



Rogers School

RFP Submission

Fairhaven, MA



Prepared by:
Arch Communities, LLC
Lanagan & Co. Inc.



Lanagan & Co., Inc.

— REAL PROPERTY BROKER —



R E S I D E N C E S
AT THE ROGERS SCHOOL
FAIRHAVEN, M.A.





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R E S I D E N C E S
AT THE ROGERS SCHOOL
FAIRHAVEN, M.A.

March 9, 2022

Town of Fairhaven
Attn: Ms. Wendy Graves, Interim Town Administrator
40 Court Street
Fairhaven, MA 02719

Re: Request for Proposals
Sale and Development of the Former Rogers Elementary School
100 Pleasant Street, Fairhaven, MA

Dear Wendy:

We are pleased to submit our proposal to the Town of Fairhaven to redevelop the former Rogers Elementary School into a vibrant, mixed-income community for seniors and the positive impact it will have on Fairhaven Center. For a number of reasons, we feel that our development team is uniquely positioned to help the Town of Fairhaven realize its vision for this long awaited and important project. Our team has a proven history of working together to create strategic partnerships with municipalities, local organizations and other community stakeholders that is strengthened by our in-depth understanding of the intricate Federal and State programs needed to bring these projects to fruition.

We look forward to meeting with you and discussing our development plan for the Rogers School in more detail. As the main point of contact for this submission, please contact Rich Relich at (781)424-7328 or via email at rich@archcommunities.com with any questions or if any additional information can be provided. Thank you for your consideration.

Sincerely,

Richard C. Relich
Principal
Arch Communities LLC

Jason P. Lanagan
President
Lanagan & Co., Inc.



Development Approach

The Town of Fairhaven has worked extensively for many years to successfully maintain the Rogers Elementary School and those efforts have now made the historic redevelopment a reality. The first gift to the Town from Henry Huttleston Rogers, the Rogers School was built in 1885 and over the years has played a critical role in the history of the Town’s educational system. We understand that the community has strong ties to the Rogers School with generations of its residents having attended the school or having taught there. Our development team appreciates the community’s strong bond to the Rogers School and we wholeheartedly agree that it is a gem for the Town and certainly a building worthy of restoration and preservation. Our development team is comprised of people of varying and diverse backgrounds and experiences. The central aspect that ties our team together is our mission to redevelop the Rogers School in a way that is architecturally attractive, historically sensitive, environmentally sustainable, community orientated and economically positive for the Town of Fairhaven.

Proposed Use

Our redevelopment proposal for the Rogers School includes the adaptive reuse of the historic portion of the school and a new construction addition that will provide quality housing for Fairhaven’s seniors. The redeveloped property, known as The Residences at Rogers School, will consist of 52 apartments for active seniors age 55+ with a unit breakdown of 36 one-bedroom apartments and 16 two-bedroom apartments. The majority of rents will be designated as affordable and will range between 30% to 60% of the Area Median Income Level with the balance of apartments renting at market rate levels. We anticipate that the typical resident will be independent seniors no longer wanting or able to remain in a house, but with a desire to remain in the Fairhaven community and live in close proximity to services and retail offered in the Center of Fairhaven. With the senior population continuing to grow, we anticipate that the redeveloped property will attract seniors who do not currently live in senior-friendly housing and will benefit from the use of an elevator, one-story living, supportive services and residing with other seniors of similar interests and needs.

Proposed Rent Levels

| <u>Unit Type</u> | <u>Unit SF</u> | <u>60% AMI</u> | <u>Market-Rate</u> |
|------------------|----------------|----------------|--------------------|
| 1 BR/1Bath | 690-1,040 | \$ 880 | \$1,225 |
| 2 BR/1Bath | 1,050-1,175 | \$1,050 | \$1,440 |



Proposed Unit Mix

| <u>Unit Type</u> | <u>30% AMI</u> | <u>60% AMI</u> | <u>Market-Rate</u> | <u>Total</u> |
|------------------|----------------|----------------|--------------------|--------------|
| 1 BR/1Bath | 5 | 27 | 4 | 36 |
| 2 BR/1Bath | 2 | 12 | 2 | 16 |
| | 7 | 39 | 6 | 52 |

The following overview highlights some of the key features of our development plan for the Rogers School:

- The layout of the apartments will be open by design with high ceilings and an abundance of natural light enjoyed through oversized windows that feature low-e glass for optimal light transmission with the benefits of energy conservation.
- In the Rogers School historic portion, redevelopment efforts will include restoring and reusing much of the original building features such as the main entry lobby and stairwell, common hallways, classroom dividing walls and remaining artwork.
- Throughout the property, each apartment will have central air conditioning and modern kitchens equipped with an energy efficient refrigerator/freezer, dishwasher, garbage disposal, four-burner range/oven and a stainless steel sink. Bathrooms will be three-piece with a porcelain sink and low flow faucet as well as a water-saving toilet and walk-in shower with tub.
- Also within the Rogers School portion, the interior sidewalls will remain in the current footprint and eight apartments, four each on floors two and three, will coincide with the layout of the existing classrooms.
- Two of the one-bedroom apartments will be handicapped accessible with all other apartments handicapped adaptable.
- The Residences at the Rogers School will feature community amenities including a large community room with kitchen that opens onto an outside patio overlooking the park with outside seating, a library/computer room, a fitness area and wellness room in addition to laundry facilities, resident storage and management offices.
- The new site plan will feature attractive landscaping including low impact trees and shrubs along the exterior of the buildings creating a softer view from street level as well as for residents in their apartments. Site lighting will be low intensity, energy



efficient, directional lighting to minimize the impact on surrounding neighbors and will also enhance the historic nature of the property.

- The parking area designed outside of the new construction portion of the property and will provide 94 spaces (1.8 spaces per unit) designed for easy circulation and handicapped accessibility.
- While the former Union Street Right of Way that bisects the property creates significant challenges to redeveloping the site efficiently, our approach maintains the existing condition of asphalt over the sewer easement area.
- Both the adaptive reuse of the historic building and the new construction will incorporate many sustainable and green building features including debris and waste management and recycling, utilizing low emitting materials such as low VOC paints, adhesives and flooring, using Energy Star Certified appliances, lighting and high efficiency HVAC systems.
- The original portion of the Rogers School will remain as it is currently and the exterior historic renovation scope of work will include: the restoration of the exterior façade including brick cleaning, repair and repointing where required; new full-size energy efficient windows throughout the building (new windows will maintain the original full size dimensions); roof restoration, repair and replacement. The lower addition will be removed entirely.
- The Residences At Rogers School development plan also includes enhancements to the green space and playground areas located on the south side of the site. We understand that these areas are integral to the community in a number of ways and continue to be a gathering space for children and families alike. Rogers School is often utilized as the starting point or the terminus for the Phoenix Bike Path and families in the neighborhood rely on the existing playground as a walkable option to get fresh air and socialization for their children. This location also serves as the bus stop for many children that reside in the vicinity of the Center of Fairhaven. Our proposal includes enhancements and improvements that can be made to this important community space already started by the Matty Oliveira Memorial Fund by increasing the size playground and reorganizing the green space to lend itself to greater community use and enjoyment. We anticipate working with the Town to complete a subdivision of this space to ensure it remains a benefit to the Town for years to come.



Financial Overview

Arch Communities has successfully developed challenging real estate projects throughout New England using a combination of funding sources that provide sufficient financing for housing developments such as the redevelopment of the Rogers School. Our track record was built upon the ability to secure the necessary funding to complete these types of complex projects often when conventional financing isn't sufficient and bringing the projects to fruition. While the process of securing the necessary funding is complex, the funding is a critical component of the project's overall capital stack that enables the feasibility of the project and results in a high quality development. Our current development under construction, the historic Wells School in Southbridge, MA, is being transformed into 62 apartments designated for seniors age 55+ is utilizing similar funding sources.

A significant portion of the equity for this development will come from the syndication of Federal and State Tax Credits in addition to other sources of funding from the Massachusetts Department of Housing and Community Development, MassHousing and conventional financing. While it is somewhat difficult to pinpoint the exact sources of funding at this point as programs and the availability of funds within the programs are constantly changing and evolving, it is anticipated that the sources of funding will be as noted below:

Source of Funds

| | |
|-------------------------------------|--------------|
| Federal Housing Tax Credit Equity | \$10,300,000 |
| State Housing Tax Credit Equity | \$ 4,370,000 |
| Affordable Housing Trust/HOME Funds | \$ 3,550,000 |
| Conventional First Mortgage | \$ 1,640,000 |
| Housing Stabilization Funds | \$ 1,000,000 |
| Community Based Housing Funds | \$ 750,000 |
| Facilities Consolidation Funds | \$ 550,000 |
| Town CPA/other Local Funds | \$ 550,000 |
| Deferred Developer Fee | \$ 430,000 |
| Total | \$23,140,000 |

Purchase Price

Arch Communities is proposing to purchase the parcel(s) from the Town of Fairhaven for \$285,000.00.



Community Revenue and Participation

It is anticipated that the development team and the Town will negotiate a Tax Incremental Financing Agreement (TIF), or similar, that will set the project's real estate tax liability over a ten-year period. The TIF Agreement will also help facilitate other sources of funding with requirements of TIF Agreements. In addition to the TIF Agreement, the project will request from the Town for a contribution of local funds as required by the state funding agency when tax credits and other funding sources are allocated to projects in that community. While there is no set formula or designation for specific funding sources, typically projects receive funding from local CDBG, CPA or HOME programs depending upon availability. We have included \$550,000 from the Town of Fairhaven's CPA program within our development budget as the redevelopment of the Rogers School will qualify as a historic preservation and redevelopment project and will also be creating affordable housing for the Town. Due to the extensive scope of redevelopment of the historic portion of the Rogers School that will yield only 8 apartments, the demolition of the addition and the anticipated hazardous material abatement necessary within the school and the addition, we are also requesting relief from any Town building fees including the Building Permit fee.

Job Creation

It is anticipated that the project will create approximately 120 construction related jobs and 2 full-time management related positions consisting of one Property Manager and one Property Maintenance position. Local subcontractors and vendors will be utilized as much as possible throughout construction and following project completion.

Timeline

Following developer designation by the Town, our development team will complete all necessary due diligence documentation needed to submit a funding application to the Massachusetts Department of Housing and Community Development for tax credits and soft funding sources. Required due diligence will include a market study, appraisal, environmental assessment as well as detailed architect and engineer drawings and site plans. During this time, our development team will also be working with the Town of Fairhaven to secure all required local approvals for the development. In addition to site control, local site approval and zoning approval for the project is a requirement for funding.

The following is a list of key items that will need to be completed as part of the funding applications for the project:



- Phase I/21E environmental report and subsequent studies, if needed.
- Geotechnical analysis.
- Appraisal and market study completed by approved entity.
- Site control in form of Land Disposition Agreement/Purchase and Sales Agreement allowing for sufficient timeframes to secure funding and hold until closing.
- Planning and Zoning approvals for the project.
- Architectural plans for interior and exterior, property survey, site plan, stormwater plan.
- Letters of support from Town of Fairhaven personnel and local agencies, State Representative, State Senator, etc.
- Complete financial pro forma including construction and operations.
- Construction and Permanent Lender term sheets and Letters of Interest from equity investors.

Each agency operates separately and independently of each other and has funding rounds scheduled at different times throughout the year. Application rounds for the competitive 9% tax credit allocated by MA DHCD are typically due annually in February of each year with a Pre-Application round due in December. To be eligible for the Pre-Application round, projects are required to have completed the above including having all local approvals secured prior to the application. Due to the high demand for tax credits allocated by the DHCD throughout the state, we anticipate that it will take two rounds to secure the necessary funding to formalize the purchase of the property and begin the construction phase of the project. That being said, our development team will immediately begin the design and local approval process after developer designation with the plan on receiving site and zoning approval to be eligible for the next Pre-Application round. During that time period, we envision meeting with Town personnel, Fairhaven community groups and the Rogers School neighborhood to complete a design that incorporates community input and feedback. We estimate that the construction phase will be approximately 14 months followed by a 6-month lease-up period. Pursuant to the requirements of the tax credit program, the ownership entity will maintain ownership of the property for a minimum of fifteen years as evidenced by Arch Communities continued ownership all of its tax credit properties developed to date.

PROJECT SUMMARY:

The proposed new residence building attached to the renovated Rogers School building which will provide more housing options for the community. Included are amenities such as community room with kitchen adjacent to outdoor patio, gym/fitness/yoga & wellness room, laundry located on each floor, trash rooms on each floor and resident storage. The following is more information on the proposed project:

Existing Rogers School : 8 One-Bedroom Units

New Construction : 2 Accessible One-Bedroom Units (@ New Construction Ground Floor)
 26 One-One Bedroom Units
 16 Two-Bedroom Units

Total Apartment Units: 52 Units

Existing Rogers School Building Area = Basement & 1st Floor : 7,668 sq. ft. per floor
 2nd & 3rd Floor : 7,704 sq. ft. per floor
Total 30,744 sq. ft.

New Construction Building Area = Ground Floor : 14,323 sq. ft.
 2nd & 3rd Floor : 14,323 sq. ft.
 4th Floor : 13,710 sq. ft.
56,679 sq. ft. Total
= 87,423 sq. ft.

Total Building Area

| FAIRHAVEN ZONING BY-LAW | | |
|---|------------------------------------|---|
| Zoning District & Use | | |
| EXISTING DISTRICT | USE | |
| Single Residence Districts (RA) | Single family residences | |
| PROPOSED CHANGE OF DISTRICT | USE | |
| Apartment / Multifamily Districts (RC) | Multifamily apartment building | |
| INTENSITY OF USE SCHEDULE - Minimum Lot & Yard Requirements | | |
| REQUIREMENT | ACTUAL | ALLOWABLE FOR (RC) |
| Minimum Lot Size (Sq. ft.) | ±71,743 sq. ft. (Existing) | 100,000 sq. ft. |
| Lot Frontage (ft.) | ±246 ft. (Existing) | 200 ft. |
| Height of Building (ft.) | ±70 ft. (Existing) | 40 ft. |
| Front Yard (ft.) | ±90 ft. (Existing) | 50 ft. For multifamily dwellings, increase to not less than building height for any yard in which building width parallel to lot line exceeds 30 ft. |
| Side Yard (ft.) | ±72, ±72 ft. (Existing) | 25 ft. For multifamily dwellings, increase to not less than building height for any yard in which building width parallel to lot line exceeds 30 ft. |
| Rear Yard (ft.) | ±160 ft. (Proposed) | 50 ft. For multifamily dwellings, increase to not less than building height for any yard in which building width parallel to lot line exceeds 30 ft. |
| Max. Lot coverage (%) | 82% (Proposed) | 50% |
| Max. Building coverage (%) | 32% (Proposed) | 30% |
| PARKING SCHEDULE for USE: Residential | | |
| REQUIREMENT | | PROPOSED |
| (a) Dwelling units having two or more bedrooms: 2 spaces | Total Provided = 94 parking spaces | |
| (b) Dwelling units having fewer than two bedrooms: 1 space | | |
| Total Required = 58 parking spaces | | |