

TO: BOSTON REDEVELOPMENT AUTHORITY AND
PETER MEADE, DIRECTOR

FROM: HEATHER CAMPISANO, DEPUTY DIRECTOR FOR DEVELOPMENT
REVIEW
KEVIN MORRISON, GENERAL COUNSEL
CASEY HINES, PROJECT MANAGER

SUBJECT: FIRST AMENDMENT TO REPORT AND DECISION ON THE
NORTHAMPTON TOWER CHAPTER 121A PROJECT, SOUTH
END/LOWER ROXBURY

SUMMARY: This Memorandum requests the adoption of the First Amendment to the Report and Decision on the Northampton Tower Chapter 121A Project (the "Project"), which includes: (i) approval of an amendment to the Project Area; (ii) approval of zoning deviations associated with the amendment to the Project Area; (iii) a modification to the Project's financial structure; and (iv) other associated and minor modifications requested therewith (the "Proposed Amendment").

PROJECT BACKGROUND

The Project, as herein defined, is owned by the Boston Public Health Commission ("BPHC") and is located in the South End/Lower Roxbury neighborhood of Boston, located at 35 Northampton Street between Albany Street and Harrison Avenue, and part of 860 Harrison Avenue between Massachusetts Avenue and Northampton Street, one block from the Boston Medical Center and Boston University Medical Campuses. The Project site is on the Northampton Street Campus, which comprises 3.3 acres and is bound by Massachusetts Avenue on the north side, Albany Street on the east side, Northampton Street on the south side, and Harrison Avenue on the west side (the "Project Area").

On September 13, 2012 the Boston Redevelopment Authority ("BRA") approved the Northampton Tower Project (the "Project") under Chapter 121A of the General Laws and Acts of 1960, Chapter 652, both as amended ("Chapter 121A"). The Project includes an approximately \$56 million renovation of the 35 Northampton Street Tower (the "Tower") that will include elevator system upgrades, new energy efficient windows, exterior façade repairs, a new roof, renovated and code compliant trash chutes, new

laundry rooms on every other floor, unit improvements, including all new and upgraded kitchens, a new storage closet, new low flow plumbing fixtures, blinds, and paint throughout. The Project will also include the conversion of two (2) existing office floors into eleven (11) new handicapped accessible residential units (there are currently no accessible units) which will increase the number of units in the Tower to 245, and the creation of a new lobby, management office, mailroom, 1,900 square foot corridor system between the Tower and the adjacent residential building at 860 Harrison Avenue (collectively the "BPHC Campus"), and elevator to access the parking garage. Seventy-five percent (75%) of these units will be affordable to households earning up to 60% of area median income, and the remaining 25% of the units will be affordable to households earning up to 70% of AMI. There will be a transition period in which existing tenants, a portion of whom do not meet the income guidelines, may be held over. As these non-qualifying tenants turn over, these units within the Project will be occupied with tenants qualifying with the income limits set forth herein. In addition, the development plan for the Project takes special care in the design of the open spaces and pedestrian paths and corridors required to support the redevelopment effort. The existing parking garage will also receive updates, including new elevators and handicapped parking spaces to serve residents. Moreover, the Project has been planned to integrate the development with the surrounding community.

On September 13, 2012, the BRA voted to adopt a Report and Decision (the "Report and Decision") on the Project. Such vote was approved by the Mayor of the City of Boston on September 17, 2012, and the vote as so approved, was filed with the Clerk of the City of Boston on September 25, 2012. Trinity Northampton Phase One Limited Partnership, a Massachusetts limited partnership (the "Developer"), was designated as the Chapter 121A entity to own, operate and manage the Project.

APPLICATION TO TRANSFER PROJECT

On April 10, 2013, Trinity Northampton Phase One Limited Partnership (the "Applicant") filed with the Authority an application entitled, "APPLICATION OF TRINITY NORTHAMPTON PHASE ONE LIMITED PARTNERSHIP TO THE BOSTON REDEVELOPMENT AUTHORITY FOR MODIFICATIONS TO THE TRINITY NORTHAMPTON TOWER CHAPTER 121A PROJECT APPROVED UNDER GENERAL LAWS CHAPTER 121A, AND PURSUANT TO THE ACTS OF 1960, CHAPTER 652, BOTH AS AMENDED" (the "Amendment Application"). The Amendment Application seeks the Authority's approval to amend the Project as follows: (i) approval of an amendment to the Project Area; (ii) approval of zoning deviations associated with the amendment to the Project Area; (iii) a modification to the Project's financial structure; and (iv) other associated and minor modifications requested therewith.

The BPHC houses social service agencies which are being displaced by the installation of the handicapped accessible residential units in the lower floors of the Project. The BPHC is actively seeking alternative space for these agencies. However, the BPHC may need to relocate these agencies to the second floor of 860 Harrison Avenue (the "PHC Office Space"), which would require an amendment to the Project Area and additional zoning deviations to allow for office use, as requested in the Amendment Application.

Additionally, the Applicant is requesting an adjustment to the Project's financial structure whereby the Developer would acquire a long term leasehold interest in the Project from BPHC Northampton Development Corp., Inc., an affiliate of the BPHC, rather than a fee interest with a purchase money mortgage, as previously contemplated, in order to maximize the low income housing tax credits available for rehabilitation.

FINANCING AND AFFORDABILITY

The estimated cost of the Project will now be approximately \$56 million. As noted, the Project will also include the PHC Office Space if no other suitable location has been found prior to the closing of the financing for the Project.

In regards to the residential units, seventy-five percent (75%) of the units will now be affordable to households earning up to 60% of Area Median Income ("AMI") and the remaining 25% of the units will be affordable to households earning up to 70% of AMI. There will be a transition period in which existing tenants, a portion of whom do not meet these income guidelines, may be held over. As these non-qualifying tenants turnover, these units within the Project will be filled with tenants qualifying within the income limits set forth herein.

The Project will continue to consist entirely of affordable housing (except for the portion of the Project containing the property management office, and PHC Office Space if such area is necessary). The financing for the Project will continue to come from a variety of sources including construction and permanent mortgage financing, state and city affordable housing loans, and equity from low income housing tax credits, but will now include the present value of lease payments in lieu of a PHC purchase money loan. The summary of the current anticipated sources of financing for the Project is attached as Appendix 6 to the Amendment Application.

ZONING

As set forth in Appendix 11 of the Amendment Application, the Applicant is requesting certain adjustments to the zoning deviations previously approved for the Project in the Report and Decision, to reflect the change in the Project Area. The Applicant requests exceptions from the applicable dimensional regulations with respect to: (a) Maximum Floor Area Ratio (addition of corridor); (b) Minimum Usable Open Space (conversion of

the existing two (2) office floors into eleven (11) new residential units and pre-existing non-conforming condition); (c) Maximum Building Height (pre-existing non-conforming 29-story, 287' Building and construction of a new 18' high connecting corridor from the Building to new centralized Campus operational facilities at 860 Harrison Avenue); (d) Use deviation to permit the conversion of nine (9) residential units consisting of 5,443 square feet on the second floor of 860 Harrison Avenue into office space; and (e) Off-Street Parking, as no parking spaces are being dedicated to the Project, in light of the availability of the adjacent 539-space garage, which is open to the public, in addition to its use under a lease with the Boston Medical Center.

FUNDAMENTAL CHANGE DETERMINATION AND PUBLIC HEARING

The General Counsel has determined that the changes requested by the Developer do not collectively constitute a "fundamental change" in accordance with the Acts of 1960, Chapter 652, Section(s) 13 and/or 13A, as amended and a public hearing is therefore not required.

RECOMMENDATION

After due consideration of the documents and materials presented, it is recommended that the Authority vote to adopt the foregoing First Amendment to Report and Decision on the Northampton Tower Chapter 121A Project (the "Project"), which includes the: (i) approval of an Amendment to the Project Area; (ii) approval of zoning deviations associated with the Project Area modification; (iii) a modification to the Project's financial structure, and (iv) other associated and minor modifications requested therewith (the "Proposed Amendment").

Appropriate votes follow:

VOTED: That the document presented at this meeting entitled "FIRST AMENDMENT TO REPORT AND DECISION ON THE NORTHAMPTON TOWER CHAPTER 121 PROJECT FOR THE APPROVAL, UNDER MASSACHUSETTS GENERAL LAWS, CHAPTER 121A AND THE ACTS OF 1960, CHAPTER 652, BOTH AS AMENDED, OF THE AMENDMENT TO THE PREVIOUSLY APPROVED NORTHAMPTON TOWER CHAPTER 121A PROJECT, TO ALLOW FOR CHANGES IN THE PROJECT AREA AND FINANCING STRUCTURE", be and hereby is, approved and adopted in all respects; and

FURTHER

VOTED: That the Director be, and hereby is, authorized to execute any and all other agreements, instruments, documents or letters he deems necessary and appropriate, in his sole discretion, and in the best interest of the Boston Redevelopment Authority, regarding the First Amendment to the Northampton Tower Chapter 121A Project.