assessment site visits.
- (2) Items and costs marked (O) were provided by the School Department.
- (3) Reimbursement by the State needs to be negotiated and verified.
- (4) All costs are ball-park figures based on preliminary estimates which should be adjusted as the design is developed, for inflation and market conditions, and for separate bidding and phasing of the project.
- (5) Soft Costs and Contingencies include allowances for architectural and engineering fees, reimbursable expenses, clerk-of-the-works, and contingencies for latent conditions and the preliminary nature of this document. These allowances must be adjusted as the design is developed.
- (6) Not included in the above costs: a) operating costs related to faculty and staff salaries, materials and supplies; b) replacement furnishings; c) hazardous materials identification and remediation; d) sewage disposal costs; and e) food service upgrades.

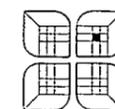


Towne School - Site Investigation

June 20, 2001

Acton & Boxborough, Massachusetts

The Office of Michael Rosenfeld, Inc., Architects
West Acton, MA



Lease Area

A certain parcel of land situated in Acton, Middlesex County, Massachusetts, and being shown as the "Lease Area" on a plan entitled "Towne Building Lease Area Plan of Land in Acton, Massachusetts (Middlesex County)" dated June 2, 2003, prepared by the Town of Acton Engineering Department. Said property is bounded and described as follows:

Beginning at a plastic stake with a drill hole on the northerly side of Massachusetts Avenue (Route 111) at the intersection with the easterly sideline of Charter Road (discontinued as a Town way in 1970), said point being the southwesterly corner of the parcel to be described herein:

- Thence,** N 01° 23' 30" W by the sideline of Charter Road as shown on said plan, 176.62 feet to a plastic stake with a drill hole;
- Thence,** in a northerly direction on a curve to the right with a radius of 20.00 feet, a distance of 30.94 feet to a plastic stake with a drill hole;
- Thence,** N 87° 15' 21" E a distance of 42.94 feet to a plastic stake with a drill hole;
- Thence,** in an easterly direction on a curve to the right with a radius of 250.34 feet, a distance of 128.01 feet to a plastic stake with a drill hole;
- Thence,** in a southeasterly direction on a curve to the left with a radius of 266.89 feet, a distance of 95.14 feet to a plastic stake with a drill hole;
- Thence,** S 17° 51' 00" W a distance of 223.43 feet to a plastic stake with a drill hole on the northerly sideline of Massachusetts Avenue (Route 111);
- Thence,** N 71° 58' 30" W along the northerly sideline of Massachusetts Avenue (Route 111) a distance of 214.38 feet to the point of beginning.

Containing 1.23 acres (53,773 square feet) more or less, according to said plan.



Zoning District: R-A

The only reason to rezone the property as R-A is to include market-rate multi-family dwelling as a possible use. Note that a Comprehensive Permit would be a simpler, more flexible approach for affordable multi-family dwelling.

Uses by right: Agriculture, Conservation, Single-family dwelling, Municipal, Educational, Religious, Child Care
Uses by permit: Recreation, Multi-family Dwelling, Nursing Home, Retirement, Assisted Living, Wireless Communication, Bed & Breakfast

Regulation	Requirement
Minimum Lot Area:	100,000 sf
Minimum Frontage:	200 ft, except 150 ft for lots > 200,000 sf
Minimum Width:	50 ft, except 200 ft at nursing homes and retirement communities
Front Yard:	30 ft, except 60 ft at nursing homes, 45 ft at retirement communities
Side, Rear Yard:	10 ft, except 30 ft next to other residential districts, 60 ft at nursing homes, retirement communities
Open Space:	35%
Floor Area Ratio:	No Regulation, except .30 at retirement communities, .20 at nursing homes, .10 at child care
Maximum Net Area:	No Regulation, except 1000 sf at child care in residential districts

Special requirements to implement site plans shown here may include:

1. Leasing the Towne Building, when the Town of Acton retains ownership of the property.
2. Leasing playground land from a developer owned Towne Building site.
3. Transferring land at the corner of Route 27 from the Regional School District to the Town of Acton in order to fulfill frontage requirements for the Parker Damon Building and Merriam Building currently only available along Route 111.
4. Special Permit from the Board of Selectmen for multi-family dwelling in the R-A District.

Acton Public Schools
Acton-Boxborough Regional School District

February 6, 2001

REVISED FEBRUARY 9, 2001

To: Bill Ryan
From: David Lewek
Subject: Towne Building

I. Scope of Work Presently "owned" under contract with PJ Stella:

- Site Work New sidewalks to connect entry and exit doors to Twin School sidewalks \$ 7,000
- Masonry Close in existing connection to McCarthy \$ 5,000
- Grass seeding to areas disturbed by McCarthy demolition \$ 3,000
- Electrical Relocate master box and "Knox" box, relocate fire alarm control panel and de-energize and make safe all existing feeders \$ 12,000
- Provide new 4" service, remove existing and cap existing lines \$ 10,000

Handwritten note: \$37,000

II. Estimated costs to keep the Towne Building in place and make ready for another use (costs not currently "owned" under Stella contract nor budgeted for in Parker Damon Building Project Budget):

- Electrical/Mechanical/Communication System Rework \$ 20,000
- Add Parking/Fence/Minimal Landscape \$ 50,000
- Septic System Hook to Town Sewer \$ 40,000

Handwritten note: \$110,000

III. Estimated costs to demolish the Towne Building and create additional play space (costs not currently "owned" under Stella contract nor budgeted for in Parker Damon Project Budget):

- Asbestos/Hazardous Material Abatement \$100,000

- Demolish Towne Building
- Add Fill/Seed/Landscape/Fencing

\$ 60,000
\$ 40,000



TOWN OF ACTON
P. O. Box 681
Acton, Massachusetts, 01720
Telephone (978) 263-4776
Fax (978) 266-1408

Acton Community Housing Corporation
Nancy E. Tavernier, Chair

TO: ACHC, Mass. Housing Partnership, Board of Selectmen, Town Manager
FROM: Nancy Tavernier
SUBJECT: Background material for Towne School feasibility study
DATE: February 12, 2002

Bob Whittlesey and I met with Superintendent of Schools Bill Ryan on 2/11/02 to gather existing information on previous evaluations on the Towne School building. Attached is a package of the material for each participant in the 2/14/02 meeting with MHP and interested parties.

The following is a list of miscellaneous items that we learned from Bill Ryan:

1. All underground oil tanks have been removed and gas installed for heat.
2. There is a septic system in the front of the building but a connection to the sewers is recommended and needs to be funded by the future users of the Towne building.
3. The Towne building is connected to the school's power grid and will be removed when the building is vacated. Power will have to be installed for the building with its own meter. This should probably happen immediately after it is vacated.
4. The School Committee would like to see the control of the land retained by the town so would support a land lease arrangement. They would prefer to see the parking in the front to maintain as much play space for the schools as possible. This is a logical negotiating point.
5. A new curb cut from Rt. 111 as access to the Towne Building should be pursued.
6. The plans for demolishing the McCarthy School and the Library attached to the Towne Building is scheduled to take place before the summer with the complete vacating of the Towne building to be done by the end of the summer. The current plan is to move the schools into the Twin School on March 15.
7. The estimated cost of demolishing the Towne School is \$160,000, which included \$100,000 for asbestos and hazardous material abatement. If a citizens' petition results in a call for a special town meeting, these funds would have to be appropriated out of Free Cash.

This packet of information includes:

1. Building Evaluation report done in 12/97 by OMR
2. Floor Plan of Towne and McCarthy with the X-ed areas showing what will be demolished.

3. The Zoning study for the multi-family usage of the building showing parking requirements if zoning is adhered to and not a comprehensive permit. The ACHC is recommending a comp permit be used.
4. Various costs to maintaining or demolishing the Towne Building
5. A maintenance analysis that was done in 12/97 showing some needed repairs to both McCarthy and Towne. Notable needs for Towne Schools are: sewer connection, masonry repairs, elevator?, new mechanical, asbestos removal of perhaps floor tiles, and new roof.



TOWN OF ACTON
P.O. Box 681
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Acton Community Housing Corporation
Nancy E. Tavernier, Chair

Rita Farrell
Alice Wong
Massachusetts Housing Partnership Fund
2 Oliver St.
Boston, MA 02109

BY FAX

February 21, 2002

Dear Rita and Alice,

Thank you for meeting with the members of the Acton Community Housing Corporation on February 14 to discuss the proposed housing development for the Towne School building in Acton. The members of ACHC met this morning to develop a concept for you to use as a guideline for the feasibility study of the project. We are anxious for the study to proceed quickly and have tried to put as much definition as possible into the concept. We are specifically calling this a "concept" because we recognize the findings in the feasibility study may dictate a different configuration of units and/or income mix. We look forward to having future discussions that will fine-tune the proposal into a workable and politically viable project.

Conceptual Guidelines

1. Land lease arrangement with the length of the lease being a minimum of 50 years or whatever is the most economically feasible time period.
2. 100% Rental units. We need demonstrate that we have explored the ownership option and would ask you to give a cursory examination of home ownership with a land lease and tell us whether it is feasible or not. However, we do not wish to have you spend much time on that option since our recommendation is for rental units, which allows for greater affordability range.
3. We would like the income configuration to be Mixed Income with:
 - 50% of the units designated as Affordable
 - 1/2 of those units for incomes up to 60% of median income
 - 1/2 of those units for incomes up to 110% of median income
 - 50% of the units to be rented at Market rates.
4. For the Unit Mix, assuming 12 units we would like the following:
 - 1 2 Bedroom Handicapped accessible unit
 - 2 3 Bedroom units

- 2 1 Bedroom/Studio units
- 7 2 Bedroom units
- Any use of the unique spaces in the building for artist lofts or other creative options
- If space is available, we would like to have a community room included

5. Site Design

- The building should be connected to the sewer system and betterments paid
- Parking areas should be the minimum required and should be sited in the rear of the building. We suggest the space currently occupied by the school library, to be removed.
- We wish to maximize the land area adjacent to the building for use by the schools as play areas.
- We recommend access to the building from Charter Rd.

This is the timetable for the process that we recommend.

2/21/02	ACHC send recommendations to MHP and Board of Selectmen
2/28/02	Consultant will be selected and will begin the financial feasibility, preliminary architectural and programmatic design for Phase 1 of the project.
3/21/02	Consultant will submit a preliminary report to the ACHC and the Selectmen
3/28/02	Final report will be submitted to the Town
4/1/02	Findings will be presented to Town Meeting by BoS and ACHC

It is our understanding that MHP will submit a list of consultants to us for our review and recommendation. We are prepared to call a special meeting for this purpose.

Again, thank you for your continued enthusiasm for our proposal. We are confident the town meeting members will be satisfied with the level of information given to them so they can make an informed decision.

We look forward to working with you.

Sincerely,

Nancy E. Tavernier, Chair
Acton Community Housing Corporation

cc Board of Selectmen
Town Manager
ACHC
Acton School Committee

ACHC

3/28/2002

Report from Ed Marchant to Nancy Tavernier via phone

Cell phone: 617-283-9685

Phone: 617-739-2543

Email sent on 3/28 to Nancy for ACHC only.

Good News

1. Building lends itself to adaptive reuse
2. Architect has scoped out 19 units from Studios to 3 BR
3. Efficiency ratio (net/gross ratio) is 78%

Bad News

1. Not many "gap" funders to support the market rate rents. (Gap is difference between cost and income)
2. Alice and Ed put together a Sources and Uses Fund statement and are getting close to a match.
3. Capital cost budget, he is comfortable with and has verified with others doing such work. The bottom line is high but he has a good feel for it.
4. The tough part is finding the sources of funds. For underwriting assumptions, Ed used 8% conventional mortgage at 30 years. This does not produce a lot of sources based on the level of net operating costs.
5. Many of the rents are low.
6. The expense numbers are OK but create a big gap that has to be filled through program funds.
7. Creating a mixed income development is a big struggle.

Potential Sources of Funds

1. HOME, a federal program that allocates funds to Entitlement communities (Acton is not one). But we can apply to the State for the funds and bypass that requirement.

Low HOME funds - have to have 5% of units at less than 50% AMI (annual median income)

High HOME funds - ?

2. CDBG - Small cities grant program
3. MHP may help with a pilot program by MHFA, might be a match.

4. Affordable Housing Trust Fund

This is very tough to get because in huge demand but a good match.
Applications are scored, the lower the rents, the higher the score.

Presentation on Monday, April 1 1:30-3:30PM

Likes to describe projects as yellow, green, red lights. He is trying to get this one to blinking yellow turning to green. Is not there yet.

He has to work all weekend to refine the numbers. No details until Monday.

The rents proposed in the narrative (spreadsheet) are matching to incomes that are pretty high.

Sheet 1 - plugged in units, income and rents WITHOUT utilities which may make the rents look low.

✓ NEEDS FEEDBACK FROM ACHC on what rents should be

Some of the units, e.g. 2 BR, are large and should get a good rent.

Needs Feedback also on the floor plans.

On Monday he will walk people through the entire study and does not want anything circulating until Monday.

Acton Housing Authority

From: Tavernier [tavern@ma.ultranet.com]
Sent: Thursday, March 28, 2002 5:05 PM
To: bos@town.acton.ma.us; fincom@town.acton.ma.us; bryan@mail.ab.mec.edu; Jo-Ann M. Berry
Cc: achc@town.acton.ma.us
Subject: timing problem

I just got off the phone with the MHP consultant Ed Marchant and want to report to you all about the report distribution timing. As you are all aware, Mr. Marchant was snatched from the middle of other studies and responsibilities and had to hit the ground running less than 2 weeks ago to produce a Feasibility Study on the reuse of the Town School for the April 2 town meeting. This is a very complicated process but Mr. Marchand is one of the best in the field and we are confident we will get a credible report in the end. It was never our desire to have such an important study be handled in such a frenzied way but we had no choice given the circumstances.

Mr. Marchant has asked me to inform you that he will be fully prepared to do a "walk through" of all the financials (the "guts" in his words) of the proposal at the Monday April 1 meeting already scheduled and to which you have all been invited. Matching up the proposed unit and income mix with the funding sources is the greatest challenge and takes careful examination of all the strings attached. These funding sources are highly competitive and in huge demand as the need for affordable housing escalates. He will be working on the sources and uses statement all weekend.

He has found that the Building does lend itself to adaptive reuse and that he fully expects to make a match between expenses and funding but is not quite there yet. He will not have these financial details until Monday afternoon when he, the architect and MHP officials will attend the 1:30PM meeting at town hall.

It was premature of me to promise a copy of the report on this Friday, I had not checked with the consultant who had only just begun at that point. He was hired by MHP and not the town of Acton.

Thank you for your forbearance. We will look forward to hearing the report first hand on Monday at 1:30PM in room 204. I hope many of you can attend.

Nancy Tavernier

EDWARD H. MARCHANT

Edward H. Marchant has been actively involved with the development, financing, construction, and management of real estate over the past twenty-nine years. In addition to his experience as a real estate developer and consultant, Mr. Marchant has been an active real estate educator over the past twenty years.

As a Project Manager and then as Director of Development at Greater Boston Community Development, Inc. (GBCD), Mr. Marchant worked from 1971-1980 with a wide range of community-based housing sponsors in the successful development of numerous affordable housing projects. GBCD, a non-profit corporation and one of the leading affordable housing technical assistance firms in the country, is now known as The Community Builders, Inc. (TCB). Mr. Marchant served on its Board of Directors from 1985 to 1997 and is currently providing real estate consulting services to TCB on several of its comprehensive neighborhood revitalization development projects.

As a Vice President at John M. Corcoran & Co. (Corcoran), a private Boston real estate development and management company, Mr. Marchant was responsible for initiating real estate projects and serving as a development project manager on those projects that he initiated. As a development project manager, Mr. Marchant was responsible for identifying suitable sites and gaining site control, preparing feasibility studies, assembling development teams, negotiating required zoning approvals, securing construction and permanent financing, coordinating the design/construction process, and establishing and monitoring marketing programs. Mr. Marchant's real estate development experience at Corcoran included the development of residential, office, and R&D projects. One of his projects at Corcoran was the rehabilitation of a 392 unit Boston public housing project now known as Commonwealth Apartments. That project, owned by the Boston Housing Authority but privately managed by Corcoran, was awarded an Urban Land Institute Award of Excellence in 1989.

In 1980 Mr. Marchant began working as an independent real estate advisor. Clients have included a wide variety of private and public financial institutions and nonprofit and for-profit developers. Representative assignments have included advising quasi-public agencies on redevelopment planning and implementation for closing military bases (Ft. Devens, MA; Watertown, MA; and Bermuda), a major urban university on the development of a strategic neighborhood revitalization plan (with TCB), a federal housing agency on the implementation of a public housing funding program for severely distressed public housing projects, a non-profit on the development and financing of an assisted-living facility, private land owners on structuring and negotiating joint venture agreements for the development of conventionally financed rental housing, and a private corporation on the valuation and disposition strategy of a major corporate real estate asset. In addition to his direct real estate consulting work, he has served as a court-appointed Trustee or Examiner for the Office of the United States Trustee on four Chapter 11 bankruptcy cases, including two where the primary assets were real estate. These two cases included a mixed-use building (retail and office) and a mobile home park. Creditors in the two cases in which Marchant served as Chapter 11 Trustee received a 100 cent and 129 cent on the dollar dividend distribution respectively. Mr. Marchant has also served as a real estate expert for the United States Attorney, District of Massachusetts.

Since 1980, Mr. Marchant has been an Adjunct Lecturer in Public Policy at the Kennedy School of Government, Harvard University, where he teaches courses on real estate development and finance and on the development, financing, and management of affordable housing. Mr. Marchant's courses at the Kennedy School have consistently been recognized through the Dean's program that acknowledges outstanding teaching. Mr. Marchant also teaches a real estate finance and investment course at the Harvard University Extension School where he received the JoAnne Fussa Distinguished Teaching Award in 1997. Mr. Marchant has participated as a faculty member in several special purpose educational programs offered at Harvard, including the Affordable Housing Institute (Graduate School of Design, 1992-present), the HUD/CPD Community and Economic Development Institute (Kennedy School, 1996 and 1997), the Summer Leadership Institute (Harvard Divinity School, 1998-present) and the HUD-sponsored Community Builders Fellowship and Public Trust Officers training program (Kennedy School, 1998-present). Mr. Marchant has served since 1994 as an evaluator for the Innovations in American Government program, a program sponsored by the Ford Foundation and administered by the Kennedy School. Mr. Marchant was a Visiting Lecturer for the Spring 1993 and 1994 semesters in the Department of Urban Studies and Planning at the Massachusetts Institute of Technology (MIT) where he taught a housing finance and development course. Mr. Marchant also designs and teaches corporate real estate training programs, including past programs for Copley Real Estate Advisors, the City of Boston's Public Facilities Department (now known as the Department of Neighborhood Development), and The Community Builders, Inc.

A graduate of Cornell University (A.B. Government 1968) and Harvard Business School (M.B.A. 1970), Mr. Marchant is a member of the Urban Land Institute and a member and former Chairman of ULI's Boston District Council Executive Committee.

Edward H. Marchant
EHM/Real Estate Advisor
Nine Rawson Road
Brookline, MA 02445-4507

617-739-2543
617-739-9234 (Fax)
emarch@mac.net

August 2000

02/25/02 14:25 FAX 617 338 8274

MHF FUND

003

9-28-200 9:36AM

FROM EDWARD H MARCHANT 617 736 9234

P. 4

**Marchant's Specific Experience
with Massachusetts' Comprehensive Permit Law (M.G.L.40B)**

Mr. Marchant has had experience on both sides of the Comprehensive Permit law--both as a developer and as an independent advisor to Zoning Boards of Appeal.

As a developer with John M. Corcoran & Co., Mr. Marchant was the lead negotiator for a 220 unit Comprehensive Permit, mixed-income rental development built in 1989 in Andover, MA. Also, as a development advisor to The Community Builders, Inc. (TCB), Mr. Marchant recently served as the lead negotiator for an 18 home, mixed income, Local Initiative Program, Comprehensive Permit condominium development now under construction in Weston, MA.

Funded by a grant from the Massachusetts Housing Partnership Fund, Mr. Marchant recently provided technical assistance to the Merrimac, MA Zoning Board of Appeals on the proposed Cobbler's Brock 24 unit, mixed income, condominium development. A Comprehensive Permit for this development was granted by the Merrimac Zoning Board of Appeals on August 4, 2000. Also, in March 2000, Mr. Marchant served as an independent "financial expert" advisor to the Norwood, MA Zoning Board of Appeals on Norwood Crossing, a proposed 142 unit Comprehensive Permit, mixed income rental community to be developed under New England Fund guidelines.

Mr. Marchant in August 2000 was retained by the Nantucket Zoning Board of Appeals to provide technical assistance to the town and its Zoning Board of Appeals on a newly proposed 57 unit, New England Fund, Comprehensive Permit condominium development. The Massachusetts Housing Partnership Fund has also funded these services through its Technical Assistance Fund.

August 2000



TOWN OF ACTON
P.O. Box 681
Acton, Massachusetts, 01720
Telephone (978) 263-4776
Fax (978) 266-1408

Acton Community Housing Corporation
Nancy E. Tavernier, Chair

Rita Farrell
Alice Wong
Massachusetts Housing Partnership Fund
2 Oliver St.
Boston, MA 02109

BY FAX

February 21, 2002

Dear Rita and Alice,

Thank you for meeting with the members of the Acton Community Housing Corporation on February 14 to discuss the proposed housing development for the Towne School building in Acton. The members of ACHC met this morning to develop a concept for you to use as a guideline for the feasibility study of the project. We are anxious for the study to proceed quickly and have tried to put as much definition as possible into the concept. We are specifically calling this a "concept" because we recognize the findings in the feasibility study may dictate a different configuration of units and/or income mix. We look forward to having future discussions that will fine-tune the proposal into a workable and politically viable project.

Conceptual Guidelines

1. Land lease arrangement with the length of the lease being a minimum of 50 years or whatever is the most economically feasible time period.
2. 100% Rental units. We need to demonstrate that we have explored the ownership option and would ask you to give a cursory examination of home ownership with a land lease and tell us whether it is feasible or not. However, we do not wish to have you spend much time on that option since our recommendation is for rental units.
3. We would like the income designation to be Mixed Income with:
 - 50% of the units designated as Affordable
 - 1/2 of those units for incomes up to 60% of median income
 - 1/2 of those units for incomes up to 110% of median income
 - 50% of the units to be rented at Market rates.
4. For the Unit Mix, assuming 12 units, we would like the following:
 - 1 2 Bedroom Handicapped accessible unit
 - 2 3 Bedroom units

- 2 1 Bedroom/Studio units
- 7 2 Bedroom units
- Any use of the unique spaces in the building for artist lofts or other creative options
- If space is available, we would like to have a community room included

5. Site Design

- The building should be connected to the sewer system and betterments paid
- Parking areas should be the minimum required and should be sited in the rear of the building. We suggest the space currently occupied by the school library, to be removed.
- We wish to maximize the land area adjacent to the building for use by the schools as play areas.
- We recommend access to the building from Charter Rd.

This is the timetable for the process that we recommend.

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It is our understanding that MHP will submit a list of consultants to us for our review and recommendation. We are prepared to call a special meeting for this purpose.

Again, thank you for your continued enthusiasm for our proposal. We are confident the town meeting members will be satisfied with the level of information given to them so they can make an informed decision. We look forward to working with you.

Sincerely,

Nancy E. Tavernier, Chair
Acton Community Housing Corporation

cc Board of Selectmen
Town Manager
ACHC
Acton School Committee

MHP

Options

Rita Jamell Fax 413 253 3002
Alice Wong Fax 617 338 8274

1. Consider home ownership project as a comparison

I. Land lease or sell

1. Land lease concept. whatever feasible recommend
min. of 50 years
what is required for financing
most feasible length of lease

II. Homeowner vs rental

✓ 1. Rental
tough to sell unit

~~add~~ need to say we explored ownership option
ask MHP to consider, take quick look

III. Unit mix % affordability

MHP

affordability % - age

1/3 at 60% median

1/3 at 120/120
80% "

1/3 at market

undecided

up to 80 or 85% median
53,400 income

40% of units

Recommend what funding available to define
to us what breakdown breakdown
how to break out 40% in terms of
income

* 1. mixed income afford.

40-60% of units
affordable

more up to 50% units (25/25) affordable

1/2 at 60% median

1/2 at 110% median

50% at market

4 Y 0 N 1 Abst.

2. Unit Mix

1 Handicapped ^{accessible} 2 BR

2 3 BR

2 1 BR / Studio

as many 2 BR
as possible

use unique spaces
eg. artist lofts

community space if possible

3. Site Design

connect to sewers

parking area minimum

in space of library
parking in back of bldg

~~minimum~~

maximize

access from Charter Rd.

List of consultants to ACHC asap

Send to meeting to them

Concept - Guidelines voted

DEVELOPMENT FEASIBILITY ANALYSIS
ADAPTIVE REUSE OF THE TOWNE SCHOOL
ACTON, MA
FOR MIXED-INCOME HOUSING

Edward H. Marchant
EHM/Real Estate Advisor
Brookline, MA
and
Philip Hresko
Hresko Associates, Inc.
Boston, MA

March 29, 2002

I. BACKGROUND

The purpose of this report is to review the feasibility of developing mixed-income housing through the adaptive reuse of the Towne School building in Acton, MA. Design and construction cost analysis has been provided primarily by Philip Hresko of Hresko Associates, Inc. of Boston, MA. Economic feasibility analysis has been provided primarily by Edward Marchant of EHM/Real Estate Advisors of Brookline, MA. Mr. Hresko has had over 40 years of professional experience in the areas of construction, planning and design with extensive experience in residential, commercial and institutional rehabilitation projects. Mr. Marchant has had over 30 years of experience in the development and financing of rental and for-sale mixed-income residential developments.

Both Mr. Hresko and Mr. Marchant have inspected the site and the building and have reviewed the McCarthy-Towne School Building Evaluation report prepared by The Office of Michael Rosenfeld, Inc. (Rosenfeld) dated January 2, 1998 and The Towne School Reuse Investigation report prepared by Rosenfeld (undated but with drawings dated June 20, 2001).

II. REAL ESTATE FUNDAMENTALS

Acton, MA is a desirable and strong market location. The building enjoys a high degree of visibility from Route 111 (Massachusetts Avenue) and provides very convenient access to Routes 2 and 495 as well as to Main Street. Recreational amenities are provided nearby at the school complex. The building is in good condition, having been operated until recently as a school. The building has an attractive and prominent front facade that will be maintained. Assuming a "friendly" Comprehensive Permit is used, zoning should not be an issue.

Older public schools are often likely candidates for successful residential reuse for the following reasons:

- High quality original design and construction
- Large and continuous perimeter windows providing design flexibility and the ability to satisfy residential light and ventilation code requirements
- High floor to ceiling heights providing design/construction flexibility
- Interior layouts that can easily be adapted for residential reuse given that the classroom module is similar to a residential module
- A history of regular maintenance/capital improvements
- Sufficient land area to provide adequate parking, and

- A positive and nostalgic marketing "image" within the community.

The Towne School benefits from each of these general positive characteristics and its location in a very desirable community reinforces its suitability for adaptive residential reuse.

Utilities, including even public sewer now, are available to the site. Convenience retail amenities are located nearby.

From a "real estate fundamentals" perspective, the site, building, and market conditions are sound.

III. PRODUCT TYPE: FOR SALE OR RENTAL?

Given the Town's expressed preference to maintain long-term control over the property, a rental housing use would provide the greatest opportunity to satisfy this long-term control objective. The term of any ground lease must be acceptable to a permanent lender; however, a minimum term of 50 years is likely to be acceptable. At the termination of the lease term, the Town could control the property once again, if it chooses to do so.

III. DESIGN FEASIBILITY

A schematic Site Plan and Floor Plans have been prepared by Hresko Associates, Inc. and are included at the end of this report.

The Site Plan design provides access to the building and its parking area directly from Route 111 (Massachusetts Avenue). The view of the handsome front facade of the building remains intact without any parking spaces located directly in front of the building. Separation from Charter Road and the road directly in back of the school has been deliberately maintained to avoid any potential interference with school buses. The Site Plan has been designed to preserve the maximize amount of space to the east of the building for school play area use. A soccer field is shown on this area for illustrative purposes only. The actual design and use of this area could be defined by the Town. Depending on the final "economics" of the project, the Town might request in its Request for Proposals that the designated developer make a contribution to the cost of developing this potential play area. Any resulting adjacent play area that is developed would be an attractive amenity for future residents of The Towne School.

The schematic Floor Plans indicate that 19 units offering a variety of unit sizes and designs can be efficiently achieved and provide attractive housing for individuals and families:

- 4 - Studio apartments ranging in size from 415 to 522 net square feet

- 4 - One Bedroom apartments ranging in size from 728 to 840 net square feet (including one duplex unit)
- 9 – Two Bedroom apartments ranging in size from 874 to 1324 net square feet (including one duplex unit), and
- 2 – Three Bedroom apartments with 1008 net square feet each.

The percentage breakdown of unit types is: Studio (21%), One Bedroom (21%), Two Bedroom (47%) and Three Bedroom (11%).

Two of the two bedroom units and both of the three bedroom units will be able to have private yards. Handicap access will be provided at the Main Entry and at least one apartment on the first floor will be designed to meet handicap requirements.

Total Net Square Footage of the 19 units is estimated to be 16,467 square feet. Total Gross Square Footage of the building is estimated to be 21,056 square feet.

IV. ECONOMIC FEASIBILITY

Having confirmed that the “real estate fundamentals” are sound and having determined that a reasonable site plan and floor plan design can be achieved, the next step in the feasibility study analysis is to examine the economic feasibility of developing a mixed-income rental residential at this property.

The tasks involved in reviewing economic feasibility are relatively straightforward:

- What will it cost to produce the housing? (Uses of Funds), and
- What funds will be available to pay for these costs? (Sources of Funds).

Uses of Funds

There are three major cost components within any real estate project: land, construction costs (often referred to as “hard costs”) and development costs (often referred to as “soft costs”). We have attempted to estimate these costs by providing a reasonable range of the potential cost for each component based upon the preliminary design plan and other available site, building and program information. Our extensive prior professional experience with similar projects has also informed these estimates. However, it is important to understand that this is a preliminary analysis and that it is never possible to determine actual costs until final plans and final program decisions are made. If a decision is made to proceed with this project, program, capital cost, and operating income, operating expense and debt service information will be refined throughout each step in the development process, as is done in any real estate project.

A Uses of Funds table is included on the following page.

Uses of Funds Statement

Cost Component	Estimated Total Cost	Estimated Cost Per Residential Unit	Comments
Land	\$0	\$0	Land lease assumed. No front end or annual lease payment to Town should be anticipated given likely capital cost and operating cost limitations.
Construction Costs (Hard Costs)	\$2,000,320 - \$2,105,600	\$105,280-\$110,821	Based upon an estimated construction cost range of \$95 -\$100 dollars per gross square foot of building (Estimated 21,056 Gross Square Feet)
	\$200,032-\$210,560	\$10,528-\$11,082	A 10% contingency has been included
	<u>\$350,000-\$400,000</u>	<u>\$18,421-\$21,053</u>	In addition to these "building" costs, \$350,000-\$400,000 was included for Site Improvements, Environmental Remediation, and Sewer/Water Hook-Up Fees
	\$2,550,352-\$2,716,160	\$134,229-\$142,956	Subtotal Construction Costs
Development Costs (Soft Costs)	\$637,588-\$679,040	\$33,557-\$35,739	On a project of this type, Development Costs could be estimated to be approximately 25% of Hard Costs. Development Costs include such items as Architectural and Engineering Fees, Surveys, Legal/Title & Recording Fees, Appraisal/Market Study Reports, Financing Fees, Insurance during Construction, Construction Loan Interest, Project Management Fees, Initial Rent-Up, and Cost Certification Fees.
	<u>\$31,879-\$33,952</u>	<u>\$1,678-\$1,787</u>	A 5% contingency has been included
	\$669,467-\$712,992	\$35,235-\$37,526	Subtotal Development Costs
TOTAL ASSET COST	\$3,219,819-\$3,429,152	\$169,464 - \$180,482	

Sources of Funds

The feasibility challenge is to determine if there are adequate Sources of Funds to match the Uses of Funds. The primary sources of funds for any affordable housing development are:

- “Conventional Debt” financing based upon the project’s ability to support such debt through its generation of Net Operating Income, and
- “Gap Financing” provided through a combination of available public affordable housing subsidy programs.

A table outlining the potential Sources of Funds is included on the following page.

Sources of Funds Statement

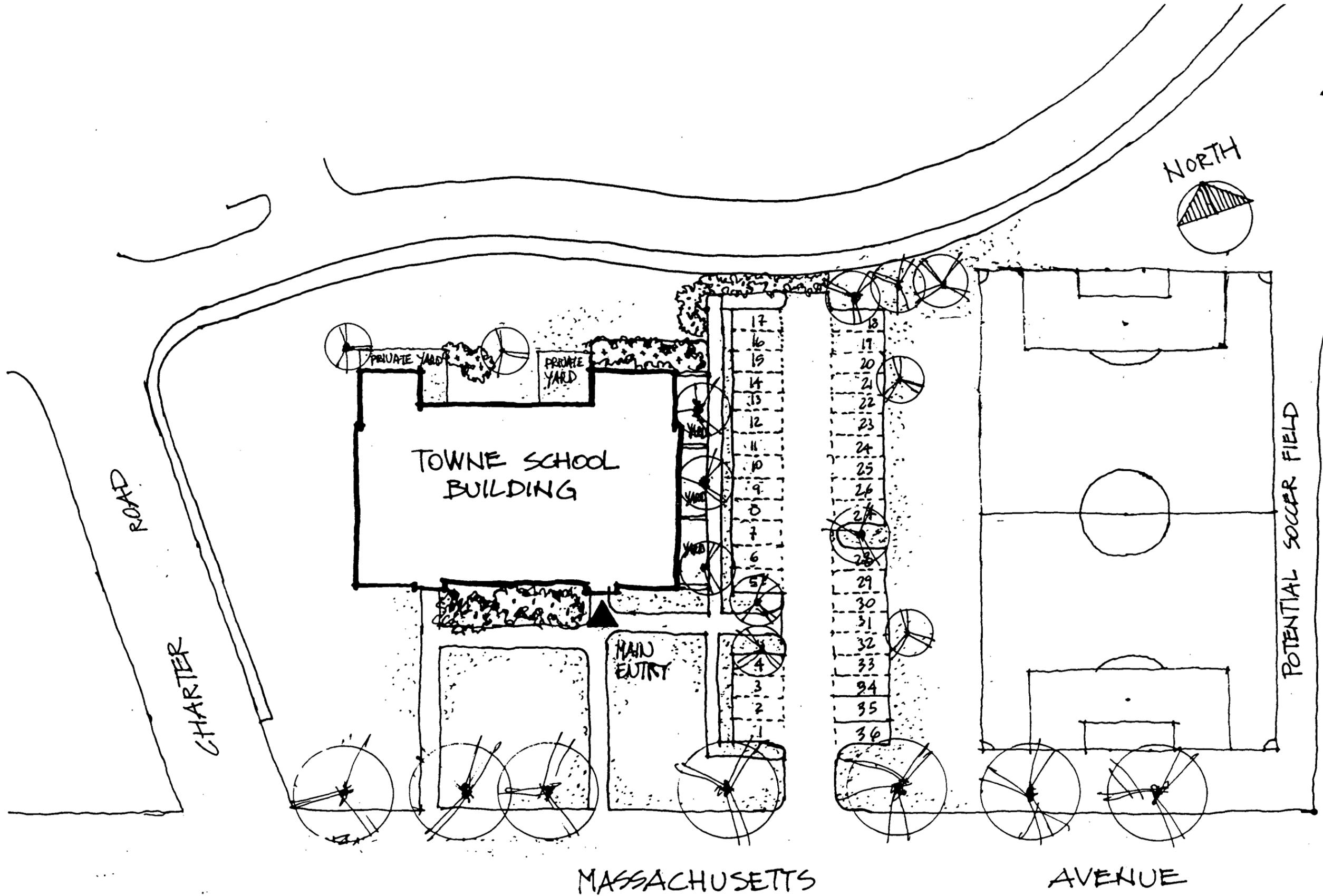
Type of Funding	Estimated Level of Funding	Comments
Conventional Debt	\$1,460,000	<p>The level of debt financing achievable is directly related to the level of Net Operating Income (NOI) generated by a project. NOI is the difference between Income and Operating Expenses. In other words, it's what's left over after you deduct all Operating Expenses (including a Replacement Reserve) from Income (Rent Payments). Rent Payments are directly related to the proposed income mix assumptions. For this analysis, we have assumed that the project will generally be designed to provide housing for individuals and families with incomes ranging from 50%-100% of Area Median Income (AMI) with the possibility of serving individuals or families with less than 50% of AMI through additional rental assistance subsidy programs. AMI is defined annually by HUD. Acton, MA falls within the Boston-MA-NH PMSA and therefore the current FY 2002 Median Family Income is \$74,200. The general income range assumed to be served in this development is approximately \$35,000-\$74,200, although a limited number of units will be available to lower income individuals or families based upon funding subsidy requirements and/or the availability of rental assistance subsidies. Rent levels, not including utilities, are assumed to range from approximately \$800 for a Studio, \$950-\$1,100 for a One Bedroom, \$800-\$1400 for a Two Bedroom, and \$950-\$1,500 for a Three Bedroom. Actual rents for persons holding a rental assistance certificate would be based upon 30% of individual/household income. What appear to be discrepancies in the rent ranges listed above are actually attributable to the targeted income guidelines and rent level limitations of the proposed Funding Gap programs. In addition, in adaptive reuse projects, there is often a wide variety in unit sizes given the need to design within the physical constraints of the building, resulting in individual unit pricing to reflect the particular characteristics of a unit. Based upon the requirements of the Gap Financing programs listed, we would anticipate Net Operating Income of approximately \$150,000 after deducting a standard vacancy allowance and estimated Operating Expenses/Replacement Reserve allowance of \$4,200/unit with tenants paying separately for utilities. Based upon underwriting guidelines of a likely permanent lender such as the Massachusetts Housing Partnership Fund, we have assumed that the project could support a conventional loan of approximately \$1,460,000.</p>
Gap Financing	\$1,969,152	<p>\$950,000 from the Massachusetts Affordable Housing Trust Fund</p> <p>\$500,000 from the Community Development Block Grant Program (CDBG) administered by the Department of Housing and Community Development through its Community Development Funds II program.</p> <p>\$519,152 from the Department of Housing and Community Development/Massachusetts Partnership Fund Pilot Program (HOME)</p>
TOTAL	\$3,429,152	

V. CONCLUSION

The combination of Debt Financing and Gap Financing outlined above provides Sources of Funds that match the Uses of Funds outlined earlier and therefore creates the potential for an economically feasible development. Securing the indicated Gap Financing funds is never a simple task; but it is a standard procedure for all successful affordable housing developments. Given the demand for affordable housing throughout the Commonwealth and the relatively low supply of funding for these programs, competition for many of these funds is intense. However, our experience has been that projects with strong "real estate fundamentals", active community support, and a competent development team almost always manage to secure the necessary Gap Financing.

Very few locally supported mixed-income developments offering quality family housing have been proposed in higher income suburban communities such as Acton. As such the reuse of The Towne School will enjoy a competitive advantage in that subsidizing agencies and lenders welcome the opportunity to reward local initiatives that will produce family affordable housing. Moreover, the overall scale of the development is relatively small—and thereby the absolute dollars of subsidy are relatively small. If this were a 100-150 unit development, the absolute dollars of subsidy required would be so high that we would not be as comfortable suggesting that the necessary gap funding could be achieved.

In conclusion, based upon our preliminary analysis, we feel that the adaptive reuse of The Towne School for a mixed-income, rental residential development is feasible from both a design and financial perspective.



Hresko
Associates, Inc

Architects - Landscape Architects - Interior Designers
110 Broad Street - Boston, Massachusetts 02110 USA
tel: 617/360-7666 - fax: 617/360-6960

Towne School Building

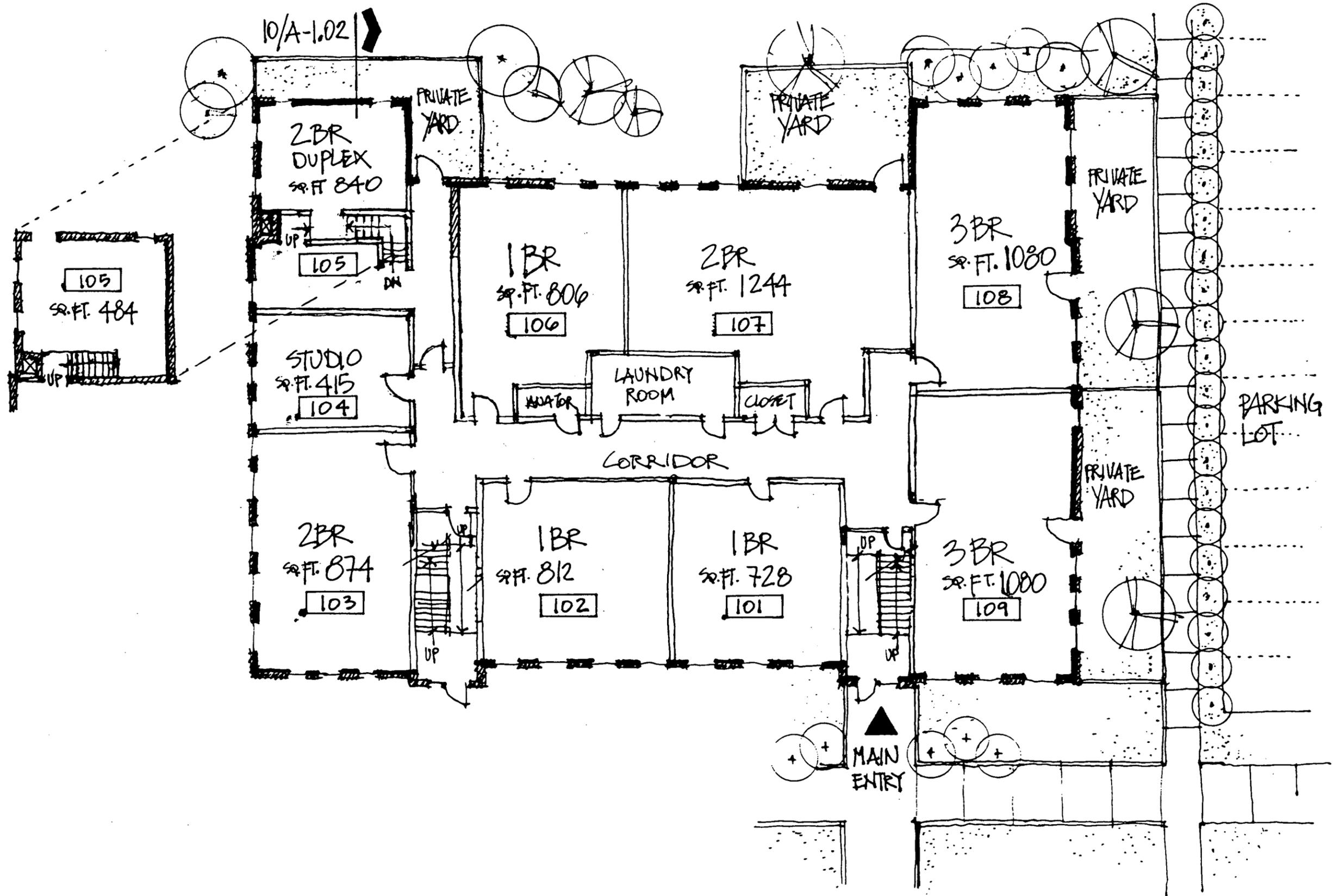
Massachusetts Avenue
Acton, Massachusetts

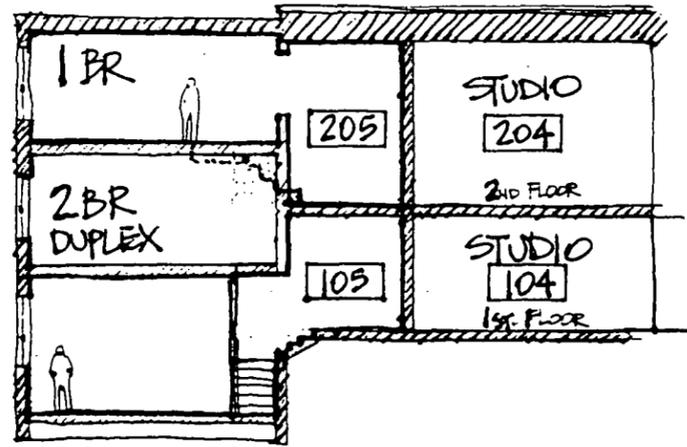
Schematic Site Plan

Scale: 1" = 40'
Date: 25 March 2002

#20-02

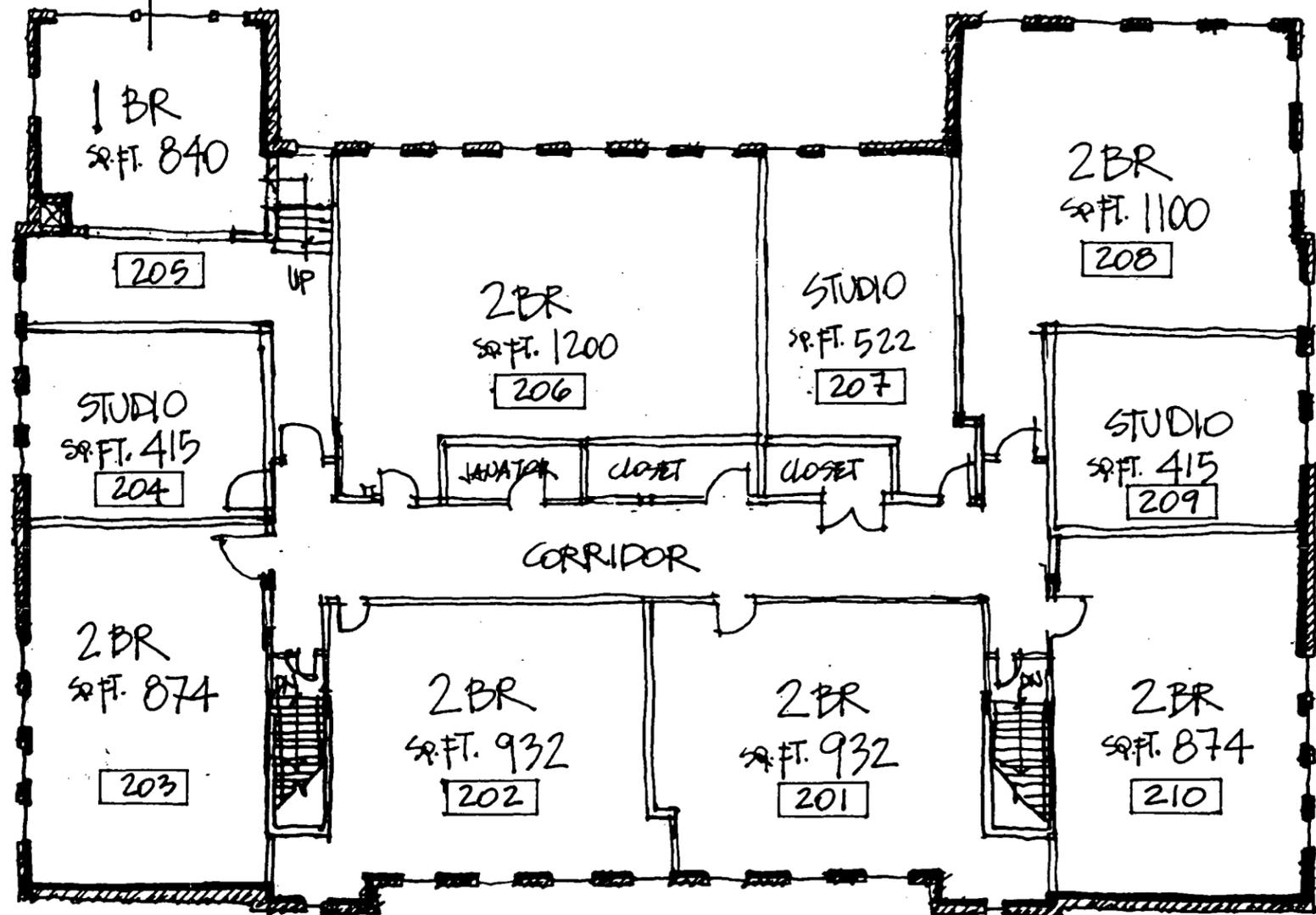
SP
1 01





10 SECTION
SCALE: 1/16" = 1'-0"

10/A-1.02



PRELIMINARY FEASIBILITY ANALYSIS
TOWNE SCHOOL APARTMENTS
ACTON, MA

PROGRAM DESCRIPTION

DEVELOPER: TBD
 OWNERSHIP ENTITY: TBD
 PRODUCT TYPE: Adaptive Reuse of School Building for Mixed Income Rental Housing
 FEE OR LEASE: Lease
 LOCATION: Acton, MA
 ANALYSIS DATE: 3/25/02

UNIT MIX	Studio	1BR	2BR	3BR	Total
Floor One	1	3	3	2	9
Floor Two	3	1	6	0	10
Total	4	4	9	2	19
%	21%	21%	47%	11%	100%

GROSS SQUARE FEET: 21056 (Hresko Estimate)
 NET SQUARE FEET: 16467 (Hresko Estimate)
 NET/GROSS RATIO: 78.21%

TOTAL PARKING SPACES: 36

INCOME MIX	Unit Number	Unit Type	Net Square Feet
	101	1BR	728
	102	1BR	812
	103	2BR	874
	104	Studio	415
	105	2BR Duplex	1324
	106	1BR	806
	107	2BR	1244
	108	3BR	1080
	109	3BR	1080
		Subtotal	8363
	201	2BR	932
	202	2BR	932
	203	2BR	874
	204	Studio	415
	205	1BR Duplex	840
	206	2BR	1200
	207	Studio	522
	208	2BR	1100
	209	Studio	415
	210	2BR	874
		Subtotal	8104
		Total	16467

AVERAGE RENTS (Tenant Pays Separately for Heat, Hot Water, Electricity)	50% AMI Low HOME	60% AMI High HOME	80% AMI Trust Fund	100% AMI Trust Fund	Total
Studio			3@ \$900	1@ \$900	4
1BR	1@ \$547		1@ \$944	2@ \$1100	4
2BR		3@ \$814	1@ \$1124	5@ \$1420	9
3BR		1@ \$930		1@ \$1500	2

53% afford

Unit Type	HH Size	AMI		
		60%	80%	110%
Studio	1	\$31,140	\$40,800	\$56,100
1BR	1.5	\$33,390	\$43,725	\$60,121
2BR	3	\$40,080	\$52,500	\$72,187
3BR	4.5	\$46,290	\$60,650	\$83,393

PRELIMINARY FEASIBILITY ANALYSIS
TOWNE SCHOOL APARTMENTS
ACTON, MA

PROGRAM DESCRIPTION

DEVELOPER: TBD
 OWNERSHIP ENTITY: TBD
 PRODUCT TYPE: Adaptive Reuse of School Building for Mixed Income Rental Housing
 FEE OR LEASE: Lease
 LOCATION: Acton, MA
 ANALYSIS DATE: 3/25/02

UNIT MIX	Studio	1BR	2BR	3BR	Total
Floor One	1	3	3	2	9
Floor Two	3	1	6	0	10
Total	4	4	9	2	19
%	21%	21%	47%	11%	100%

GROSS SQUARE FEET: 21056 (Hresko Estimate)
 NET SQUARE FEET: 16467 (Hresko Estimate)
 NET/GROSS RATIO: 78.21%

TOTAL PARKING SPACES: 36

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January 30, 2002

Clark Ziegler
Executive Director
Massachusetts Housing Partnership Fund
2 Oliver Street
Boston, MA 02109



Dear Mr. Ziegler:

The Acton Community Housing Corporation, a Town Board appointed by the Board of Selectmen, has as its mission increasing the supply of affordable housing in the town. As stated in the Board of Selectmen's letter of January 28, 2002, a school building (the Towne School) has been turned over to the Town and the Board of Selectmen, as described in their letter, have voted unanimously to give a first priority to converting the School to affordable housing. The Board has also authorized ACHC , in conjunction with the town's staff, to investigate the feasibility of converting the school to affordable housing and to make recommendations about a development program and how it might be accomplished.

We understand that the Massachusetts Housing Partnership Fund has resources for providing technical assistance for a feasibility study. We see our task as including the preparation of a development plan including preliminary architectural plans, environmental review and site plan, cost estimates, and a determination of financial feasibility and sources of funding. We also seek recommendations about how any required state and federal approvals might be obtained and assistance in the preparation of a draft Request for Proposals pursuant to which a developers might be selected.

ACHA is prepared to work closely with MHP in selecting and approving consultants and in working with the consultants. We will assist in coordinating MHP's work and that of its consultants with the various town departments and other interested groups. ACHC is proceeding to review housing needs, establish housing goals and alternatives housing schemes, gather in conjunction with town staff available information about the building and site, and setting up procedures for informing the Board of Selectmen, Town Manager, and departments of the town as work proceeds.

The Town has asked for an early meeting at which we can discuss possible funding sources of technical assistance and how MHP might provide it. We look forwards to your favorable consideration of the Town's request and working with you on this important affordable housing effort.

January 28, 2002

Mr. Clark Ziegler
Executive Director
Massachusetts Housing Partnership
2 Oliver Street
Boston, MA 02109

Selectmen's
Draft

Dear Mr. Ziegler:

The Acton Selectmen are writing Massachusetts Housing Partnership (MHP) to request technical assistance for the Town to conduct a feasibility study for the development of affordable housing in the historic Towne School.

At the Annual Town Meeting held in April of 2001 the Town's people voted to transfer the Towne School from the school department to the Town. The Town was then to decide the best possible use for the school. Over the past several months the Towne School Reuse Committee whose members represented the Planning Board, Finance Committee, Selectmen, Town Manager, Historic District Commission, Acton Housing Authority, Acton Community Housing Corporation (ACHC), and the Acton School Committee met several times to explore the best possible use for the school. On Monday, January 14th the Town Reuse Committee made its recommendation to the Acton Selectmen to pursue the development of affordable housing for the building. The Selectmen voted unanimously to approve affordable housing as its first priority for the reuse of the Towne School and to authorize the Acton Community Housing Corporation to investigate with the assistance of Town staff, the feasibility of developing the Towne School for affordable housing.

Over the years the Town of Acton has strived to increase its affordable housing stock. The reuse of the Towne School for affordable housing would be an excellent opportunity to add additional affordable housing to the Town's stock. Although the Town has determined the best possible use for the Towne School is to develop affordable housing, the Town does not have the expertise or the staff to adequately design and plan the building. For these reasons the Town is seeking MHP's technical assistance. Several months ago the ACHC members, the Town Manager and two of the Acton Selectmen met with Rita Farrell and Alice Wong from MHP to explore possible funding sources if the Town determined that the best use was for the development of affordable housing. Now that the Town has made that determination we would like to meet with them again and actively pursue the availability of MHP's funding for technical assistance.

The Selectmen appreciate any assistance that your office can provide the Town. If you have any questions regarding this request, please do not hesitate to contact Don Johnson, the Town Manager.

Sincerely,