



# Rail~Volution 2009

Balancing TOD Goals or  
What's Mick Jagger Got to Do With  
Transit-Oriented Development?

November 1, 2009

- Community Redevelopment/Community Preservation
- One Community – Open to All
- Vibrant Community – A Mix of Uses
- Multi-Modal Location
- Financial Viability
- Cost Effective Approach to Construction/Predictability of Schedule
- Replicable

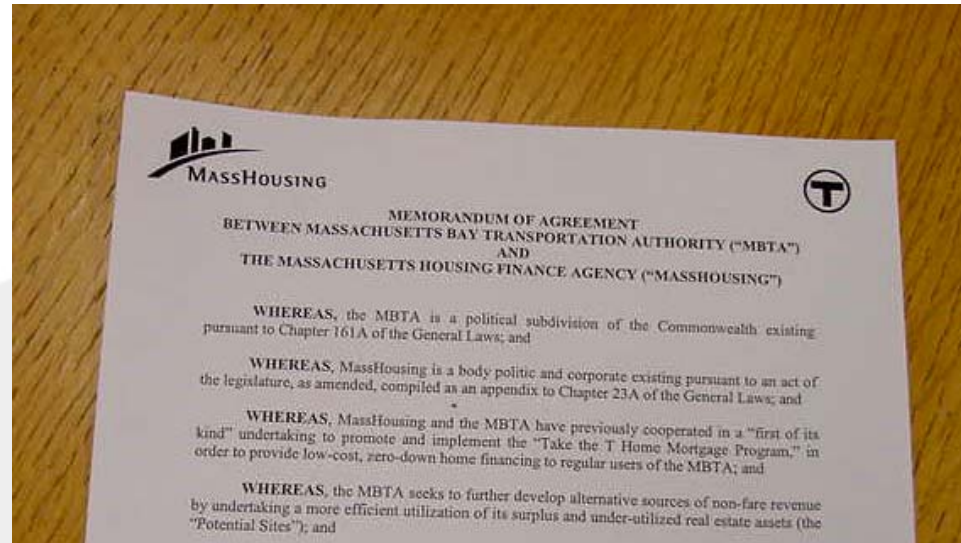
## MassHousing

- State's Affordable Housing Bank
  - All 50 states have a housing finance agency
- Created In 1966; financed more than \$10 billion in affordable housing
- 100,000+ units of rental housing under MassHousing management
- FY2009: Second largest lending year ever; \$730+ million in lending

## Massachusetts Bay Transportation Authority

- The MBTA is the oldest and fourth largest transit system in the country
- The MBTA district is comprised of 175 cities and towns
- MBTA serves 1.2 million riders per day

## Collaboration with The MBTA



- MBTA to promote “Take the T Home Mortgage Program”, 0% down mortgages to regular T riders
- MBTA names MassHousing its “housing lender of choice”
- MassHousing to prioritize TOD money in PDF for “T”-owned sites
- MassHousing to provide up to \$250K in planning funding to MBTA
- \$22M of MassHousing’s \$100M “Priority Development Fund” devoted to TOD

## From Park N' Ride Lot to Live and Ride Community Arbor Point at Woodland Station, Newton

### Newton, Massachusetts

- Population: 83,829
- Median household income \$86,052,
- High priced housing market

### Arbor Point

- Transforms “sea of asphalt” into vertical garage + rental housing
- 180 units on 3.86 acres (46.6 units per acre)
- 548-space MBTA garage (100 space increase over current conditions)
- Row of 2-story Townhomes facing track relates residences with street and pedestrian activity
- Zipcar location on site and T-Pass purchase program further reduce auto dependency
- Apartments designed to Energy Star standards
- Residential parking – at 1.6 spaces/unit – reduced from city zoning requirements



## The Challenges:

- Process: Initial site concept (1997) proposed assisted living facility
- Occupancy: August 2007
- 70-Year Ground Lease Utilized: Drives the project to rental use
- “Stand-alone” housing

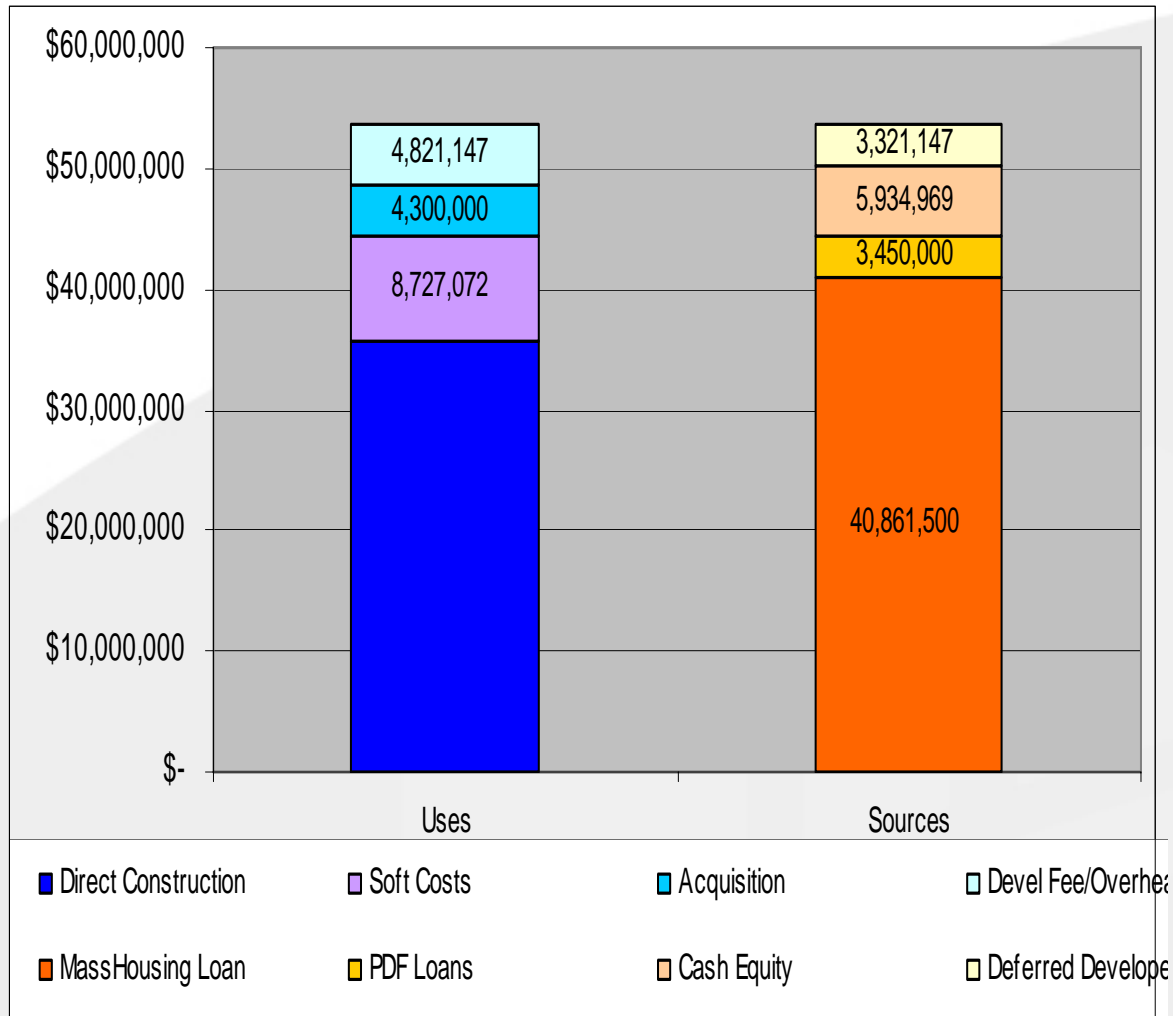
## MBTA Concerns:

- Increase in commuter spaces sought
- Unitary financing considered, then not utilized
- Need to price parking competitively with potentially competing MBTA facility

## Resolution:

- Insistence on garage timetable leads to delegated contracting
- Result: On time delivery and substantial cost savings

# ArborPoint at Woodland Station Financing Structure



## Residential Housing

- TDC of \$293,549/unit; somewhat high due to garage; typical cost components for high-end suburban product.
- High Rental Market Area, supports large first mortgage loan
- Higher than typical cash equity, since owner's return comes from substantial cash flow
- \$3.45 million PDF loan is only source of public subsidy beyond TE loan

# ArborPoint at Woodland Station

## The Results



### New Rental Housing Development

- 180 rental units w. 1-3 brs each
  - 36 affordable units (20%)
    - \$711-1,186 avg. rent/mo
  - 141 market rate units
    - \$1,987-3,200 avg. rent/mo
  
- 295 spaces of parking underneath
  
- Amenities: business center, lounge, fitness center, Pool, patio, picnic area and tot lot.

### MBTA Parking Facility

- 3-level, 548-space commuter parking facility
  
- Handicap accessibility improvements, shared access drive and utilities connections.



# ArborPoint at Woodland Station The Results





Photo copyright 2004 Rich Panse

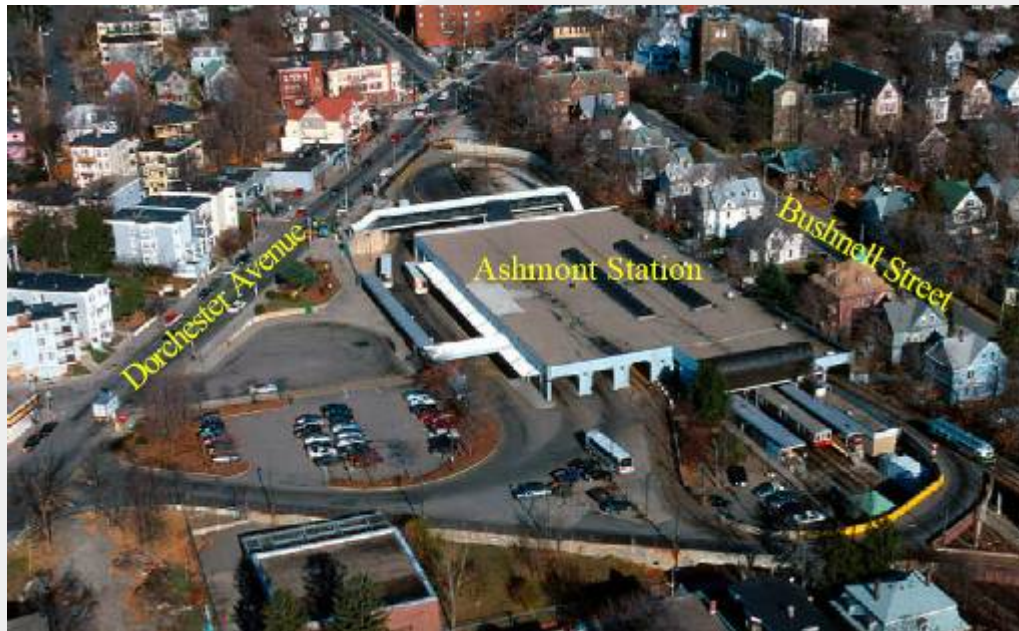




# Ashmont Station – Housing and Urban Revitalization at Major Transit Center

## Dorchester, Massachusetts

- Population: 92,862, Median household income ~\$38,590
- Inner city neighborhood in process of revitalization



## Ashmont Station

- Total property < 1 acre currently used as surface parking for MBTA employees
- Re-utilizes an existing underutilized and poorly maintained parcel directly adjacent to a MBTA Transit Station
- Promotes the ongoing revitalization of the Ashmont Peabody Square neighborhood

# Ashmont Station – Housing and Urban Revitalization at Major Transit Center



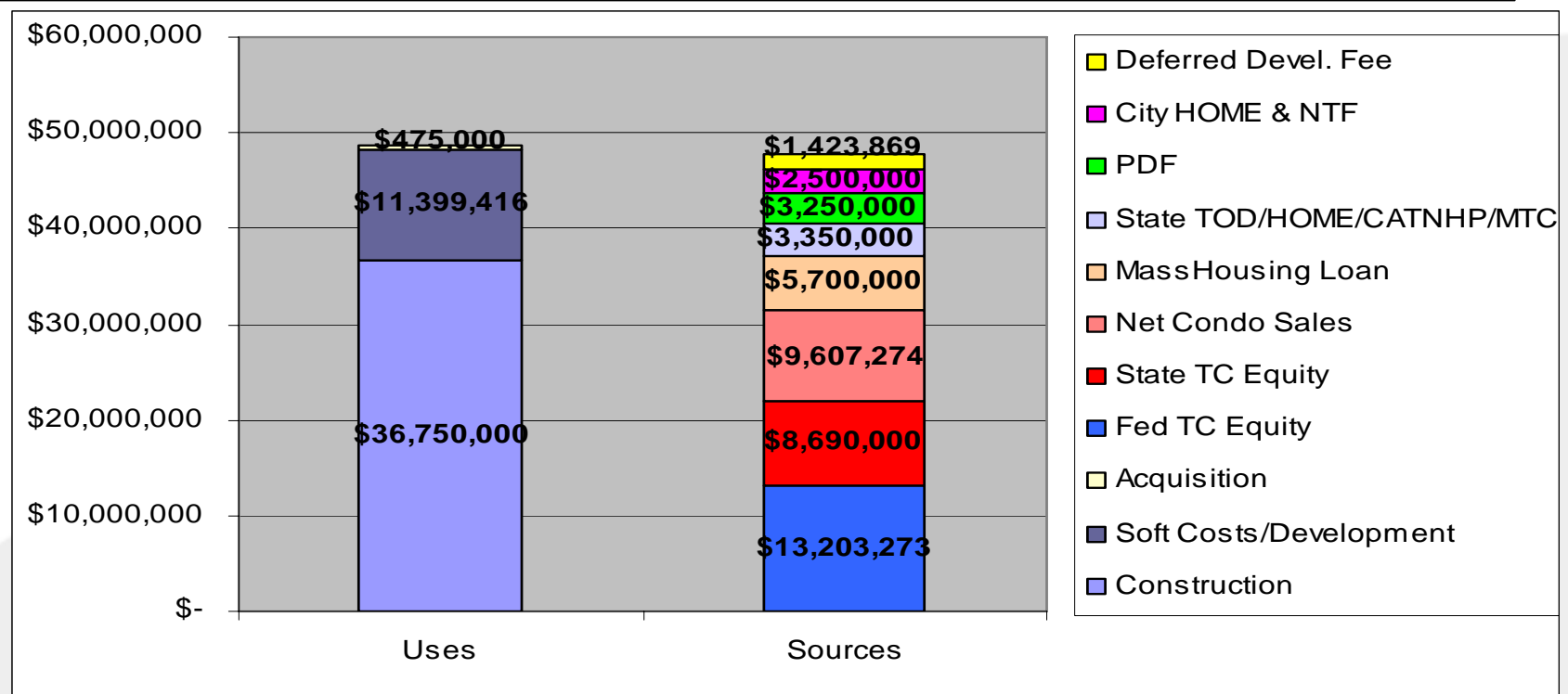
## New Rental Housing Development

- 105 rental units w. 1-2 brs
  - 74 affordable units (25%)
    - \$938 -1,124 avg. rent/mo
  - 26 market rate units
    - \$1,245 - \$1,402 avg. rent/mo
- 80 spaces of parking underneath
- 10,000 square feet of neighborhood retail

## MBTA Ashmont Peabody Station

- Provides intermodal bus, trolley and rapid transit services to nearly 17,000 daily commuters.
- MBTA is currently constructing a complete replacement of the station as part of a modernization program focused on the four Dorchester Red Line stations.

# Ashmont Station Financing Structure (Housing Component)



- Uncharacteristically high costs (even for Boston) due to commercial space, underground parking, difficult site conditions and steel frame construction.
- Substantial amount of subsidy required to support TDC (eight separate subsidy sources totaling 73% of TDC)
- Low Rental Market Area, with limited demand for market rate units results in relatively small permanent mortgage loan
- Total of 10 mortgage loans required

## The Challenges:

- “Simultaneous” construction with MBTA station rebuild
- MBTA construction project (contrast Arbor Point)
- Carruth: Available for occupancy in December '07
- MBTA Station Project: Completion Delayed
- Result: Market challenges
- Bonus: A true “keystone” to neighborhood revitalization – mixed use/vibrant

## Resolution:

- A shift from a partial for-sale strategy to rental/rent-to-own strategy



# A Marriage Made in Heaven: What Could Possibly Go Wrong?

- Operational Issues
- Timing Issues
- Market Value Issues
- Market Timing Issues
- Procurement Issues
- Surprise, Surprise

