



Massachusetts Housing Finance Agency
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March 4, 2016

Raj K. Dhanda
President
Chestnut Hill Investments, LLC
1299 Beacon Street
Brookline, MA 02446

**Re: ELEVEN80
Project Eligibility/Site Approval
MassHousing # 809**

Dear Mr. Dhanda:

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”).

Chestnut Hill Investments, LLC has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build 45 age-restricted (55+) units, including 9 affordable units, of rental housing (the “Project”) on approximately .34 acres (14,626 square feet) of land located at 1180 Boylston Street (the “Site”) in Brookline, 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 Brookline Board of Selectmen provided a letter (received by MassHousing on February 10,

2016) summarizing comments from Municipal departments, boards and committees, and identifying specific concerns with the proposed Project.

In summary, the Municipality believes that this particular area of Route 9 warrants revitalization and that a mixed-use structure consisting of active ground floor retail, age restricted housing, and parking presents significant potential to benefit the neighborhood and contribute vibrancy to the surrounding area. Further, the Municipality believes that the Site's proximity to several means of public transportation make this an ideal location for the proposed age-restricted housing. However, the Municipality has identified numerous concerns with specific aspects of the proposed Site Plan:

- The Municipality is concerned about the potential negative impacts of construction on the general area, including the property directly to the east of the Site (1164 Boylston Street) containing six affordable condominiums for low and moderate income people created through the Town's inclusionary zoning by-law, and the mixed-use buildings immediately to the west and south of the Site.
- The Municipality is concerned that the proposed structure overwhelms the Site, as it will be significantly taller than surrounding buildings, as well as those in the area as a whole.
- The Municipality expressed the following concerns relative to the proposed parking scheme:
 - Insufficient and contradictory information has been provided relative to the number, nature, dimensions, and allocation of parking spaces.
 - The Municipality is concerned regarding the plan labeled "lower level" showing 30 stacker spaces and 20 floor parking spaces. The Municipality believes the design should be revisited in order to provide a more traditional parking approach or additional stackers instead of the proposed mix because the proposed configuration of the lower level may exacerbate existing on-street parking issues and may lead to long term enforcement issues for the Town.
- The Municipality expressed concern that additional traffic generated by the Project would result in increased congestion on area roadways and pose heightened risks to drivers and pedestrians. They requested that the Applicant provide a Traffic Study to allow them to fully assess Project traffic and safety impacts.
- The Municipality has noted the lack of any usable open space for residents and has recommended that the Project include a minimum, a landscaped rooftop courtyard for sitting and socializing and/or a walking track.
- The Municipality raised a concern regarding the request for a waiver for all off-street loading requirements.

The letter concludes by encouraging the Applicant to work with the Town to revise the site plan in such a way that would address these concerns.

Community Comments

In addition to the comments from Municipal officials, MassHousing received detailed correspondence from members of the Community, particularly residents of the abutting multi-family development who raised concerns regarding:

- Incompatibility of the Project's architectural design;
- Proximity of the Project to the existing multi-family development;
- Effects of construction on the structural integrity of the existing abutting multi-family building;
- Reduction of open space and vegetation;
- Increased pollution; and
- Increased ambient noise and light.

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 and abutters, 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 and abutter 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;

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- The Applicant should be prepared to address Municipal and abutter concerns relative to the size, scale and architectural style of the proposed multi-family building and its impact on the character of the surrounding neighborhood, and to fully describe proposed measures to address and mitigate these concerns.
- The Applicant should be prepared to discuss the potential build out of adjacent lots to assess the impact on the proposed residential units, given the proximity to lot lines.
- The Applicant should respond to reasonable requests from the Municipality for additional Project information relative to proposed utilities, site lighting, trash removal and snow storage.
- The Applicant should be prepared to explain how the commercial portions of the property will receive deliveries considering the request for the waiver of all off-street loading area requirements.
- A Chapter 21E Phase I/II Environmental Assessment, was prepared by GEI Consultants, Inc. (GEI) on July 3, 2014 to identify the presence of Recognized Environmental Conditions (REC's) on the Site. Please be prepared to discuss this Assessment during the Comprehensive Permit hearing process.

This Site Approval is expressly limited to the development of no more than 45 rental units under the terms of the Program, of which not less than nine 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

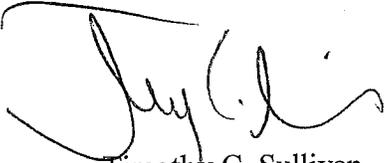
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submit to MassHousing a request for Final Approval of the Project (as it may have been amended) in accordance with the Comprehensive Permit Rules (see especially 760 CMR 56.04(07) and the Guidelines including, without limitation, Part III thereof concerning 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
Neil Wishinsky, Chair, Board of Selectmen
Melvin Kleckner, Town Administrator
Alison Steinfeld, Planning Director

Attachment 1

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

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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 50% 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 50% of the current median income for a four-person household in Brookline is \$49,250.

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 Walpole Co-operative 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 Town of Brookline does not have a DHCD Certified Housing Production Plan, though the Municipal comment letter identifies numerous recent efforts to increase the creation and preservation of affordable housing for which the Town should be commended.

According to DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through February, 2016, Brookline has 2,415 Subsidized Housing Inventory (SHI) units (9.22 % of its housing inventory), which is 205 units short of the statutory minima requirement of 10%.

The need for additional affordable housing is further supported by U.S. Census data from the 2010-2014 American Community Survey (ACS), which indicates that approximately 19.9% (5,066 households) earn less than 30% of the HUD published 2015 AMI (\$98,500), approximately 29.9% (7,600 households) earn less than 50% of the 2015 AMI, and nearly 34.9% of Brookline residents earn less than 60% 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 proposed building height of 6 stories (approximately 70') is generally 3 stories higher than neighboring properties. However, changes in materials are used to break up the massing of the building. The main façade includes full height glazing and metal panels, which change to wood panels and recessed windows closest to the adjacent residential properties. The proposed design takes advantage of the Site's rounded edge conditions by wrapping the façade around the corner.

The adjacent typology includes a mix of multi-family residential and commercial structures. Adjacent multi-family structures feature shingle and/or lap siding and roofs that are pitched with gable ends facing the street. Other residential structures in the area also contain commercial uses. Low-scale commercial buildings within the immediate vicinity include a one-story bank (with surface parking) on the opposite corner of Hammond Street and a one-story commercial storefront (Hammond and Heath). While not directly adjacent to the site, surrounding blocks contain four and five story apartment style buildings. Additionally, large footprint commercial spaces with surface parking are located nearby, as well as a large recreation area (tennis courts) opposite the Site across Route 9.

Relationship to adjacent streets/Integration into existing development patterns

Overall, the neighborhood is well positioned to support both commercial and residential use. The subject property is located at 1180 Boylston Street (Route 9) at its intersection with Hammond Street. The immediate neighborhood surrounding the subject property is improved with predominantly commercial uses along Route 9 and single and multi-family residential uses along the side streets. Route 9 is a major east west state highway with a high volume of traffic. The subject is located on the eastbound side of the highway, but the westbound side of the highway is easily accessible via Hammond Street. The neighborhood is regarded as mature, mostly built up with no undeveloped parcels available on any of the proximate streets. The subject property has an advantageous position in terms of access to services. It is located within close proximity to a wide variety of retail stores, restaurants, schools, medical services, recreational facilities, local area highways and public transportation.

Density

The Developer intends to build 45 residential units on approximately one third of an acre (14,626 square feet), which is comparable to other transit oriented development in the area.

Conceptual Site Plan

The Project proposal includes 45 units on a 14,626 square foot site. The proposed mixed use building consists of age-restricted market rate and affordable residential rental units and a retail space. The residential units will be on five floors sitting over a ground floor retail and one-level of below-grade parking. The ground level is recessed from the residential portion of the building creating a wider sidewalk along the ground level. The residential lobby includes two elevators and is located off Hammond Street with good visibility out to the sidewalk area. Another entry is provided from the valet parking area. An internal corridor connects this entry to the main residential lobby which contains access to mail, recycling, bicycle parking, and a community room. The parking garage entry is located off Boylston Street, removed from the Hammond Street intersection. The valet area has a resident's entry that connects back to the Hammond Street residential lobby.

On the upper levels, the residential units are accessed by a double-loaded corridor with egress stairs at each end. A central core contains elevators, a trash chute, and building support spaces. Typical one and two-bedroom units are designed with features such as open kitchen/living areas, walk-in closets, and large windows to provide natural light. Each unit will contain energy efficient appliances, in-unit laundry, and low-energy lighting fixtures.

Environmental Resources

The Chapter 21E Phase I/II Environmental Assessment indicated the presence of lead and petroleum hydrocarbons which are attributed to the prior use of the Property as a gas station. Based on the information provided, we have assumed that the Applicant is taking appropriate actions to remedy these potential environmental hazards.

Topography

The Site is generally level and at Grade with Boylston Street and Hammond Street. The topography is not an impediment to the proposed development.

(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 45 age-restricted rental apartments to be financed under the NEF Program. There will be 36 market-rate units with proposed average rent levels of \$2,767 for the 21 one-bedroom units and \$4,035 for the 24 two-bedroom units. There will be 9 affordable units with proposed rent levels of \$805 for the one bedroom units and \$958 for the two-bedroom units, less utility allowances of \$118 and \$150, respectively.

MassHousing's Appraisal and Marketing (A&M) Division reports that there is strong demand for rental housing in the area, with increasing rental and occupancy rates over the past three years. Occupancy rates at comparable developments in the area average approximately 97%.

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The location will attract interest given its proximity to local services, employment, commuter routes and shopping. However, the proposed Project does not appear to offer some of the amenities (e.g. pool and sports courts) and unit styles (e.g. lofts) that are found in many of the newer rental communities in the market. A&M recommends that a more in depth analysis/market study be conducted 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 support for proposed 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 \$3,800,000. Based on a proposed investment of \$7,028,428 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.

The Applicant controls the entire 14,626 square foot Site through a Deed from Cumberland Farms, Inc. to Chestnut Hill Investments, Inc. dated August 6, 2014 and recorded at the Norfolk Registry of Deeds at Book 32464, page 299.