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August 18, 2016

Matthew Seadale
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114

Re: North Square at the Mill District – Amherst, MA, 40B (760 CMR – 56.04) Project Eligibility Application
Located Off of Cows Road between Sunderland and Montague Roads.

Dear Mr. Seadale,

Please accept the enclosed Project Site Eligibility (“Site Eligibility”) application and request to commission an “as-is” appraisal on behalf of Beacon Communities Development for *North Square at the Mill District*, a mixed-income, mixed-use new construction project that will transform an inactive industrial site in North Amherst into a vibrant housing community. We have an agreement to ground lease approximately six acres from the Cows family, who have maintained ownership and continuous use of the site since the 1700s.

We are proposing a 9% LIHTC project within a qualified census tract located 3 miles north of downtown Amherst and .5 miles from UMass. The 130-unit apartment community includes 20% of the apartments set aside for households earning up to 50% of the area median income in addition to some ancillary 1st floor retail space. We anticipate creating a commercial condominium after construction and conveying the retail space to W.D. Cows Inc. who will own the condo and oversee the commercial tenant lease up. The Cows own other retail spaces in North Amherst and are committed to continuing their investment in the community through *North Square at the Mill District*.

We have been working closely with the Town of Amherst’s leadership team and meeting with the community over the last few months, and we’re excited to be proposing a project that supports the Town’s Master Plan and Housing Production Plan. We believe the project will serve as a catalyst for new housing and economic development in North Amherst; it currently supports the Town’s MassWorks grant for new roadway, sidewalk and pedestrian improvements adjacent to the proposed site.

Snapshot

- **Housing and Affordability Mix:** 130 apartments located in 3 buildings in a Qualified Census Tract. 104 market-rate apartments and 26 apartments (20%) for households earning up to 50% of the area median income. Of these 26 apartments, 3 will be set aside for households earning no more than 30% of the area median income.
- **Apartment Mix:** 1, 2 and 3 bedroom apartments (including 10% 3 bedroom units and 45% 1 and 2 bedroom apartments)
- **Retail space:** 22,000 net square footage of ground floor retail space
- **Parking and traditional New England town square**

- **Financing (proposed):** 9% LIHTC, State Low-Income Housing Tax Credits, Affordable Housing Trust Funds, 8-project-based Section 8 Vouchers, 1st Mortgage.
- **RE Tax Incentive:** The Town of Amherst will support the project by phasing in the residential real estate taxes over a period of 10 years. Amherst passed an Affordable Housing Tax Incentive in 2015 to encourage new private investment in mixed-use mixed-income development.

Site Eligibility

Working in collaboration with the Town, a Comprehensive Permit will enable Beacon to successfully implement Amherst's vision for growth as outlined in its Master Plan and Housing Production Plan—providing diverse housing options with green space, sustainable design, and compact development alongside expanded economic development opportunities. The project responds to increased housing pressure in the Town of Amherst, where population has grown by 175% and housing production has only grown by 125% between 1960 - 2010. The Housing Production Plan notes particular needs for deeply affordable rental and young family housing, which the project will meet through 10% 3-bedroom units and an application for eight project-based vouchers.

The attached exhibits demonstrate that the proposed project will address DHCD's requirements for Site Eligibility approval:

- **20% at 50% AMI:** The project's income restrictions meet the requirements for Low Income Tax Credits; in addition, Beacon Communities will comply with the requirement to set aside 10% of units for households earning less than 30% of AMI.
- **Site appropriate for residential development and addresses Town's goal:** The site is appropriately located near services, transportation, and recreation to meet Amherst's growing housing demand and goals as set forth in the Master Plan and Housing Production Plan.
- **Design is contextually appropriate:** The site design preserves the rural character of Montague Road, while architecture and landscaping reflects the New England character and industrial history of the site.
- **Financial Feasibility:** A third party market rent study is enclosed (Tab 12).
- **Proforma:** The project as modeled in the proforma (Tab 11). The project will be consistent with the Department's guidelines on land valuation, cost, and return.
- **Compliance:** Beacon Communities will comply with cost examination requirements, and acknowledges that the Single Purpose Entity that will own the project is subject to limitations on Reasonable Return from the project.
- **Site Control:** The Agreement to Enter a Ground Lease (Tab 0) demonstrates site control.

Town Support/Community Process

Over the last six months, we have worked closely with Town staff, met with community members and business leaders, and presented the project informally at a Select Board meeting. Based on these discussions, we've designed a project that is contextually appropriate, meets the Town's goal and will also support the Town's efforts to receive a MassWorks grant for traffic improvements in North Amherst, including improvements along Montague, Sunderland, and Cowsls Roads, and we are actively collaborating on that application. We believe that there is strong support for the project, and the town will look forward to your request for feedback.

As-Is Appraisal

We would also like to request commission of an "as is" appraisal. We've included the materials that we think will be most useful (Tab 15). I will also forward these by email to facilitate easy outreach to potential appraisers.

The site is located north of Amherst's downtown, in a commercially ("COM") zoned area primed for higher-density development based on its proximity to services, transportation, and recreation. The project site is part of a 14-acre parcel of land owned by the Cows family. The Cows will ground lease approximately 6 acres to Beacon Communities for the development of 130 apartment homes that will be newly constructed in three buildings, as well as ancillary retail, parking, and community space. Given the complexity of building on 6 acres within the 14 acres parcel (as shown on the attached site plans), we would appreciate the opportunity to explain the project further to the selected appraiser.

Should you have any questions about the project's eligibility, appraisal request, or the attached documentation, please contact Darcy L. Jameson, Development Director, at 617-574-1132 or djameson@beaconcommunitiesllc.com. On behalf of Beacon Communities and the Town of Amherst, we appreciate DHCD's support of this project.

Sincerely,



Darcy L. Jameson
Development Director

CC: Extra copy provided to DHCD for submission to Paul Bockelman, Town of Amherst, Town Manager