



Massachusetts Housing Finance Agency
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February 10, 2017

Paul Holland, Principal
Holland Development
519 Albany Street, Suite 200
Boston, MA 02118

**Re: 383 Washington Street, LLC
Project Eligibility/Site Approval
MassHousing ID No #892**

Dear Mr. Holland:

This letter is in response to your application as “Applicant” for a determination of Project Eligibility (Site Approval) pursuant to Massachusetts General Laws Chapter 40B (“Chapter 40B”), 760 CMR 56.00 (the “Regulations”) and the Comprehensive Permit Guidelines issued by the Department of Housing and Community Development (“DHCD”) (the “Guidelines” and, collectively with Chapter 40B and the Regulations, the “Comprehensive Permit Rules”), under the New England Fund (“NEF”) Program (“the Program”) of the Federal Home Loan Bank of Boston (“FHLBB”).

383 Washington Street, LLC has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build 70 units of rental housing on approximately 2.2 acres of land located at 383-385 Washington Street (the “Site”) in Braintree (the “Municipality”).¹

In accordance with the Comprehensive Permit Rules, this letter is intended to be a written determination of Project Eligibility (“Site Approval”) by MassHousing acting as Subsidizing Agency under the Guidelines, including Part V thereof, “Housing Programs In Which Funding Is Provided By Other Than A State Agency.”

¹It should be noted that the application originally envisioned 72 one- and two- bedroom units. Following MassHousing’s initial review, the unit mix was modified to include 70 one-, two-, and three-bedroom units.

MassHousing has performed an on-site inspection of the Site, which local boards and officials were invited to attend, and has reviewed the pertinent information for the Project submitted by the Applicant, the Municipality and others in accordance with the Comprehensive Permit Rules.

Municipal Comments

The Municipality was given a thirty (30) day period in which to review the Site Approval application and submit comments to MassHousing. Braintree Mayor Joseph C. Sullivan provided a letter, received by MassHousing on December 9, outlining input that they had received up to that date from Town boards and committees, abutters, and members of the Braintree Town Council.

The Municipality's comments were offered in response to the proposed development of the 70-unit rental development that is the subject of this letter, in combination with the development of eight condominium units by the same Applicant on the adjacent parcel of land (Parkside Condominiums, MH #891). While the two developments were considered as separate applications for Site Approval from MassHousing, the Applicant intends to apply to the Braintree ZBA for a single comprehensive permit for both. For that reason, the following Municipal comments address the mixed-tenure development as a whole.

In summary, the Mayor expressed opposition to the plans for the entire development (Parkside Apartments and Parkside Condominiums) as submitted, and identified a variety of specific concerns and suggestions for the Applicant to consider should they want to gain Municipal support for the Project.

- The Mayor expressed concern about the Project's height, mass and density, noting that it was out of scale with surrounding buildings. He noted further that the Project site plan did not conform with community planning goals for these parcels, which envisioned a higher level of connectivity with and integration into North Braintree Square.
- The Mayor pointed to the presence of sewer, drainage and access easements on the Site, and stated that should the development move forward, the Town would require the Applicant to "notify and seek approval from all parties that benefit from such easements."
- The Mayor expressed concern about the adequacy of the 20' right-of way leading into the Site from Washington Street to provide safe access into or out of the Site for vehicles or pedestrians. He noted that this roadway currently also provides access to three other properties and a municipal parking lot, and expressed concern that the width of the right-of-way and the sight lines at its intersection with Washington Street were insufficient and unsafe. He noted that, should the Site be developed, the Applicant would be required to work closely with and seek approval from the Town for all improvements required to upgrade the roadway as needed.
- The Mayor requested that the Applicant clarify the legal status of the right of way leading into the Site from Storrs Avenue (shown on tax maps as Alves Avenue).

- The Municipality expressed concern about the safety of proposed on-site parking and circulation, and asked that it be reviewed to ensure compliance with Town and industry standards, including adequate emergency access for public safety vehicles and provision for bicycle parking.
- The Town expressed concerns about the proposed Stormwater Management plan for the project, noting that the Project area recently benefitted from significant stormwater upgrades put in place to mitigate past episodes of downstream flooding. They requested that the proposed stormwater design maintain or enhance recent improvements to the system, including the implementation of additional water quality treatment and low impact design (LID) measures in accordance with state and local standards.
- The Town asked that the Applicant submit a water and sewer design, noting that municipal standards require looping water mains.
- The Town stated that all electrical service be subsurface, and that overhead connections must be removed as directed by the Braintree Electric Light Department.
- The Town expressed concern about the Project's potential traffic impacts on area roadways, including traffic volumes, distribution patterns, crash rates, and the safety and level of service (LOS) of area intersections, and requested a full traffic analysis. They expressed particular concern about the safety of the Storrs Avenue curb cut, including stopping distances and sight lines, and the potential for vehicle stacking to block access to abutting properties.
- Due to the Site's history of automotive and light industrial uses, the Town expressed concern about the potential for on-site contamination, and requested detailed information about all required environmental remediation. (It should be noted that in response to this concern, the Applicant has provided MassHousing with a Phase I and II Environmental Site Assessment performed for this Site 2013. This study concluded that "soil and groundwater analyte concentrations on the site do not exceed applicable MA DEP reporting concentrations", and provided no further recommendations for additional assessment activities.)

Community Comments

Following submission of Mayor Sullivan's December 9 letter, a representative from the Town's Department of Planning and Community Development requested an extension of the comment period to allow for additional comments to be submitted directly to MassHousing from members of the community and local officials. To date, MassHousing has received close to 160 individual public comments (primarily by email) written in opposition to the Project. These included a strongly worded letter of opposition from the president of the North Braintree Civic Association, on behalf of its entire membership (shown on its website to include approximately 300 households). While letters from members of the community largely echoed the concerns identified by the Selectmen, the quantity of emails is worth note.

Community concerns can be summarized as follows:

- Increased traffic congestion on area roadways; traffic back-ups at Storrs Avenue and Washington Street;
- On-and off-street street parking impacts in the Project vicinity; competition for parking spaces currently used by local businesses and Archbishop Williams High School for athletic events;
- Physical overcrowding of the neighborhood;
- Philosophical objections to 40b and “non compliance” with local zoning;
- Risks to pedestrian safety, and particularly that of children, on Storrs Ave;
- Objections to the size and mass of the multi-family building and its impact on the character of the neighborhood.
- Strain on the Town’s water supply.

MassHousing was also contacted by Massachusetts State Senator Water F. Timilty, who provided a strongly worded letter, dated January 13, 2017, voicing opposition to the Project and expressing support for the Mayor’s position.

Comments Outside of the Findings

While Comprehensive Permit Rules require MassHousing, acting as Subsidizing Agency under the Guidelines, to “accept written comments from Local Boards and other interested parties” and to “consider any such comments prior to issuing a determination of Project Eligibility,” they also limit MassHousing to specific findings outlined in 760 CMR 56.04(1) and (4). The following comments submitted to MassHousing, primarily from members of the community, identified issues that are not within the scope of our review:

- Many of the emails and letters submitted to MassHousing expressed concern about the Project’s potentially negative fiscal, social and educational impacts due to increased school enrollment by the children of “new” families who might move to the development from out of Town.
- Community Comments also identified a concern that the Project would place a burden on Town resources, reduce area property values, and have a negative effect on the character of the neighborhood.

MassHousing Determination

MassHousing staff has determined that the Project appears generally eligible under the requirements of the Program, subject to final review of eligibility and to Final Approval. As a result of our review, we have made the findings as required pursuant to 760 CMR 56.04(1) and (4). Each such finding, with supporting reasoning, is set forth in further detail on Attachment 1 hereto.

Based on MassHousing’s site and design review, and in light of feedback received from the

Municipality, the following issues should be addressed prior to the submittal of your application for a comprehensive permit, and you should be prepared to explore them more fully in the local hearing process:

1. Development of this Site will require compliance with all state and federal environmental laws, regulations and standards applicable to existing conditions and to the proposed use related to building construction, stormwater management, and wastewater collection and treatment.
2. The Applicant should be prepared to respond to concerns relative to the size of the Project (particularly the height and mass of the 70-unit apartment structure), and the proposed number of units. In particular, prior to the submission of an application for a comprehensive permit the Applicant should work with the Town to ensure that Project site plans conform as closely as possible with community planning goals for the North Braintree Square area.
3. The Applicant should provide evidence of necessary approvals from all parties with access to existing on-site sewer, drainage and access easements. In particular, prior to the submission of their application for a comprehensive permit the applicant should work with the Braintree DPW, Police and Fire Departments about proposed improvements to the access easement into the Site from Washington Street to ensure pedestrian and vehicular safety.
4. Prior to the submission of an application for a comprehensive permit, the Applicant should provide a traffic study describing potential impacts to traffic volumes on area roadways and the level of service at area intersections. In particular, the Applicant should provide evidence of the adequacy of sight lines at Project exists on Storrs Ave and Washington Street. The Applicant should be prepared to respond to Municipal concerns relative to potential on- and off-site traffic impacts and to respond to reasonable requests for mitigation.
5. The Applicant should respond to Municipal concerns relative to the safety of proposed on-site circulation, and provide evidence of compliance with Town and industry standards relative to emergency access, turning radii, lane width, etc.
6. The Applicant should provide evidence that proposed utility designs (water, sewer, electrical) comply with all state and local standards.
7. The Applicant should work closely with the Town to address concerns relative to Project impacts on existing stormwater facilities, and to ensure compliance with state and local standards relative to construction and post-construction stormwater impacts.

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8. The Applicant should be prepared to explore opportunities to enhance pedestrian access and safety to and from the Project to the North Braintree Square area, including the creation of safe pedestrian routes to nearby commercial uses, neighborhoods, and public transit connections.
9. The Applicant should provide the Town with a full assessment of any required environmental remediation related to previous automotive and industrial use of the Site, including all activities associated with the closure and/or removal of the existing underground storage tank.

This Site Approval is expressly limited to the development of no more than 70 rental units under the terms of the Program, of which not less than 18 of such units shall be restricted as affordable for low or moderate income persons or families as required under the terms of the Guidelines. It is not a commitment or guarantee of NEF financing and does not constitute a site plan or building design approval. Should you consider, prior to obtaining a comprehensive permit, the use of any other housing subsidy program, the construction of additional units or a reduction in the size of the Site, you may be required to submit a new Site Approval application for review by MassHousing. Should you consider a change in tenure type or a change in building type or height, you may be required to submit a new site approval application for review by MassHousing.

For guidance on the comprehensive permit review process, you are advised to consult the Guidelines. Further, we urge you to review carefully with legal counsel the M.G.L. c.40B Comprehensive Permit Regulations at 760 CMR 56.00.

This approval will be effective for a period of two years from the date of this letter. Should the Applicant not apply for a comprehensive permit within this period this letter shall be considered to be expired and no longer in effect unless MassHousing extends the effective period of this letter in writing. In addition, the Applicant is required to notify MassHousing of the following: (1) the Applicant applies to the local ZBA for a Comprehensive Permit, (2) the ZBA issues a decision and (3) any appeals are filed.

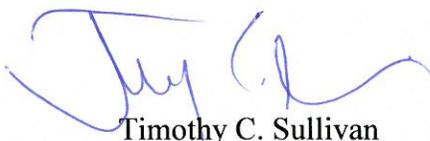
Should a comprehensive permit be issued, please note that prior to (i) commencement of construction of the Project or (ii) issuance of a building permit, the Applicant is required to submit to MassHousing a request for Final Approval of the Project (as it may have been amended) in accordance with the Comprehensive Permit Rules (see especially 760 CMR 56.04(07) and the Guidelines including, without limitation, Part III thereof concerning Affirmative Fair Housing Marketing and Resident Selection). Final Approval will not be issued unless MassHousing is able to make the same findings at the time of issuing Final Approval as required at Site Approval.

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Please note that MassHousing may not issue Final Approval if the Comprehensive Permit contains any conditions that are inconsistent with the regulatory requirements of the New England Fund Program of the FHLBB, for which MassHousing serves as Subsidizing Agency, as reflected in the applicable regulatory documents. In the interest of providing for an efficient review process and in order to avoid the potential lapse of certain appeal rights, the Applicant may wish to submit a “final draft” of the Comprehensive Permit to MassHousing for review. Applicants who avail themselves of this opportunity may avoid significant procedural delays that can result from the need to seek modification of the Comprehensive Permit after its initial issuance.

If you have any questions concerning this letter, please contact Katy Lacy at (617) 854-1098.

Sincerely,



Timothy C. Sullivan
Executive Director

cc: Ms. Chrystal Kornegay, Undersecretary, DHCD
Mayor Joseph C. Sullivan
Stephen Karll, Chairman, Braintree ZBA
(via email) Melissa Santucci, Principal Planner

Attachment 1

760 CMR 56.04 Project Eligibility: Other Responsibilities of Subsidizing Agency
Section (4) Findings and Determinations

Parkside Apartments

After the close of a 30 day review period MassHousing hereby makes the following findings, based upon its review of the application, and taking into account information received during the site visit and from written comments:

(a) that the proposed Project appears generally eligible under the requirements of the housing subsidy program, subject to final approval under 760 CMR 56.04(7);

The Project is eligible under the NEF housing subsidy program and at least 25% of the units will be available to households earning at or below 80% of the Area Median Income (AMI), adjusted for household size, as published by the U.S. Department of Housing and Urban Development (“HUD”). The most recent HUD income limits indicate that 80% of the current median income for a four-person household in Braintree is \$65,700.

Proposed gross rent levels of \$1,278 for a studio, \$1,370 for a one-bedroom affordable unit, \$1,643 for a two- bedroom affordable unit and \$1,899 for a three-bedroom affordable unit accurately reflect current affordable rent levels for the Boston-Cambridge MA HMFA under the NEF Program, less utility allowances of \$67, \$83, \$114 and \$156 for the studio, one-, two- and three-bedroom units, respectively.

A letter of interest was provided by South Shore Bank, a member bank of the Federal Home Loan Bank of Boston.

(b) that the site of the proposed Project is generally appropriate for residential development, taking into consideration information provided by the Municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, such as inclusionary zoning, multifamily districts adopted under c.40A, and overlay districts adopted under c.40R, (such finding, with supporting reasoning, to be set forth in reasonable detail);

Based on MassHousing staff’s site inspection, internal discussions, and a thorough review of the application, MassHousing finds that the Site is suitable for residential use and development and that such use would be compatible with surrounding uses. The Site is currently zoned General Business/Village Overlay District; surrounding development includes a mix of residential, commercial, and professional uses and provides easy access to MBTA bus routes. All necessary utilities are currently available to the Site subject to necessary upgrades and local approvals. Due to the Site’s history of automotive and light industrial uses, a Phase I and II Environmental Site Assessment was performed in 2013. This study concluded that “soil and groundwater analyte concentrations on the site do not exceed applicable MA DEP reporting concentrations,” and provided no further recommendations for additional assessment activities.

According to DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through September 22, 2016, Braintree has 1,098 Subsidized Housing Inventory (SHI) units, (7.7 % of its housing inventory). An additional 328 units would be required to achieve the 10% threshold of 1,426.

U.S. Census data from the 2010-2015 American Community Survey (ACS) further supports the need to increase the supply of affordable housing in Braintree. ACS data indicates that of the 13,326 households in the Town of Braintree, approximately 52.9% earned less than the HUD published 2016 AMI (\$98,100); approximately 27.7% earned less than 50% of 2016 AMI; approximately 33.1% earned less than 60% of the 2016 AMI; and approximately 52.8% earned less than 80% of the 2016 AMI.

(c) that the conceptual project design is generally appropriate for the site on which it is located, taking into consideration factors that may include proposed use, conceptual site plan and building massing, topography, environmental resources, and integration into existing development patterns (such finding, with supporting reasoning, to be set forth in reasonable detail;

Relationship to Adjacent Building Typology (Including building massing, site arrangement, and architectural details):

Commercial buildings to the east of the Site along Washington Street range from one to four-stories in height, and include low-density, "strip development" type of structures (gas station, Dunkin Donuts) with flat or peaked roofs; 1-3 story, attached, brick and clapboard commercial buildings, and larger 4-story, flat-roofed professional office buildings. In contrast, the residential development along Storrs Avenue to the north is characterized by traditional, one- and two-story, wood-frame, residential-style buildings.

Taken as a whole, the site plan for the Parkside Apartments and Parkside Condominiums respond to the surrounding building typology by placing the lower scale, townhouse condominiums on the northern side of the Site along Storrs Avenue, where they are similar in size and scale with surrounding single-family development. The proposed apartment building, on the other hand, is sited closer to the larger commercial structures on Washington Street.

The proposed apartment building will be distinctly more modern in style than nearby structures, but includes details and materials that are compatible with the surrounding development mix. The building is laid out as a modified "U", made up of seven distinct segments which wrap around three sides of the lot and open out towards the Site's entrance from Washington Street. Building height ranges from two to three-stories, with the lower, two story sections located at either end of the "U" closer to nearby development. The lower, two-story sections are clad in brick veneer, with the taller, three-story sections clad in vinyl or composite siding. The building's segmented configuration and the alternating use of siding

material serves to break up the building mass, suggesting the appearance of a cluster of separate, smaller buildings rather than a single large structure.

Relationship to adjacent streets/Integration into existing development patterns

The subject property consists of a 76,700 square foot, roughly rectangular lot set back from Washington Street in North Braintree Square. Surrounding land uses are varied, including the North Braintree municipal parking lot to the east; athletic fields for the Archbishop Williams School to the west, a masonic temple and nondescript brick office building to the south, and a vacant lot that is the proposed site of eight residential condominiums being developed in conjunction with this Project to the north. Because the proposed multi-family building is tucked back behind the existing commercial uses along Washington Street, it will not be directly visible from the primary thoroughfare except at its intersection with the site drive, which will provide a clear view towards the building's main entrance. The Building's eastern façade will be clearly visible from the adjacent athletic fields.

Density

The Developer intends to build 70 rental apartments in a single building on a 2.2-acre site. The resulting density is approximately 32 units per acre, which is appropriate for multi-family development in a semi-urban, mixed-use commercial area

Conceptual Site Plan

Access to the Site is proposed over an existing 20' right-of-way located perpendicular to the east side of Washington Street, leading approximately 200' in a westerly direction between two existing commercial buildings and a municipal parking area into the Site. The site plan consists of a single, "U" shape building organized around a horseshoe-shaped entry drive providing drop-off access to the front door. The building footprint covers much of the Site, wrapping around three sides of the property and opening out to the entrance to the east. Secondary roadway access in and out of the Site will be provided by an access and roadway easement leading from the front of the building in a northerly direction through the proposed eight-unit condominium development to the north and out to Storrs Avenue.

Environmental Resources

There are no documented on-site environmental resources or protected areas.

Topography

The Site sits lower than Washington Street, sloping gradually downwards from a high point in the southwest corner towards the Archbishop Williams fields to the west, and to the proposed condominium development and Storrs Avenue to the north. While the proposed multi-family apartment building will be clearly visible from the adjacent athletic fields to the east, its location, set far back and at a lower elevation than Washington Street, will limit views of the building from the North Braintree Square streetscape.

(d) that the proposed Project appears financially feasible within the housing market in which it will be situated (based on comparable rentals or sales figures);

The Applicant proposes 70 rental apartments to be financed under the NEF Program. There will be 52 market-rate units with proposed average rent levels of \$1,750 for the studio units; \$1,950 for the one bedroom units; \$2,300 for the two-bedroom units; and \$2,700 for the three-bedroom units. MassHousing's Appraisal and Marketing team (A&M) performed a Competitive Market Analysis and found that the proposed market rents for the Project fall within the range of adjusted comparable rents for the area.

In-house data for larger market and mixed-income complexes (1,600 units) in the area revealed a strong market, with increasing rental and occupancy rates over the last three years. Current occupancy rates of the developments reviewed averaged approximately 94.6%, and REIS, Inc. data (2nd Qtr 2016) for the Boston Metro submarket show a vacancy rate of 4% for similar Class A buildings.

The Site is located in Braintree Square, in close proximity to a variety of retail, service and professional uses. In addition to the subject's pedestrian friendly location, the site is well positioned relative to the wide variety of public transportation options (e.g. bus, subway, and commuter rail), and vehicular routes in the area (e.g. Routes 3, 37, and 53, as well as Interstates 93 & 95), given its proximity to State Route 3 on/off ramp and MBTA bus routes. Further, the subject is readily accessible to the wider area's mix of commercial/retail establishments and employment centers.

A&M's analysis concluded that this location will attract interest given its proximity to area commuter routes and services, and based on the market data reviewed. They note further, however, that a more in depth analysis/market study would be required at Final Approval to confirm the subject's market area, the depth of the target market, the preferences/demands of area renters (i.e. for the proposed unit types, building styles, services, and other amenities), and the supportable rent levels.

(e) that an initial pro forma has been reviewed, including a land valuation determination consistent with the Department's Guidelines, and the Project appears financially feasible and consistent with the Department's Guidelines for Cost Examination and Limitations on Profits and Distributions (if applicable) on the basis of estimated development costs;

MassHousing has commissioned an as "As-Is" appraisal which indicates a land valuation of \$1,650,000. A preliminary review of the Project pro-forma indicates that the per-unit construction costs are within the normal range for similar multi-family developments. Based on a proposed investment of \$6,294,870 in private equity, the application pro-forma appears to be financially feasible and within the limitations on profits and distributions.

(f) that the Applicant is a public agency, a non-profit organization, or a Limited Dividend Organization, and it meets the general eligibility standards of the housing program; and

MassHousing finds that the Applicant must be organized as a Limited Dividend Organization. MassHousing sees no reason this requirement could not be met given information reviewed to date. The Applicant meets the general eligibility standards of the NEF housing subsidy program, and has executed an Acknowledgement of Obligations to restrict their profits in accordance with the applicable limited dividend provision.

(g) that the Applicant controls the site, based on evidence that the Applicant or a related entity owns the site, or holds an option or contract to acquire such interest in the site, or has such other interest in the site as is deemed by the Subsidizing Agency to be sufficient to control the site.

The property is owned by 383 Washington Street, LLC by virtue of a deed recorded at the Norfolk Registry of Deeds at Book 30862, Page 314. At a future date, the property described in said deed will be divided into two lots, one for this Project, and one for the associated 8-unit Parkside Condominium development.