

Commonwealth of Massachusetts

DEPARTMENT OF HOUSING & COMMUNITY DEVELOPMENT

Charles D. Baker, Governor Karyn E. Polito, Lt. Governor Janelle L. Chan, Undersecretary

January 24, 2019

Mr. Jason Korb Mr. Mathieu P. Zahler CC MPZ Main Street LLC 950 Boylston Street, Suite 103 Newton Highlands, MA 02461

RE: McElwain Apartments, Bridgewater, MA- Site Approval Letter

Dear Mr. Korb and Mr. Zahler:

I am pleased to inform you that your application for project eligibility determination for the proposed McElwain Apartments project located in Bridgewater, Massachusetts, has been approved under the Low Income Housing Tax Credit (LIHTC) program. The property is located at 242 and 250 Main Street, Bridgewater, Massachusetts. This approval indicates that the proposed plan is for 57 units, 51 of which are affordable (89.5%) at no more than 60% of area median income. The proposed development will consist of 13 one-bedroom units, 37 two-bedroom units and 7 three-bedroom units and the rental structure as described in the application is generally consistent with the standards for affordable housing to be included in the community's Chapter 40B affordable housing stock. This approval does not constitute a guarantee that LIHTC funds will be allocated to the McElwain Apartments project. It does create a presumption of fundability under 760CMR 56.04, and permits CC MPZ Main Street LLC (the "Applicant") to apply to the Bridgewater Zoning Board of Appeals for a comprehensive permit. The sponsor should note that a One Stop submission for funding for this project must conform to all Department of Housing and Community Development (DHCD) program limits and requirements in effect at the time of submission.

As part of the review process, DHCD has made the following findings:

- 1. The proposed project appears generally eligible under the requirements of the Low Income Housing Tax Credit program.
- 2. DHCD has performed an on-site inspection of the proposed McElwain Apartments project and has determined that the proposed site is an appropriate location for the project. The development will turn a former school into rental housing units and renovate a current multifamily housing building. It is within walking distance of Bridgewater Town Hall. Located on Main Street, it is also a third of a mile from shopping facilities.



- 3. The proposed housing design is appropriate for the site. The housing in the former McElwain School will be a historically appropriate repurposing of the former school building. It will also build a new detached building on the 2.7 acre lot. The project also calls for the rehabilitation of the 3-family home and barn on the 242 Main Street site. Three units will be fully accessible.
- 4. The proposed project appears financially feasible in the context of the Bridgewater housing market. It will offer housing to seven market-rate households and 51 households earning up to 60% of the area median income. It will also offer nine units affordable to households earning up to 30% of the area median income.
- 5. The initial proforma for the project appears financially feasible and consistent with the requirements for cost examination and limitations on profits on the basis of estimated development and operating costs. Please note again that a One Stop submission for funding for this project must conform to all DHCD program limits and requirements in effect at the time of submission and please see item six below regarding a possible adjustment needed to the acquisition number.
- 6. A third-party appraisal has been commissioned. The Low-Income Housing Tax Credit Program Guidelines state that the allowable acquisition value of a site with a comprehensive permit must be equal to or less than the value under pre-existing zoning, plus reasonable carrying costs.
- 7. The ownership entity will be a limited dividend for-profit corporation, controlled by the Applicant, CC MPZ Main Street LLC and will meet the general eligibility standards of the Low Income Housing Tax Credit program.
- 8. The Applicant has a purchase and sale agreement with the town of Bridgewater.
- 9. During the review period, DHCD received comments from the town of Bridgewater. We anticipate that all issues will be thoroughly reviewed by the appropriate town boards and resolved to the satisfaction of all parties and the project sponsor.

The proposed McElwain Apartments project will have to comply with all state and local codes not specifically exempted by a comprehensive permit. In applying for a comprehensive permit, the project sponsor should identify all aspects of the proposal that will not comply with local requirements.

If a comprehensive permit is granted, construction of this project may not commence without DHCD's issuance of Final Approval pursuant to 760 CMR 56.04 (7) and an award of LIHTC funds. This project eligibility determination letter is not transferable to any other project sponsor or housing program without the express written consent of DHCD.

This letter shall expire two years from this date or on January 24, 2021, unless a comprehensive permit has been issued.

We congratulate you on your efforts to work with the Town of Bridgewater to increase its supply of affordable housing.

Sincerely,

Catherine Race Associate Director

cc: Mr. Edward Haley, President, Bridgewater Town Council

Municipal Office Building 66 Central Square Bridgewater, MA 02324 508-697-0919

December 17, 2018

Rebecca Frawley Wachtel, Director Low Income Tax Credit Program DHCD 100 Cambridge Street, 3rd Floor Boston, MA 02114

Re: McElwain Apartments, CC MPZ Main Street, LLC (the Property)

The Town of Bridgewater is in receipt of the request for site eligibility referred to as the McElwain Apartments, as proposed by CC MPZ Main Street, LLC ("MPZ"). MPZ proposes to build 57 mixed income apartment rental units, on over 2 acres of uplands located at the abutting properties of 242 and 250 Main Street.

The Town of Bridgewater is assured that DHCD recognizes the need to balance regional housing needs with local concerns including: health, safety, environmental, planning, open space and design. The Town wishes to offer our comments as it relates to the appropriateness of the proposal in relation to these factors, while keeping in mind the town's progress toward meeting our local housing production goals, housing needs and strategies.

The Town of Bridgewater has reached its 10% threshold for inclusion on the subsidized housing inventory and continues to make significant progress toward our affordable housing goals as outlined in the 2018 update to the Housing Production Plan. The Town has 8,288 year-round units of housing according to the 2010 census.

The Town Council created an Affordable Housing Trust in April of 2015 through ordinance. The Trust held their first meeting in October of 2016 and worked with the Town Manager to issue the RFP for disposition and development of the former McElwain School which is now in front of you for site eligibility. The Town has signed a Purchase and Sales Agreement with the project developer and has made a substantial monetary commitment of \$1.3 million in Community Preservation Funds to help finance the McElwain project. Despite the Town having already achieved 10% affordability, it is dedicated to this project as a public/private partnership which will renovate an important historic building, and provide quality housing options for residents of the Town.

In addition, as we move toward meeting our housing plan goals, the Town is working to support adoption of an inclusionary zoning bylaw, based on DHCD's model ordinance, which would be applicable to future development and enable the town to meet the housing needs of people of all abilities, income levels, and household types. The AHT has expressed support for conversion of tax title properties to affordable housing projects as well as support for a Habitat for Humanity project or similar projects by community housing

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organizations allowing the community and Bridgewater State University the opportunity to come together in support of affordable housing projects.

The McElwain site is located on Main Street, a typical New England main street of mostly housing units with a few pre-existing non-conforming businesses. The site has a small wetland which does not trigger EPA review, and will not be impacted by site development.

The site is also serviced by pre-existing water and sewer service. While the Town has had concerns about the rapid residential growth outpacing the town's infrastructure, our satisfaction that the historic building will be renovated, and the neighborhood substantially upgraded far outweighs the concerns over additional residential development. In addition, this type of "in-fill" development meets our housing goals of building re-use, in-Town development, and pedestrian friendly development.

According to the Comprehensive Wastewater Management Plan, with Water Resources, referred to as CWMP prepared by Weston and Sampson in March of 2017, the Town needs to be prepared to address water management act changes that could limit available water supplies and use as compared with sustainable water management initiatives base-line drought year usage. At minimum, the developer may be required to loop the existing water main to improve pressure and maintain service during water breaks. Bridgewater has demonstrated continued concern for our limited capacity throughout the years by maintaining an outdoor water ban year-round and requiring hand held hoses for watering lawns. Bridgewater requires private wells for lawn sprinklers and the like. This diligence has allowed the town to adhere to the registered withdrawal volumes of water from registered withdrawal points in conjunction with DEP's authorization, in spite of recent growth.

Strict adherence to the Town's stormwater regulations, including volume and rate vis-à-vis 90% preconstruction runoff would be required. The CWMP recommends that we couple stormwater improvements with construction of subdivisions and other developments as well as utilize good housekeeping practices and put other minimum controls in place to meet state & federal requirements. Future and annual investments are needed to meet new permit requirements beyond prior and current funding levels.

Traffic and circulation are major concerns when considering this type of residential development. Public Safety officials and the Town Engineer have expressed no concern with the double access roads. The roads must be able to accommodate Bridgewater's Fire Apparatus and provide for a centralized bus stop. Thought should be given to pedestrian and bike safety, and thought should be given to adding a sidewalk network throughout the project as required by the Town of Bridgewater's Complete Streets Council Resolution. Should the site be determined eligible, the town will require a traffic study be performed to assess potential traffic and safety impacts on area roadways and intersections including access, egress and traffic calming. The traffic study could result in mitigation if deemed necessary.

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The plans provided were conceptual and in absence of project plans that are sufficiently detailed and substantive to provide insight into the infrastructure planning of the project, the comments are general in nature.

We understand density is necessary for affordability as increased density translates directly to less land per unit, thereby reducing construction costs. Achieving a reasonable diversity of residential density without the appearance of crowding is both pleasing and possible. Higher densities can be perceived to be less when there is open space integrated into the development or on nearby land, including recreational amenities. The Town suggests incorporating active recreational areas in addition to providing common passive open space. The developer has considered creating a playground that could service this project and the neighborhood. We encourage this with appropriate input from Town public safety officials.

The Master Plan suggests that new residential design should preserve existing trees whenever possible. Tree planting programs are suggested in treeless areas. Trees can provide a significant cooling effect, reduce greenhouse gases and are helpful for humidity control and as windbreak in extreme weather. Ultimately, preserving open space, minimizing clear cutting and improving landscape lead to higher market and property values. The project proponents have proposed preserving existing trees. We encourage this approach.

Similar projects draw neighborhood concern relative to site landscaping and vegetative screening. The applicant should plan to provide a detailed planting plan showing identifying existing vegetation to be preserved along with proposed new plantings.

The developer should be prepared to address concerns relative to the location, size, layout and character of the surrounding area and propose measures to address and mitigate the concerns as they arise. Areas of concern will be property management, public safety, grounds maintenance, site lighting, trash removal, snow storage as well as maintenance of the private way.

Should DHCD determine that the site is eligible, the town will respond accordingly. The Zoning Board of Appeals is ready to work with the developer to impose reasonable restrictions with regard to the size of the development, site planning and other specific characteristics of the project.

The development of the 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, etc. The municipality will require evidence of such compliance prior to the issuance of building permits. Bridgewater is a Green Community and is therefore subject to the requirements of the stretch code. In addition, the town will require the developer to adhere to all requirements associated with affirmative fair housing marketing.

In short, we encourage your approval of the Site Eligibility application. The Town views this project as a public/private partnership, and is ready to move forward with this project with this developer.

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If you have any questions, please do not hesitate to contact me.

Sincerely

Michael Dutton

Town Manager