



Massachusetts Housing Finance Agency
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December 23, 2019

New Kent Street LLC
385 Harvard Street, Unit B2
Brookline, MA 02446
Attn: Khosro Ezra Sanieoff

**Re: 217 Kent Street
Project Eligibility/Site Approval
MassHousing ID No. 1054**

Dear Mr. Sanieoff:

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 (“FHLBank Boston”).

New Kent Street LLC has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build ninety (90) units of rental housing (the “Project”) on approximately 0.66 acres of land located at 217 Kent Street (the “Site”) in Brookline (the “Municipality”).

In accordance with the Comprehensive Permit Rules, this letter is intended to be a written determination of Project Eligibility 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 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 and recommendations to MassHousing. At the request of Brookline Planning Director Alison C. Steinfeld, this period was extended to forty-five (45) days. The Chairman of the Brookline Select Board provided a letter dated December 2, 2019

summarizing comments from Municipal departments, boards and committees, and identifying specific concerns with the proposed Project. In summary, the Municipality acknowledges that the proposed Project could potentially be a well-designed residential development that expands the Municipality's supply of both affordable and market rate housing close to public transportation. Municipal comments, however, identified the following areas of concern regarding the proposed Project:

- The Municipality is concerned that the proposed Project's height and bulk will overwhelm the Site as it is perceived from the pedestrian perspective and from surrounding properties.
- The Municipality is concerned that the proposed Project lacks vegetative buffers, useable open space, and access to light and air for residents and surrounding properties. In particular, the Municipality is concerned about protection of the tree line along the Site's MBTA buffer. It is also concerned with the lack of setbacks and open space between the existing structure and the new structure, in addition to between the proposed Project and The Boston House, which abuts the Site to the north.
- The Municipality is concerned about whether the proposed Project's driveway width can adequately accommodate entering and exiting resident vehicles, delivery vehicles, and safe pathways for pedestrians.
- The Municipality would like additional information regarding operational plans and site circulation related to trash, recycling, moving and deliveries.
- The Municipality encourages the Applicant to work with the Fire and Building Departments to ensure that all relevant codes and fire apparatus access requirements are met.
- The Municipality would like additional information regarding whether the number of parking spaces proposed is adequate for the number of residential units. It would also like additional information relative to whether accessible parking spaces will be provided and whether parking spaces will be proportionately distributed between affordable and market rate units.
- The Municipality reminds the Applicant to be cognizant of the required state and federal regulations concerning any Flood Plain area located on the Site as to ensure that potential water runoff and flood mitigation measures are completely addressed.
- The Municipality notes that although the proposed Project will result in a net increase in units, the existing twenty-three (23) market rate units on the Site may be replaced with higher priced market rate units. Furthermore, the Municipality requests more information relative to how the Applicant may address risk of displacement of existing residents and opportunities for relocation to comparable units.

Community Comments

In addition to comments from town officials, MassHousing received eight (8) letters from area residents, which expressed varying levels of concern or opposition to the proposed Project. Specifically, letters from area residents raised concerns related to traffic, particularly as it relates to pedestrian safety at the nearby intersections of Longwood Ave. and Francis Street with Kent Street. Letters also expressed concern for the proposed height of the larger building and any associated impacts on access to sunlight. Additional concerns for construction management and associated impacts on area infrastructure and the Emerald Necklace and Muddy River were also expressed.

MassHousing carefully considered all of the Municipality's concerns, and to the extent appropriate within the context of the Site Approval process, has offered responses in the following "Recommendations" section of this letter.

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 Approval¹. 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. It is important to note that Comprehensive Permit Rules limit MassHousing to these specific findings to determine Project Eligibility. If, as here, MassHousing issues a determination of Project Eligibility, the Developer may apply to the Zoning Board of Appeals of the Municipality for a Comprehensive Permit. At that time, local boards, officials and members of the public are provided the opportunity to further review the Project to ensure compliance with applicable state and local standards and regulations.

Based on MassHousing's site and design review, and in light of feedback received from the Municipality and area residents, 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.

¹ MassHousing has relied on the Applicant to provide truthful and complete information with respect to this approval. If at any point prior to the issuance of a comprehensive permit MassHousing determines that the Applicant has failed to disclose any information pertinent to the findings set forth in 760 CMR 56.04 or information requested in the Certification and Acknowledgment of the Application, MassHousing retains the right to rescind this Site Approval letter.

- The Applicant should be prepared to address Municipal concerns relative to the height and bulk of the proposed Project, its impact on the surrounding neighborhood, and should consider additional measures to mitigate these concerns. Updated elevations should depict the immediate neighborhood context, particularly the Project's relationship to abutting properties.
- Given site constraints, the Applicant should consider ways to maximize the area and accessibility of useable open space both on the ground level and with features such as patios, balconies, or terraces where possible.
- The Applicant should be prepared to provide sufficient data to assess potential traffic impacts on area roadways and intersections, including the capacity of the proposed site access and egress and the safety of pedestrians within the Site.
- The Applicant should be prepared to provide additional information regarding the proposed Project's parking program, including anticipated parking demand, provision of accessible parking spaces, and distribution of spaces to future residents.
- Accessible routes should be confirmed to all amenities, management offices, designated parking spots and unit interiors. In particular, the safety and clearance of the accessible route to the elevator and common laundry should be confirmed in the existing building.
- The Applicant should engage with local fire and building officials to review the plans, ensure adequate emergency vehicle access, and address any other public safety concerns.
- The Applicant is encouraged to work with its design team to pursue sustainability initiatives that may improve occupant comfort and reduce operating expenses and is encouraged to explore options including low-flow plumbing fixtures, efficient building systems and high-performance envelope design. Given the potential for flooding, the applicant is encouraged to consider building resilience planning to improve both operational and physical performance.
- Given the Project's scope to renovate an existing occupied multi-family apartment building, and given the capacity of the Applicant's real estate portfolio, a good faith effort should be made to accommodate relocation of existing tenants at 217 Kent Street to other comparable properties.

MassHousing has also reviewed the application for compliance within the requirements of 760 CMR 56.04(2) relative to Application requirements and has determined that the material provided by the Applicant is sufficient to show compliance.

This Site Approval is expressly limited to the development of no more than ninety (90) rental units under the terms of the Program, of which not less than twenty-three (23) 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 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.

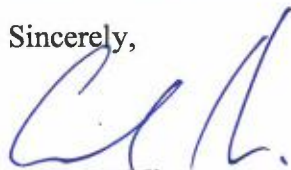
This approval will be effective for a period of two (2) years from the date of this letter. Should the Applicant not apply for a comprehensive permit within this period this letter shall be expired and no longer in effect unless MassHousing extends the effective period of this letter in writing. In addition,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

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.

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 FHLBank Boston, 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 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 Katherine Miller at kmiller@masshousing.com or (617) 854-1116.

Sincerely,



Colin McNiece
General Counsel

cc: Janelle Chan, Undersecretary, DHCD
The Honorable Cynthia Stone Creem
The Honorable Tommy Vitolo
Bernard Greene, Chair, Board of Selectmen
Jesse Geller, Chair, Zoning Board of Appeal
Alison Steinfeld, Director, Planning and Community Development

Attachment 1

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

217 Kent Street, Brookline, MA #1054

After the close of a 45-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, 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 Brookline is \$89,200.

Proposed gross rent levels of \$1,561 for an affordable studio, \$1,673 for a one-bedroom affordable unit, \$2,007 for a two-bedroom affordable unit, and \$2,319 for a three-bedroom affordable unit accurately reflect current affordable rent levels for the Boston-Cambridge-Quincy HMFA under the NEF Program, less utility allowances of \$63, \$81, \$109, and \$134 for the studios, one- two-, and three-bedroom units, respectively.

A letter of financial interest was provided by Citizens 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. The location will attract interest given its proximity to public transit via the MBTA Green Line, local services, employment, and shopping.

As of October 28, 2018, the Town of Brookline met its two-year housing production targets resulting in a DHCD Certified Housing Production Plan. The certification period expires on October 27, 2020. According to DHCD’s Chapter 40B Subsidized Housing Inventory (SHI), updated through November 18, 2019, Brookline has 2,349 Subsidized Housing Inventory (SHI) units (8.97 % of its housing inventory), which is 272 units short of the statutory minima of 10%.

(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 streets/Integration into existing development patterns**

The proposed Project is located at 217 Kent Street, a two-way local roadway that connects with Brookline Village to the south and intersects with Longwood Avenue to the north and east, creating connections to the Longwood Medical area. The Site also abuts an MBTA Green Line right of way, the Emerald Necklace, and its network of recreational paths to the east, connecting the Site with Downtown Boston and other areas of Brookline. Several public parks with playing fields and play structures are in the nearby vicinity. Green Line service is available approximately 0.3 miles away at Longwood Station.

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

The proposed Project includes the redevelopment of an existing 3-story masonry apartment building to provide 17 rental units. A newly constructed 8-story apartment building (6 stories of residential construction above 2 stories of structured parking) with a combination of brick and glass facades will provide an additional 73 rental units, for a total of 90 rental units on the Site. The newly constructed apartment building is located to the rear of the existing structure, reducing the impact of the proposed new height as viewed from Kent Street, and allowing the existing structure to continue to define the street. The penthouse level of the new building is set back, further reducing the height of the proposed building from the street. Neighboring typologies to north, west, and south of the Site are a mix of apartment style buildings and single-family homes. Several adjacent uses have also been repurposed for institutional uses. Higher density institutional uses are located on the other side of the Emerald Necklace, within the Longwood Medical area.

- **Density**

The Developer intends to build 90 residential units on approximately 0.66 acres. The resulting density is approximately 137 units per buildable acre, which is comparable to other transit-oriented development in the region.

- **Conceptual Site Plan**

The site plan consists of one 3-story, 17-unit building fronted along Kent Street and one 8-story, 73-unit building (including 2 levels of structured parking) occupying the rear of the Site. The foot print of the smaller structure is rectangular, its interior layout reflecting that of a standard double-loaded corridor building. The footprint of the larger building is irregular, with a series of incremental step-backs along the Site's northern property line which respond to the tapered nature of the Site. The two structures are connected at the ground level by a modestly landscaped entry and lobby area. An additional area of landscaped open space is located on the other side of the entry lobby in between the two structures. The site plan maintains vehicular access and egress via the Site's existing

access driveway, which extends back into the Site and provides direct vehicle entry into the proposed Project's structured parking area. A total of 44 parking spaces results in a parking ratio of 0.49 spaces per unit. The primary pedestrian access to the Site and proposed buildings is provided via a combination of sidewalk and stairs that run along the access driveway and connect with the building entries.

- **Environmental Resources**

A small portion of the northeast corner of the Site is located within FEMA Flood Zone A. The proposed building footprints are located entirely outside of the flood zone area. Environmental resources or factors do not otherwise pose any impediment to the proposed Project.

- **Topography**

The Site slopes steeply downward from an approximate elevation of 40' at the front of the Site on Kent Street to an approximate elevation of 19' at the rear of the Site bordering the MBTA Green Line right of way. The design makes effective use of this grade change by incorporating two levels of below-grade parking within 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);

MassHousing's Appraisal and Marketing (A&M) Division reports that there is strong history of rent growth, fast absorption, very low vacancy, and strong rental demand in Brookline's market area. Vacancy rates at comparable properties in the area are lower than 2% and the average capitalization rate over the past year was 4.5%. The proposed Project appears to be able to be competitive within the housing market in which it will be situated.

(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 \$11,655,000. The Project pro forma includes a proposed investment of \$30,473,823 in private equity. A preliminary review of the pro forma indicates that the per-unit construction costs are within the normal range for similar multi-family developments. Based on estimated development costs, the Project 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 may 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.

(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 Applicant controls the entire 0.66-acre Site through a Deed from Lefman Family Limited Partnership to New Kent Street LLC dated December 18, 2002 and recorded at the Norfolk County Registry of Deeds in Book 17869, Page 369.