



Elementary School Reuse FAQ

This FAQ sheet provides background information gathered by the Elementary School Reuse Committee over the past several months and during the process of creating the *Downtown Strategic Plan* beginning in 2019.

Click here for all information associated with the draft Request for Proposals (RFP):

https://bit.ly/ESRC_Info

WHY WOULD THE CITY WANT TO SELL THE PROPERTIES FOR LESS THAN MARKET VALUE?

People often assume that a building, especially a large building, may have a high value. But large older buildings often have significant costs associated with adapting the space to a new use and bringing the structure and systems to the current building code. In some cases, an older building may have a negative market value. Selling the buildings for less than market value is also a contribution to the cost of developing affordable housing to meet the City's needs. While the construction cost for affordable housing is the same as market-rate housing, the rents are not. Contributions from the City can help close the financing gap and allow the developer to produce the affordable housing the City needs. We are inviting and requesting a developer to select Easthampton and invest millions of dollars and years of effort to help us achieve our goals. The City needs to offer as much incentive as possible to make our project more appealing than another project in another municipality. Because

we are in competition with other communities, we need a sense of urgency and be ready to provide as many incentives as possible, especially financial, to ensure the reuse of our three elementary schools is successful.

WHY DOES THE CITY WANT THE RFP TO BE AS FLEXIBLE AS POSSIBLE?

The combination of large, older buildings and high construction costs make redevelopment very expensive, especially for affordable housing. Flexibility in the RFP allows a developer to be creative in meeting the City's requirements. The RFP provides clear direction on specific requirements but provides flexibility in others to allow for a greater number of responses and encourages innovation in those responses. Finally, each site has a different layout and current uses; the RFP provides flexibility so that the developer can address the City's requirements that community benefits be integrated into the site design.

COULD ONE OR MORE OF THE BUILDINGS BE DEMOLISHED?

Yes, but the standards for demolishing the buildings and replacing them with new buildings are higher. Not every old building can be saved, and a developer may choose to submit a proposal that includes the demolition of one or more schools. However, in a proposal including demolition, the developer must demonstrate that it meets additional criteria to preserve elements of the architectural heritage of the building(s) within the new structure, increase the number of affordable units or the number of public parking spaces by 15%, meet additional environmental standards, and conduct a community design meeting. In other words, if the City selects a developer whose proposal includes demolishing one of more buildings, that proposal must also contain some combination of the additional community benefits shown above.

WHY DOES THE CITY WANT A PRIVATE DEVELOPER TO ACQUIRE THE PROPERTY?

Cities typically do not have the expertise to develop property on their own. Financing, design, construction management, and other typical development activities require specific levels of expertise. In addition, the City would have to carry the operating and maintenance costs of the buildings and the financing and construction risk. The City would have to market and manage the properties once completed – which is outside of the ability of any current Department to accomplish. Any change from a school to a new use would require numerous upgrades to meet current building and life safety codes. While the efforts to upgrade Old Town Hall are exciting, it has involved several years of concerted and constant effort to obtain nearly \$6 million to upgrade that building to current building and life safety codes. For example, the Emily Williston Memorial Library Board recently voted not to pursue any of the school buildings. They have identified that

they are 7-10 years away from potentially securing state grant funds and would be unable to afford the cost of maintaining and operating the buildings during that time. In addition, state funding for a new library may require that the building(s) be demolished. Selling the buildings to a developer allows that entity to take the risk of financing, redevelopment, and management.

WHY DOESN'T THE CITY KEEP THE BUILDINGS?

The new Mountain View Elementary School is almost complete, and all three schools will be empty by the end of July. No City Department nor the School Department needs the space in these three schools. In addition, large older buildings are costly to maintain. According to the School Department, the approximate cost to operate and maintain all three buildings is \$220,000 per year. That cost may shift to the City for a period of time during the selection process and while the developer completes financing and permitting. However, those costs will become the new owner's responsibility, not the City's. Requests for the City to preserve the gymnasium must consider elements such as continued insurance/liability coverage; heating the gym includes heating the entire building due to the nature of the heating system. Activity in the space will require paid staff support for onsite monitoring, custodial services, snow clearing, and scheduling. The RFP does identify the desirability of keeping the gymnasium as part of the redevelopment with these costs and responsibilities belonging to the new owner, if feasible.

WHY DOES THE CITY BELIEVE THE BEST OPTION FOR THE REUSE OF THE SCHOOL BUILDINGS IS AFFORDABLE HOUSING?

There is a strong need for affordable housing within the community, as specified in the City's recent Housing Production Plan. The layout of school buildings can be adapted to residential uses more easily than other uses. The size and location of the buildings makes them less suitable for commercial uses. By positioning the schools for redevelopment as affordable housing, the City can begin to address its housing needs and take advantage of state and federal tax grants and programs for affordable housing.

For example, the Commonwealth of Massachusetts, through its Housing Choice Initiative, has supported affordable housing since 2017. The Commonwealth continues to increase the state low-income housing tax credit and similar financial programs that provide more funds to affordable housing developers to achieve the state-wide goal of producing more housing units.

Only a few other options exist. One would be for the City to sell the properties to a developer who creates market-rate housing, most likely condominiums. This option is not and has never been a community goal for these buildings. Another would be to seek mixed-use development or commercial development. The market does not currently support this level of investment for new commercial offices, retail, or entertainment spaces.

WHY DOESN'T THE CITY DEMOLISH MAPLE STREET AND MAKE IT A PARKING GARAGE?

Concerns around parking availability on Cottage Street and Union Street are important issues. However, the City does not need that much parking, and constructing a parking garage is not financially feasible. The City does not employ any parking management strategies now. The City does not manage where employees park, does not have a complete wayfinding system, has not adequately marked all available on-street spaces, and does not have meters to collect revenue from parking. Such strategies would need to be implemented and exhausted before pursuing the construction of a multi-million-dollar parking garage.

Under the current circumstances, expecting people to pay to park in a multistory parking garage when there are free parking spaces nearby is unrealistic; the total cost of constructing, maintaining, and operating a garage would therefore fall on taxpayers. In addition, the City currently has 97 public parking spaces at 50 Payson Avenue. On many busy nights on Cottage Street, this lot is mainly empty. Although some parking spaces will be removed as part of the Union Street reconstruction project, the configuration of businesses on Union Street is such that many properties have their parking lots on site. Those properties need directional signage to better identify the availability of those parking areas. The addition of a modest amount of new public parking spaces and a proper wayfinding system for Cottage Street and Union Street will allow the City to balance the need for parking in the downtown while preserving its character and walkability. The City has structured the RFP to encourage the creation of a modest amount of new public parking spaces at each site (Center/Pepin and Maple).

WHICH COMMUNITY BENEFITS WOULD THE CITY WANT TO BE INCORPORATED INTO THE PROJECT?

Affordable housing is the primary community benefit. A range of unit sizes and affordability levels will help the City address pressing needs within the community. Other benefits identified during the Downtown Strategic Planning process include retaining a playground in each location (Center/Pepin and Maple), providing a modest amount of new public parking at each site, and retaining public access to the Pepin gym. As noted above, the RFP allows for flexibility in how the proposals address these desires, but the evaluation criteria give a higher weight to developers that provide more community benefit.

WHEN WILL THE NEW HOUSING BE READY FOR OCCUPANCY?

This project will take several years. Once the City selects a developer, a new process begins. The developer must do a thorough investigation of the conditions, begin its design process, and secure financing. Once the developer is ready to submit an application to the City, the City's own approval process begins. After the Planning Board (or ZBA) approves the application, the developer will complete the construction documents, apply for a building permit, and begin construction. The City plans to upgrade the street infrastructure in support of these projects and will coordinate this work with the developer's construction process.

The developer will begin a marketing program as construction nears completion and the units should be available soon after the Building Inspector signs a final Certificate of Occupancy.

DOES THE PUBLIC HAVE A VOICE IN THIS APPROVAL PROCESS?

Yes! The public has been involved throughout the process, starting with the planning process for the Downtown Strategic Plan and continuing with the meetings of the Elementary School Reuse Committee. But the opportunity to be engaged does not stop with the RFP. The selected developer will have to go through one of two approvals paths; either path allows the public to attend meetings and ask questions. One approval path is through the Planning Board (for site plan approval under the City's 40R zoning district). This is the preferred path from the City's perspective, and the City recently updated the zoning to provide the maximum flexibility for the reuse of the three schools. The second path is a comprehensive permit through the Zoning Board of Appeals.

WHAT HAPPENS IF THE CITY GETS NO RESPONSES TO THE RFP OR NONE THAT ARE DESIRABLE?

One scenario could be that one site (Center/Pepin or Maple) receives a favorable proposal. The City would have to reevaluate the nature of the RFP and determine if there were identifiable factors that may have contributed to no responses or unfavorable responses. Unfortunately, one potential concern at this time is the increase and extreme variability in construction costs. The City will identify the outside forces that affected responses to the RFP. If the City identifies construction costs as a limiting factor, it would likely re-issue the RFP when costs decline or when the state increases available funding for the construction of affordable housing.