



Massachusetts Housing Finance Agency
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August 21, 2017

Michael A. Cantalupa
BP Weston Quarry Residential, LLC
c/o Boston Properties
800 Boylston Street, Suite 1900
Boston, MA 02199

**RE: Weston Quarry Residences—Weston, MA
MH ID No. 914
Supplemental Project Eligibility/Site Approval**

Dear Mr. Cantalupa:

This letter is in response to the supplemental application submitted by BP Weston Quarry Residential, LLC 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 MassHousing’s Mixed-Income Rental Program.

BP Weston Quarry Residential, LLC has submitted supplementary information related to the original Comprehensive Permit Site Approval/Rental application filed in December, 2016. The revised application, filed in June, 2017 proposes a new access route at Jones Road in the City of Waltham. The proposed route would provide access and egress to and from the site. The application proposes 345 units of rental housing (the “Project”) on a 15.1 acre property located at 133 Boston Post Road via entry at Jones Road (the “Site”) in Weston, MA and Waltham, MA (the “Municipalities”).

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 additional on-site inspection of the Site, which local boards and officials from the Municipalities were invited to attend, and has reviewed the pertinent information submitted by the Applicant, the Municipalities and others in accordance with the Comprehensive Permit Rules.

Municipal Review and Comments

The Municipalities were given a 30-day period in which to review the Site Approval application and submit comments and recommendations to MassHousing. The Town of Weston's Board of Selectmen submitted a letter, received by MassHousing on July 18, 2017, generally in support of the Project revisions. The Municipality continues to support the Site as a priority site for development in its Housing Production Plan, however it opposes the previously proposed Church Street access route, identifying the following concerns:

- The Town of Weston is concerned that the existing infrastructure of the previously proposed Church Street access is insufficient to accommodate the increased traffic that will be produced by the Project.
- The Town of Weston is concerned that the previously proposed Church Street access will have detrimental environmental impact on the future rail trail, which will be used by residents of both Weston and Waltham.

To continue this project in partnership with the Town of Weston, the applicant has agreed to pursue approval of the revised Jones Road access route. Mayor Jeannette A. McCarthy of the City of Waltham submitted a letter, received by MassHousing on August 7th, 2016 opposing this change and identifying the following concerns:

- The City of Waltham is concerned that the proposed project will increase traffic on route 117, which is already congested with local and commuter traffic.
- The City of Waltham is concerned that the proposed project will have infringing impacts on the City's public services, including water and sewer and emergency management.

Community Comments

In addition to comments from town officials, MassHousing received one (1) letter from neighboring property owners at 1265 Main Street in Waltham, the site of the City's former Polaroid campus, which is currently under redevelopment. The letter expressed support for the Project, identifying the following benefits:

- The proposed project's access improvements could help to unlock critical infrastructure, including a potential MBTA multi-modal station, a potential connection from Jones Road to the proposed "Green Street Connector" (which would connect Route 117 with the Route 20 interchange), and associated extensive new pedestrian/bike infrastructure.
- The proposed project will benefit the neighborhood by providing much-needed affordable units in an area that offers extensive office space, but suffers from lack of housing opportunities for corporate employees.

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 in 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 Municipalities 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 review of the Project's revised application, and considering feedback received from the Municipalities and abutters, the following issues related to the proposed Jones Road access route should be addressed in your application to the Weston and Waltham Zoning Board of Appeals. You should be prepared to explore them more fully in the public hearing process:

- The Applicant should be prepared to provide sufficient data to assess potential traffic impacts on area roadways and intersections, particularly around Route 117 and Jones Road, including the safety of proposed site access and egress, and to respond to reasonable requests for mitigation.
- The Applicant should be prepared to verify that the site plan is fully compliant with public safety standards relative to emergency access and emergency response.
- The Applicant should be prepared to provide information relative to the development of site amenities and landscaping plans, particularly as they relate to construction of the proposed automobile bridge, MBTA multi-modal station, and associated pedestrian/bike infrastructure.

All recommendations raised in the initial Project Eligibility determination dated March 24, 2017 still apply. A copy is attached for your reference.

This Site Approval is expressly limited to the development of no more than 345 rental units under the terms of the Program, of which not less than 87 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, a reduction in the size of the Site, a change in tenure type or a substantial change to the overall Site Plan, 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 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 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 Kat Miller at (617) 854-1116.

Sincerely,



Gregory P. Watson
Manager of Comprehensive Permit Programs

cc: Imaikalani Aiu, Weston Town Planner
Donna S. Vanderclark, Weston Town Manager
Noreen Stockman, Weston Zoning Board of Appeals Staff Assistant
Jeannette A. McCarthy, Mayor, City of Waltham
Pamela Doucette, City of Waltham, Office of Zoning Board of Appeals

Attachment 1

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

Weston Quarry Residences MH ID No. 914

After the close of the review period and extension, MassHousing hereby makes the following findings, based upon its review of the application, and considering 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 MassHousing's mixed income permanent financing 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 Weston 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 Program.

A letter of financial interest was provided by MassHousing's Business Development Group.

(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 affordable housing. The location will attract interest given its proximity to area commuter routes, employment and services.

The Town of Weston submitted a Housing Production Plan on June 28, 2016, which has not been certified. Per DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through January, 2017, Weston has 142 SHI units out of a total of 3,952 housing units (3.6% of its housing inventory). An additional 254 units would be required for the Town to achieve the 10% threshold of 395.

The need for additional affordable housing is further supported by U.S. Census data from the 2011-2015 American Community Survey, which indicates that 10.5% households in the Town of Weston earn less than 30% of the 2016 AMI (\$98,100), approximately 14.5% earn less than 50% of the 2016 AMI, and 16.9% earned less than 60% of the AMI and 20.4% of households 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 proposed Project consists of 345 residential rental units in two, six-story buildings that include one level of covered parking at grade. The height of the proposed buildings has been stepped-down at the Site entry point, with the higher portions set back within the development, reducing the impact of the buildings' scale and introducing the mass in a gradual manner. The western building would sit atop a small hill overlooking the Duck Pond to the west. The proposed development preserves much of the existing vegetation and wooded area on the hill, and will not impinge on the 125' Conservation Restriction setback in this area. The architectural approach to the proposed buildings draws from the site's industrial past as a quarry with reference to traditional materials and detailing. Although not finalized, the exterior will likely include traditional wood-style panels, metal panels, and fiber cement panels and siding. Opportunities to provide stone or stone veneer accents at the base of the buildings will also be explored. Trim boards of various sizes, color variation, and exposure will be used to break up the façade.

Relationship to adjacent streets/Integration into existing development patterns

The Site for the proposed residential development is approximately 15.1 acres and is located adjacent to the Weston Corporate Center, an existing commercial office site occupied by Biogen and Monster.com. The balance of the neighborhood is wooded land with some open fields. The nearest single-family homes are 600 to 1,000 feet away. Proximity to Route 20, Route 117, and Interstate 95, and the Fitchburg commuter rail line provides excellent accessibility for commuters to Boston and other commercial areas. Access to the proposed development would leave the north of the sites and head eastward, connecting with Jones Road in Waltham. The access route would follow the path created by an adjacent and currently unused MBTA Right of Way (ROW) and would require construction of a new automobile bridge crossing at the Fitchburg commuter rail line.

Density

The Developer intends to build 345 rental apartments in two buildings on a 15.1-acre site (13.34 buildable acres). The resulting density is approximately 25.86 units per buildable acre, which is generally acceptable for multi-family development in this region and is appropriate given the immediate connection to jobs and regional transportation networks.

Environmental Resources

The immediate surrounding area is predominantly vegetative with a quarry pond to the south and wooded areas to the north and east of the site. The Site is impacted by a conservation restriction along the southwesterly lot line which includes an area of .96 acres where a nature trail walking path is located. Additionally, approximately 0.49 acre of the Site is located in a flood hazard zone AE and approximately 0.31 acre of the Site is defined as wetlands by the Massachusetts Department of Environmental Protection (DEP). These resources will not be an impediment to the proposed development.

Topography

The Site has topography that has two distinct elevations with level areas necessary to support the two proposed residential buildings. The northeast portion of the Site is currently a gently rolling field that is covered with mowed grass where one of the proposed residential buildings is to be located. The Site transitions to rising topography in the southwest portion of the Site. No significant adverse conditions are present and the Site's topography is not a significant factor to the proposed development.

Conceptual Site Plan

The conceptual site plan shows the two buildings placed on partially below grade parking podiums on the level portions of the site, with a series of curving roadways providing access to the underground and surface parking. The proposed building design is straightforward with double loaded corridor buildings, shaped as bent "L"s. The shape of the buildings creates south facing courtyards on the podiums. The proposed location and orientation of the proposed buildings are intended to preserve and utilize as much of the natural setting as possible. This approach should help establish an internal, communal feeling to the proposed development and limit sight lines from adjacent properties. Access to the proposed development would connect with Jones Road in Waltham. The access route would follow the path created by an adjacent and currently unused MBTA Right of Way (ROW) and would require construction of a new automobile bridge crossing at the Fitchburg commuter rail line. As a part of the proposed access route design, the Applicant has included plans for a rail trail along the developed length of the access drive. The proposed trail would provide an extension to the existing Wayside Rail Trail, unlocking critical bike and pedestrian infrastructure around the site. The existing WWTP building and associated underground tanks are proposed to be relocated just off the southern boundary and accessed from the residential portion 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);

The Applicant proposes the construction of 345 apartments to be financed under MassHousing's Mixed-Income Rental Program. There will be 258 market-rate units with proposed average rent levels of \$2,115 for studios, \$2,550 for one-bedroom units, \$3,260 for the two-bedroom units, \$4,150 for the three-bedroom units. Per MassHousing's Appraisal and Marketing Division (A&M), the proposed market rents for the studio, one, two, and three-bedroom apartments are within the range of adjusted comparable market rents.

A&M's review indicates that between 2010 and 2015 the inventory of rental housing in the West/North West Suburban Submarket expanded by 1.3% per year on average. As the area's supply of rental units continues to grow, REIS, Inc. data indicates that the submarket's vacancy

rate will grow as well, increasing from 5.6% to 7.9%. However, this increase in supply (and vacancy level) does not appear to have slowed growth in the effective rents, as they have increased from \$1,505 in 2010 to \$1,763 (17%) in 2015, and are projected to continue to rise, albeit more modestly, to \$1,897 (7.6%) by 2019. In general, occupancy levels in the area have remained stable, with an average occupancy rate of 3.78%.

A&M notes public transportation is limited in the area (although there are two commuter rail stations within 2 miles); therefore, most of the competitive rentals are near the regions primary highways including Routes 90, 9, 20, 117, 95, 60, 3, 3A and 2. These locations are more accessible to the area's wide mix of commercial/retail establishments and employment centers. There are plans to build a new commuter rail station in the vicinity, although no time table has been set by the MBTA. A more in depth market study should be conducted prior to financing and Final Approval.

(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) based on estimated development costs;

MassHousing has commissioned an as "As-Is" appraisal which indicates a land valuation of \$930,000. The Project pro forma includes a proposed investment of \$112,831,607 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

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 MassHousing's Mixed-Income Rental Program and has agreed 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 related entity to the Applicant (BP Weston Quarry, LLC) controls the entire Site through a Deed from Massachusetts Broken Stone Company to BP Weston Quarry, LLC dated December 20, 2001 and registered at Middlesex County South Registry of Deeds in Book 34371; Page 131.¹

¹ The Site is part of an overall larger 73.977-acre site. The portion of the overall site that is the subject of this determination of Project Eligibility has not been legally subdivided into a separate lot as of this date. A copy of the Letter of Intent (LOI), dated October 21, 2016, issued by Biogen (current tenant), outlines business terms to be included in an amendment to the existing master lease to release the proposed portion of the Site from the master leased property at 133 Boston Post Road for the proposed residential development.

A letter from the MBTA dated December 16th, 2016 details an access agreement to the site, allowing for site access through the currently unused MBTA Right of Way (ROW) that borders the northern part of the proposed property.



COPY

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March 24, 2017

Michael A. Cantalupa
BP Weston Quarry Residential, LLC
c/o Boston Properties
800 Boylston Street, Suite 1900
Boston, MA 02199

**RE: Weston Quarry Residences—Weston, MA
MH ID No. 914
Project Eligibility/Site Approval**

Dear Mr. Cantalupa:

This letter is in response to an application by BP Weston Quarry Residential, LLC 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 MassHousing’s Mixed-Income Rental Program.

BP Weston Quarry Residential, LLC has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build 345 units of rental housing (the “Project”) on a 15.1 acres property located at 133 Boston Post Road (the “Site”) in Weston, 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 Review and Comments

The Municipality was given a 30-day period in which to review the Site Approval application and submit comments and recommendations to MassHousing. The Board of Selectmen submitted a letter, received by MassHousing on December 12, 2017, in support of the Project. In summary, the Municipality has identified the Site in its Housing Production Plan and approached

the Applicant to propose that the property be developed in this manner. On February 3, 2017, MassHousing received comments from the Municipality's Department of Public Works (DPW) and Conservation Commission (CC) generally supporting the Project, while identifying the following specific concerns:

- The DPW is concerned about the expected demands on the Town of Weston water distribution system, which could be up to an additional 45,000 gallons per day.
- The CC is concerned that the proposed work will have a significant adverse impact on the riverfront area.

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 in 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 considering feedback received from the Municipality and abutters, the following issues should be addressed in your application to the Weston 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 relating to floodplain management, wetland protection, river and wildlife conservation, water quality, stormwater management, wastewater 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 provide detailed information relative to proposed water usage, especially potential impacts on existing capacity.
- The Applicant should be prepared to verify that the site plan is fully compliant with public safety standards relative to emergency access and provisions for fire suppression.
- The Applicant should provide a plan of erosion and sedimentation control, to be reviewed by the Municipality to ensure that the project will not impair groundwater or surface water quality.

- The Applicant should provide a detailed stormwater management plan to be reviewed by the Municipality.
- The Applicant should be prepared to provide information relative to snow storage, mail delivery, trash pick-up and lighting.
- The Applicant should be prepared to provide information relative to the development of site amenities and landscaping plans, including plans for preservation of existing wooded areas.

This Site Approval is expressly limited to the development of no more than 345 rental units under the terms of the Program, of which not less than 87 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, a reduction in the size of the Site, a change in tenure type or a substantial change to the overall Site Plan, 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 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 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: Chrystal Kornegay, Undersecretary, Department of Housing and Community
Development
Christopher E. Houston, Chair, Weston Board of Selectmen
Winifred I. Li, Chair, Weston Zoning Board of Appeals

Attachment 1

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

Weston Quarry Residences MH ID No. 914

After the close of the review period and extension, MassHousing hereby makes the following findings, based upon its review of the application, and considering 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 MassHousing's mixed income permanent financing 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 Weston 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 Program.

A letter of financial interest was provided by MassHousing's Business Development Group.

(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 affordable housing. The location will attract interest given its proximity to area commuter routes, employment and services.

The Town of Weston submitted a Housing Production Plan on June 28, 2016, which has not been certified. Per DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through January, 2017, Weston has 142 SHI units out of a total of 3,952 housing units (3.6% of its housing inventory). An additional 254 units would be required for the Town to achieve the 10% threshold of 395.

The need for additional affordable housing is further supported by U.S. Census data from the 2011-2015 American Community Survey, which indicates that 10.5% households in the Town of Weston earn less than 30% of the 2016 AMI (\$98,100), approximately 14.5% earn less than 50% of the 2016 AMI, and 16.9% earned less than 60% of the AMI and 20.4% of households 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 proposed Project consists of 345 residential rental units in two, six-story buildings that include one level of covered parking at grade. The height of the proposed buildings has been stepped-down at the Site entry point, with the higher portions set back within the development, reducing the impact of the buildings' scale and introducing the mass in a gradual manner. The western building would sit atop a small hill overlooking the Duck Pond to the west. The proposed development preserves much of the existing vegetation and wooded area on the hill, and will not impinge on the 125' Conservation Restriction setback in this area. The architectural approach to the proposed buildings draws from the site's industrial past as a quarry with reference to traditional materials and detailing. Although not finalized, the exterior will likely include traditional wood-style panels, metal panels, and fiber cement panels and siding. Opportunities to provide stone or stone veneer accents at the base of the buildings will also be explored. Trim boards of various sizes, color variation, and exposure will be used to break up the façade.

Relationship to adjacent streets/Integration into existing development patterns

The Site for the proposed residential development is approximately 15.1 acres and is located adjacent to the Weston Corporate Center, an existing commercial office site occupied by Biogen and Monster.com. The balance of the neighborhood is wooded land with some open fields. The nearest single-family homes are 600 to 1,000 feet away. Proximity to Route 20, Route 117, and Interstate 95, and the Fitchburg commuter rail line provides excellent accessibility for commuters to Boston and other commercial areas. Access to the proposed development would be achieved by the construction of a new road down the abandoned MassDOT rail bed right-of-way to the north of the Site, connecting the Site with Church Street to the west.

Density

The Developer intends to build 345 rental apartments in two buildings on a 15.1-acre site (13.34 buildable acres). The resulting density is approximately 25.86 units per buildable acre, which is generally acceptable for multi-family development in this region and is appropriate given the immediate connection to jobs and regional transportation networks.

Environmental Resources

The immediate surrounding area is predominantly vegetative with a quarry pond to the south and wooded areas to the north and east of the site. The Site is impacted by a conservation restriction along the southwesterly lot line which includes an area of .96 acres where a nature trail walking

path is located. Additionally, approximately 0.49 acre of the Site is located in a flood hazard zone AE and approximately 0.31 acre of the Site is defined as wetlands by the Massachusetts Department of Environmental Protection (DEP). These resources will not be an impediment to the proposed development.

Topography

The Site has topography that has two distinct elevations with level areas necessary to support the two proposed residential buildings. The northeast portion of the Site is currently a gently rolling field that is covered with mowed grass where one of the proposed residential buildings is to be located. The Site transitions to rising topography in the southwest portion of the Site. No significant adverse conditions are present and the Site's topography is not a significant factor to the proposed development.

Conceptual Site Plan

The conceptual site plan shows the two buildings placed on partially below grade parking podiums on the level portions of the site, with a series of curving roadways providing access to the underground and surface parking. The proposed building design is straightforward with double loaded corridor buildings, shaped as bent "L"s. The shape of the buildings creates south facing courtyards on the podiums. The proposed location and orientation of the proposed buildings are intended to preserve and utilize as much of the natural setting as possible. This approach should help establish an internal, communal feeling to the proposed development and limit sight lines from adjacent properties. The Project entry is centrally located with guest parking. Access to the proposed development would be achieved by the construction of a new road down the abandoned MassDOT rail bed right-of-way to the north of the Site, connecting the Site with Church Street to the west. The existing WWTP building and associated underground tanks are proposed to be relocated just off the southern boundary and accessed from the residential portion 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);

The Applicant proposes the construction of 345 apartments to be financed under MassHousing's Mixed-Income Rental Program. There will be 258 market-rate units with proposed average rent levels of \$2,115 for studios, \$2,550 for one-bedroom units, \$3,260 for the two-bedroom units, \$4,150 for the three-bedroom units. Per MassHousing's Appraisal and Marketing Division (A&M), the proposed market rents for the studio, one, two, and three-bedroom apartments are within the range of adjusted comparable market rents.

A&M's review indicates that between 2010 and 2015 the inventory of rental housing in the West/North West Suburban Submarket expanded by 1.3% per year on average. As the area's supply of rental units continues to grow, REIS, Inc. data indicates that the submarket's vacancy rate will grow as well, increasing from 5.6% to 7.9%. However, this increase in supply (and vacancy level) does not appear to have slowed growth in the effective rents, as they have increased from \$1,505 in 2010 to \$1,763 (17%) in 2015, and are projected to continue to rise, albeit more modestly, to \$1,897 (7.6%) by 2019. In general, occupancy levels in the area have remained stable, with an average occupancy rate of 3.78%.

A&M notes public transportation is limited in the area (although there are two commuter rail stations within 2 miles); therefore, most of the competitive rentals are near the regions primary

highways including Routes 90, 9, 20, 117, 95, 60, 3, 3A and 2. These locations are more accessible to the area's wide mix of commercial/retail establishments and employment centers. There are plans to build a new commuter rail station in the vicinity, although no time table has been set by the MBTA. A more in depth market study should be conducted prior to financing and Final Approval.

(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) based on estimated development costs;

MassHousing has commissioned an as "As-Is" appraisal which indicates a land valuation of \$930,000. The Project pro forma includes a proposed investment of \$112,831,607 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

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 MassHousing's Mixed-Income Rental Program and has agreed 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 related entity to the Applicant (BP Weston Quarry, LLC) controls the entire Site through a Deed from Massachusetts Broken Stone Company to BP Weston Quarry, LLC dated December 20, 2001 and registered at Middlesex County South Registry of Deeds in Book 34371; Page 131.¹

¹ The Site is part of an overall larger 73.977-acre site. The portion of the overall site that is the subject of this determination of Project Eligibility has not been legally subdivided into a separate lot as of this date. A copy of the Letter of Intent (LOI), dated October 21, 2016, issued by Biogen (current tenant), outlines business terms to be included in an amendment to the existing master lease to release the proposed portion of the Site from the master leased property at 133 Boston Post Road for the proposed residential development.