

Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

March 23, 2021

Swampscott Housing Limited Partnership
c/o WinnDevelopment
One Washington Street, Suite 500
Boston, Massachusetts 02108

Re: Elm Place, Swampscott, MA – Site Approval Letter

To Swampscott Housing Limited Partnership:

We are writing to inform you that your application for project eligibility determination for the proposed Elm Place project located in Swampscott, Massachusetts, has been approved under the Low Income Housing Tax Credit (LIHTC) program. The property is located at 129 Essex Street, 25 & 35 Pitman Road, and part of 21 Elm Place in Swampscott, Massachusetts, a community with 3.7% of its housing stock listed as affordable on the state's Subsidized Housing Inventory (SHI). This approval indicates that the proposed plan is for 128 units, 65 of which will be affordable to families earning no more than 80% of area median income, of which 35 will be affordable to families earning no more than 60% of area median income. The proposed development will consist of 7 studio units, 78 one-bedroom units, 29 two-bedroom units, and 14 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 Elm Place project. It does create a presumption of fundability under 760 CMR 56.04, and it allows Swampscott Housing Limited Partnership to apply to the Swampscott Zoning Board of Appeals for a comprehensive permit. If a comprehensive permit is granted, Swampscott Housing Limited Partnership may choose to submit a OneStop+ funding application to a competition hosted by this Department. At the time of application, this project must conform to all Department of Housing and Community Development (DHCD) program limits and requirements then in effect. If a OneStop+ is submitted, DHCD will perform an extensive evaluation in accordance with all stated criteria included in the LIHTC Qualified Allocation Plan in effect at the time.

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

- The proposed project appears generally eligible under the requirements of the LIHTC program.
- DHCD has performed an on-site inspection of the proposed Elm Place project and has determined that the proposed site is an appropriate location for multifamily rental housing.

Among the amenities near the site are the town's commuter rail station and Swampscott High School. The site is less than one mile from the Atlantic Ocean.

- The conceptual project design is generally appropriate for the site. The site is suitable for residential use. The development of non-age-restricted studios, one-, two-, and three-bedroom units on the site would address the need for affordable housing for individuals and families. As is typically true of proposed Chapter 40B projects at this stage in pre-development, the design is at a conceptual stage rather than at the more advanced design development stage. While the presumption of fundability exists under 760 CMR 56.04, it is clear that the design would benefit from further discussions between town officials and Swampscott Housing Limited Partnership. DHCD expects that such discussions will take place in timely fashion. Swampscott Housing Limited Partnership should note that all design characteristics of the project will be carefully evaluated during any future OneStop+ funding competition.
- The proposed project appears financially feasible in the context of the Swampscott housing market.
- The project appears financially feasible, based on the initial pro forma and third-party appraisal commissioned by DHCD (an "as-is" land valuation of \$2,300,000), and the project information is 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 OneStop+ submission for funding for this project must conform to all DHCD program limits and requirements in effect at the time of submission.
- The ownership entity will be a single-purpose entity controlled by the Applicant subject to limited dividend requirements, and meets the general eligibility standards of the LIHTC program. The Applicant will need to demonstrate sufficient organizational capacity to successfully develop the project under the LIHTC program.
- The Applicant is the designated developer of the site and has an interest in the site sufficient to control the site as evidenced by the Land Agreement between WinnDevelopment, a related entity to the Applicant, and the current site owners.

Municipal Comments Received by DHCD

Comments on the application from the Town of Swampscott Office of the Select Board to DHCD are attached to this letter and summarized below and on the following page. DHCD also received public comments which raised concerns similar to those raised by the Select Board. The comments are summarized as follows:

- The proposed project at 70 or 80 units per acre will constitute the most dense residential project in Swampscott, and increases in density beyond the median density per acre in Swampscott have disproportionate impacts on residents and infrastructure.
- The proposed project at 5 stories and 60 feet in height will constitute the tallest residential or commercial building in Swampscott; it will loom over neighboring one- and two-story

single-family houses and two-story Swampscott Housing Authority properties, the tallest approximately 25 feet in height, which are separated from the proposed project by approximately 30 feet.

- The proposed building will be located within 10 feet of the property line adjacent to the MBTA rail tracks making it extremely difficult and dangerous for fire apparatus to access the rear portions of the proposed 60-foot tall building.
- The proposed project will provide little or no new green space or usable open space.
- The proposed project will provide only 0.85 parking spaces per residential unit, and the Transportation Impact Assessment submitted by the Applicant does not accurately capture the parking needs and traffic patterns within this neighborhood or support the conclusion that safe and efficient access can be achieved as currently designed.
- The proposed project will prevent the planned continuation of the Swampscott Rail Trail to Essex Street and Swampscott High School.
- The Swampscott Select Board is deeply concerned that the Swampscott Housing Authority property at Doherty Circle will not support any adjacent development, especially one having the mass, density and height as the proposed project, which will further diminish the quality of life of these vulnerable residents.

DHCD Recommendations to Swampscott Housing Limited Partnership

In the comprehensive permit application to the Swampscott Zoning Board of Appeals, DHCD recommends that Swampscott Housing Limited Partnership be prepared to address municipal concerns regarding the following:

- Integration of environmental resources in the project design.
- Fire department access to the project.
- Proposed resident access to onsite and street parking.
- Potential traffic impacts on area roadways, including the safety of proposed site access and egress.
- Potential impacts on pedestrian access and safety around the site.

Furthermore, as the project's site plan, architectural plans, and specifications are refined, we encourage Swampscott Housing Limited Partnership to collaborate with the Town of Swampscott to better articulate the design approach and to evaluate its potential for successfully integrating the project into the existing context.

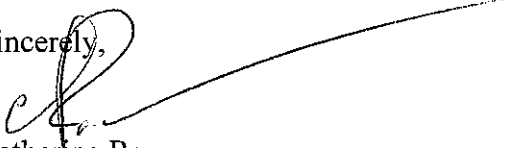
In addition, please also note the following:

- The proposed Elm Place project will have to comply with all state requirements, as well as local requirements not specifically exempted by a comprehensive permit in accordance with 760 CMR 56.05(7). 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.
- When construction is complete, a Chapter 40B cost certification and an executed and recorded 40B Regulatory Agreement in compliance with DHCD's requirements pertaining to Chapter 40B must be submitted and approved by DHCD prior to the release of a Low-Income Housing Tax Credit Form 8609.

This letter shall expire two years from this date, on March 23, 2023, unless a comprehensive permit has been issued, or unless site approval is otherwise extended in writing by DHCD.

Please feel free to email Rebecca Frawley Wachtel or me with any questions. Our email addresses, respectively, are rebecca.frawley@mass.gov and catherine.racer@mass.gov.

Sincerely,



Catherine Racer
Director

cc: Peter A. Spellios, Chair, Swampscott Office of the Select Board

Attachment