



Massachusetts Housing Finance Agency
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August 12, 2016

Michael Boujoulian
Broadstone Bare Cove Alliance, LLC
c/o Alliance Residential Company –New England
One International Place, Suite 1400
Boston, MA 02110

**Re: Broadstone Bare Cove—Hingham, MA
Project Eligibility/Site Approval
MH ID No. 827**

Dear Mr. Boujoulian:

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”).

Broadstone Bare Cove Alliance, LLC has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build 300 rental units, including 75 affordable units, of rental housing (the “Project”) on approximately 12.06 acres (525,291 square feet) of land located at 230 Beal Street (the “Site”) in Hingham, MA (the “Municipality”).

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.”

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 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 and recommendations to MassHousing. The Chairman of the

Hingham Board of Selectmen provided a letter summarizing comments from Municipal departments, boards and committees, and identifying specific concerns with the proposed Project. Particularly, the Municipality believes that the property is an ideal location for the existing office use and other permitted institutional, educational, recreational, or industrial uses because the proposed development site is the only Office Park zoning district located in this part of Hingham.

The Municipality has further identified numerous concerns with specific aspects of the proposed Site Plan and encourages the Applicant to work with the Town to revise the site plan in such a way that would address the following:

Conceptual Site Plan/Design

- The Municipality is concerned that the conceptual plan is inconsistent with the surrounding residential development and neighborhood context.
- The Municipality believes the proposed density is incompatible with the surrounding neighborhood. Additionally, the current maximum permissible Floor Area Ratio (FAR) for the Office Park Zoning District is .15, whereas the Project would result in a FAR great than 1.0.

Traffic and Circulation

- The Municipality is concerned that the development would provide only a single entrance/exit with no secondary means of access proposed for either improved vehicular circulation or emergency responder access.
- The Municipality is concerned that the potential additional traffic, generated by the Project, cutting through the Lincoln Plaza Parking lot to access Rt. 3A has the potential to create an unsafe condition, in what the Municipality considers, in an already congested private parking lot.
- The Municipality believes that a substantial reconfiguration of the Beal Street/Route 3A intersection would be the only way the volume of traffic generated by the Project could be handled by Beal Street without exacerbating existing conditions and creating significant trespass on the private entrance drive at Lincoln Plaza.
- The Municipality notes that the adjacent Lynch Fields generate significant traffic, particularly during evenings and weekends and would conflict with peak evening and weekend traffic generated by the proposed Project. The Town believes that additional traffic from the Project may increase unsafe conditions to participants and spectators using the facility.

Environmental and Archeological Impacts

- The Project will be located in proximity to an Area of Critical Environmental Concern (ACEC) within the adjoining Bare Cove Park, and the surrounding property is subject to a 1987 Order of the Department of Environmental Management restricting work in this area. Town representatives expressed concern about potential negative impacts on this environmentally sensitive area resulting from light pollution and stormwater runoff from the Project. The Massachusetts Historical Commission has identified the Site as highly “archaeologically sensitive” as it includes two recorded Native American archaeological sites. The Site also historically served an almshouse and town farm.
- The Municipality believes the Project will increase the demand on the limited resources of Bare Cove Park.

Public Safety

- The Hingham Fire Department expressed concern about access to the individual buildings and about ventilation of the space in the event of a vehicle fire.

MassHousing Determination and Recommendations

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 in your application to the Zoning Board of Appeals, and you should be prepared to explore them more fully in the public hearing process:

- 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, wastewater collection and treatment, and hazardous waste safety. The Applicant should expect that the Municipality will require evidence of such compliance prior to the issuance of a building permit for the Project.
- The Applicant should be prepared to provide sufficient data to assess potential traffic impacts on area roadways and intersections, including the safety of proposed site access and egress, and to respond to reasonable requests for mitigation.
- The Applicant should be prepared to address Municipal concerns relative to the location, size and layout of the proposed parking area, and to work with the Municipality to explore possible changes to the site plan to facilitate improved circulation;

- The Applicant should be prepared to discuss protection of the back four (4) acres of the Site, which are not proposed to be disturbed, through a perpetual conservation restriction. Such a conservation restriction was contemplated when the adjoining land was taken by, and deeded, to the Commonwealth, and the area of the Site that was to be covered by the restriction is shown on recorded plans.
- The Applicant should be prepared to discuss the potential for sponsorship of improvements of Bare Cove Park and/or Lynch Fields.
- The Applicant should be prepared to discuss the potential for the Applicant to minimize the impacts of the lighted recreational fields adjacent to the Project on future residents.
- The Applicant should be prepared discuss the completion of an archaeological survey of the Site. The Massachusetts Historical Commission has requested that an archaeological reconnaissance survey be conducted for the Project in order to provide a detailed archaeological sensitivity assessment for the project and to provide recommendations for further archaeological testing, if any, that may be required to locate and identify any significant archaeological resources that could be affected, in advance of project construction.¹
- A landscape plan should be provided, including a detailed planting plan, as well as paving, lighting, and signage details, and the location of outdoor dumpsters or other waste receptacles. The landscape plan should also include provisions for irrigation, snow removal and long-term landscape maintenance.
- The Applicant should be prepared to discuss the potential installation of a sidewalk on the southerly side of Beal Street between the proposed Site drive and the adjacent athletic fields to improve access and pedestrian safety.

This Site Approval is expressly limited to the development of no more than 300 rental units under the terms of the Program, of which not less than 75 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.

¹ The Applicant has notified MassHousing that it is coordinating with the Massachusetts Historical Commission on an archaeological survey to assure that the sensitive areas are identified prior to the start of construction.

Broadstone Bare Cove
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MassHousing # 827

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.

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 Jessica Malcolm at (617) 854-1201.

Sincerely,



Timothy C. Sullivan
Executive Director

cc: Ms. Chrystal Kornegay, Undersecretary, DHCD
Paul Healey, Chairman, Board of Selectmen
Ted C. Alexiades, Town Administrator
Joseph M. Fisher, Chairman, Zoning Board of Appeals

Attachment 1

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

Broadstone Bare Cove, Hingham, MA #827

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 20% of the units will be available to households earning at or below 80% of the Area Median Income, 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 Hingham is \$73,050.

Proposed gross rent levels for the affordable units, less utility allowances (as discussed in section (d) below) accurately reflect current affordable rent levels for the Boston-Cambridge-Quincy HMFA under the NEF Program.

A letter of interest was provided by Cambridge Savings 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 a site inspection by MassHousing staff, 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, and would directly address the local need for housing.

(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);

The location will attract interest given its proximity to area amenities and the commuter boat. The proposed amenities being offered are similar to existing comparable projects. However, a

more in depth analysis/market study would be required 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.

Section IV-A (3) (a) of the Guidelines provide guidance to Subsidizing Agencies for evaluating a municipality's actions intended to meet affordable housing needs.

MassHousing carefully reviewed the information provided by the Hingham Board of Selectmen describing previous municipal actions intended to provide affordable housing. Specific examples cited by the Selectmen include:

- Completed a planning effort to update the 2001 Hingham Master Plan;
- Issuance of a Comprehensive Permit on May 17, 2016 for a 190-unit multifamily development on a parcel immediately adjacent to the Hingham Shipyard in response to a public opinion survey which respondents specifically identified this area as a preferred location for an affordable and market rate housing development;
- Significant increase in Hingham's rental housing stock from 2000-2010;
- In 2009 the Town purchased the Lincoln School Apartments, which consists of 60 affordable units located in downtown Hingham in order to preserve the affordability.
- Creation of 101 Local Action Units;
- Appropriation of \$1,912,868 from the Community Preservation Fund for Community Housing Projects since 2003, including:
 - Creation of 6 housing units for veterans on Fort Hill Street (2010);
 - Acquisition and rehabilitation of a single-family home on Scotland Street by the Hingham Housing Authority;
 - Acquisition of property on Beal Street and completion of permitting for Craftsman Village which includes 2 affordable units through the Local Initiative Program.
 - Support of a feasibility study, consulting services, and an architectural design for a 20-40 unit affordable rental development on property located on Beal Street and under the care of Hingham Housing Authority; and
 - Transfer of funds to Hingham Affordable Housing Trust which supported the planning phase of a 20-40 unit affordable housing development on town-owned property known as the "Selectman's Parcel." The Trust also used these funds to acquire a unit on Beal Street and then sold the unit to an eligible purchaser subject to a deed restriction.

However, Municipal actions to date have not resulted in housing production of a "character and scale to create significant opportunities as-of-right to meet the municipality's need for affordable housing as measured by the Statutory Minima." According to DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through February, 2016, Hingham has 561 Subsidized Housing Inventory (SHI) units (6.35 % of its housing inventory), which is 323 units short of the statutory minima requirement of 10%. Further, Hingham does not have a DHCD Approved or Certified Housing Production Plan.

The need for additional affordable housing is further supported by U.S. Census data from the 2010-2014 American Community Survey (ACS) indicates that of the 8,375 households in the Town of Hingham, approximately 50.0% earned less than the HUD published 2016 AMI (\$98,100), approximately 25.6% earned less than 50% of 2016 AMI, approximately 30.6% earned less than 60% of the 2016 AMI and approximately 37.71% 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):

The Project is comprised of two slab-on-grade residential apartment buildings. The first building, located closest to Beal Street, is a double loaded corridor 5 story building containing 81 units. The building steps down to 3 stories for a portion of the north elevation facing Beal Street. The building is designed to respect the Beal Street frontage and is able to transition from three to five stories in height to mitigate the perceived impact of the building massing. The proposed site plan is able to maintain some of the mature tree growth along the street. There is substantial articulation through the use of setbacks, jogs, and projecting bays. These techniques reduce the apparent mass of the structure. The building also contains various common spaces including fitness room and skydeck.

The second building is a large multi-wing 5-story structure containing 219 units and the parking garage. Trim accents at windows, material transitions, detailing, variety in material colors, and changes to the plane of the exterior walls all combine to visually reduce the mass of the building to a more pedestrian-friendly scale. The south elevation facing the Bare Cove Park shows an exposed concrete ramp for the parking garage. The garage is 4 stories and the roof contains 9 units and common indoor and outdoor space overlooking the park.

Relationship to adjacent streets/Integration into existing development patterns

The subject property is located at 230 Beal Street and is located approximately 500 feet south of the intersection of Beal Street and Route 3A and approximately 120 feet east/northeast of Beal Cove on the northern edge of Bare Cove Park. To the east of the Project, are the Back River Townhomes, a 45-unit luxury condo development and across the street is a mixed-use development, including residential and commercial uses.

The buildings are set back from the property boundaries to allow sustainable drainage solutions and to provide or retain landscaping between abutters. New sidewalks, plantings, street trees, street lighting and curbing will extend into and through the Site to create a large pedestrian network that will connect the community to the nearby Hingham Shipyard retail shops and the adjacent Bare Cove Park.

Density

The Developer intends to build 300 residential units on approximately 12 acres (24.9 units/buildable acre), which is comparable to other rental developments given the concentration of multi-family housing in the area.

Conceptual Site Plan

The Site is approximately 12.06 acres in size. The site entrance is from Beal Street through an existing curb cut. Beal Street is a public way with a pavement width of 50'+/- feet and a sidewalk on the north side of the street.

The two buildings are sited to provide a thoughtful and understated presence along Beal Street as well as to allow for plenty of open space for landscaping to help blend the project into its natural surroundings. A mix of open space and patios will be positioned to optimize access to building amenities, community circulation, and various assets around the Site like Bare Cove Park and south facing views of the Back River. Outdoor amenities are planned for fifth floor spaces and roofs.

A sidewalk will extend from Beal Street to the main leasing/amenity area and continue throughout the site connecting tenants to the amenity spaces before culminating at the community's south facing courtyard where the pool will be located. This network of pedestrian paths will parallel a central vehicular circulation drive. The project circulation will reinforce pedestrian movement to the area's immediately proximate transportation stops, retail shops, and area employers.

The Project will contain 170 surface parking spaces and a 292 car parking garage. The proposed structural parking helps to create a better residential experience within the development and reduces impervious areas.

Electric service is provided through the Hingham Municipal Light Plant. Natural gas service is provided to the property by National Grid. Sewer service is provided to the property via a private sanitary sewer system. The private system discharges to the Hingham Pump Station which is part of the Massachusetts Water Resources Authority (MWRA). Water service is provided through Aquarion Water Company of Massachusetts.

Environmental Resources

The northern part of the Site, excluding the existing access driveway, and the majority of the Site south of the existing building, contain mature trees. The Project is abutted by undeveloped, municipally owned land, the 484 +/- acre, heavily wooded, Bare Cove Park, and an 8 +/- acre recreational field complex. To the south is the tidal Weymouth Back River. In addition to the river, there are three isolated wetland areas around the site, including one which occupies a portion of the south west side of the Site.

Approximately 60% of the Site is either wooded or covered by grass. To the south and west of the site is Bare Cove Park, protected for use as a wildlife sanctuary and for use in public recreation. To the north of the site are town owned recreation fields.

A Wetlands Boundary report was prepared by Goddard Consulting, LLC, dated February 5, 2016. One Bordering Vegetated Wetland and the Mean Annual High Water line of a perennial stream (Weymouth Back River) were delineated on or near the Site. Based on local and state regulations the BVW has a jurisdictional 100-foot buffer zone and the MAHW is the start of the 200-foot regulated Riverfront Area.

The Flood Insurance Rate Map (FIRM) (Map Number 25023C008IJ) for the Town of Hingham dated July 17, 2012, indicates that the southernmost part of the subject property lies within the moderate flood hazard area of FEMA Zone X. The FEMA Zone X at this location is defined as "Areas with 0.2% annual chance of flooding; areas of 1% annual chance flood with average depths less than 1 foot or with drainage areas of less than 1 square mile; and areas protected by levees from 1% annual chance flood." All developed portions of the site are outside of the 500-year floodplain.

Topography

The Site is relatively flat with a typically gentle slope existing from the high point along Beal Street sloping downward to the south. The slope is steeper at the southern portion of the property with the steepest slopes located south of the existing building. Some substantial excavation and grading is proposed for an area at the southern edge of the site. Overall, the Site topography works with the proposed site plan and is not an impediment to development of the Site.

(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);

According to A&M, the area's conventional apartment market has been expanding. Rentals in the area consist of a wide mix of developments built in the early to mid -2000's. The projects consist of elevator and walk up type projects up to four stories high. The proposal also appears to include many of the site amenities found at high-end comparable properties.

The Applicant proposes 300 rental apartments to be financed under the NEF Program. There will be 225 market-rate units with proposed average rent levels of 2,300 for the 88 one-bedroom units and 3,000 for the 103 two-bedroom units, and \$3,400 for the 34 three-bedroom units. There will be 75 affordable units with proposed rent levels of \$1,307 for the 30 one-bedroom units and \$1,568 for the 34 two-bedroom units, and \$1,899 for the 11 three-bedroom, less net utility allowances of \$102, \$269 and \$424, respectively.

The Applicant's proposed 80% of AMI rents for the area fall within the range of adjusted comparable market rents reviewed, but above the 2016 net 80% AMI maximum rents less utilities. Further, the Applicant's proposed market rents also appear to fall within the range of adjusted comparable market rents.

The UA's reflect gas heat for garden and row type category, as well as gas hot water, gas cooking, domestic electricity, and water and sewer. Given the comparability with the Developer's UA estimates, the analysis assumes that trash services are included in the rent, and that each unit includes a dishwasher, range and refrigerator.

(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 \$4,900,000. Based on a proposed investment of \$23,209,683 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

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 Acknowledgment of Obligations to restrict their profits in accordance with the applicable limited dividend provisions.

(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.

A related entity to the Applicant controls the entire 12+/- acre Site through a Purchase and Sale Agreement between Hingham Mutual Fire Insurance Company and Alliance Realty Partners, LLC. A Notice of Purchase and Sale Agreement was dated February 17, 2016 and recorded with the Plymouth County Registry of Deeds on March 7, 2016 in Book 46661 at page 103.