

July 18, 2018

Brian Golden
Director
Boston Planning and Development Agency
One City Hall Plaza
Boston, MA 02201

RE: Project Update Letter for 233 Hancock LLC

Dear Director Golden,

This Project Update Letter ("PUL") is being submitted on behalf of 233 Hancock LLC (the "Proponent") to inform you of certain changes with respect to the prospective 233 Hancock mixed-use development (the "Project").

1.0 Introduction

Pursuant to Small Project Review Section 80E of the Boston Zoning Code (the "Code"), we are required to inform the Boston Planning & Development Agency (the "BPDA") of any material changes to the Project. With this PUL, we respectfully request a determination that these changes will not significantly increase the impacts of the Project within the scope of the required review and that no further review is required under Article 80E of the Code.

On July 24, 2017, the Proponent filed a Small Project Review Application with the BPDA for a proposed Project consisting of a new five (5)-story, mixed-use building totaling approximately 29,465 square feet and containing thirty-six (36) residential rental units, 720 square feet of ground-floor retail space and twenty-two (22) accessory off-street parking spaces. On October 12, 2017, the BPDA Board authorized the Director to issue a Certification of Approval pursuant to Section 80E-6 of the Boston Zoning Code approving the Project in accordance with the requirements of Small Project Review (the "BPDA Board Approval").

2.0 Revised Project

The Project as approved was subject to the Inclusionary Development Policy, dated December 10, 2015 ("IDP"), and is located within Zone C, as defined by the IDP. The IDP requires that 13% of the total number of units within a development be designated as IDP units. Under the BPDA Board Approval, five (5) units within the Project would have been income restricted (the "IDP Units") to households earning not more than 70% of the Area Median Income as based upon the United States Department of Housing and Urban Development ("HUD") ("AMI") unless it received an accommodation from the BPDA because of the Project's location IDP Zone C. Nonetheless, per IDP Section 3.2.a, "A Project is exempt from IDP if the Proposed Project is financed as one entity and 40% or more of the units within a Proposed Project are income restricted or otherwise preserved as affordable."

Since receiving BPDA Board Approval, the Proponent has worked diligently to procure funding to increase the overall affordability of the Project. As of the date hereof, commitments are pending from two sources of funding that were not in place prior to BPDA Board Approval: MassHousing's Workforce Program and the City of Boston's Community Preservation Act's Pilot Program. These sources of funding will allow the Proponent to income restrict 58% of the units (21 units total), significantly more units than the 40% requirement for a project to be exempt from IDP. Of these income restricted units, ten (10) units will be restricted to households earning not more than 80% of the HUD AMI and eleven (11) units will be restricted to households earning not more than 100% of the HUD AMI.

Therefore, in lieu of participating in IDP and signing an Affordable Rental Housing Agreement and Restriction for the creation of five (5) on-site IDP Units as conditioned by the BPDA Board Approval, the Proponent proposes that the Project is exempt from IDP requirements and that it income restricts twenty-one (21) units through a MassHousing Workforce Use Restriction and Regulatory Agreement. The change is summarized as follows:

- Ten (10) units will be restricted to households earning not more than 80% of the HUD AMI including four (4) studios, four (4) 1-bedrooms, one (1) 2-bedroom and one (1) 3-bedroom;
- Eleven (11) units will be restricted to households earning not more than 100% of the HUD AMI including four (4) studios, four (4) 1-bedrooms, two (2) 2-bedrooms and one (1) 3-bedroom;
- Remove requirement for an Affordable Rental Housing Agreement as condition for BPDA Board Approval.

After the change, the Project will consist of twenty-one (21) income-restricted units compared to five (5) in the approved scheme. While the change reduces the affordability of five (5) units from 70% HUD AMI to 80% HUD AMI, there is precedent under IDP to allow for IDP units to be restricted to incomes higher than the 70% HUD AMI tier per Section 5.2.a of the IDP: "In certain instances in Zone C, when the BRA determines a Proposed Project infeasible, the BRA may allow either a portion or all of the On-Site units to be designated to households earning greater than 70% of the AMI but no more than 100% of the AMI." In addition, the Proponent believes that with a required utility allowance, the 80% of the HUD AMI tier is still within Section 8 payment standards.

Despite this change, the Proponent will keep all other aspects of the Project the same: the site plan, total square feet, numbers of bedrooms and bathrooms, and the building height will not be affected.

3.0 Project Impacts

Changes in the Project since the completion of Small Project Review Application will have no material impacts on any other aspects within the scope of review under Article 80E of the Code. Given that the Project is architecturally identical to what was previously studied; no significant impacts will arise with respect to the issues previously studied.

The Proponent's original goal for this project was to revitalize a blighted commercial site with housing that is affordable to existing members of the surrounding Dorchester community and people moving to the City of Boston. Per the Housing and Demographics Data Packet released by the BPDA on January 10, 2018, only three (3) new income restricted units have been built in the Glover's Corner area since 2010 and "42% of renters living in market-rate housing [in Glover's Corner] are at moderate or elevated risk of displacement due to rising rents." The proposed changes will help alleviate some of these concerns.

4.0 Potential Benefits

Changes in the project will create the following benefits:

- An additional 16 units of housing will be income restricted; these units would not have been restricted under IDP requirements;
- Increasing affordability of the units, which is in conformance with the Mayor's vision expressed in Housing a Changing: Boston 2030;
- New compact and efficient units that are more affordable for Boston residents;
- Catering to the needs of households that are being priced out of the Dorchester market;
- A new model to finance and develop workforce housing in the City of Boston.

5.0 Summary

Based on the details outlined in this PUL, the Proponent respectfully requests that the BPDA determine that the changes to the Project since filing of the completion of Small Project Review under Article 80E of the Code will not significantly increase the impacts of the Project within the scope of the required review and that no further review is required under Article 80E of the Code.

Thank you for your consideration. Please feel free to contact me with any questions or comments. On the behalf of 233 Hancock LLC and the other members of the project team, we look forward to working with you and your staff to make this project a reality.

Sincerely yours,

Benjamin Moll
Manager, 233 Hancock LLC
Principal, Arx Urban Capital LLC

Cc:
Aisling Kerr, BPDA Assistant Project Manager