

MEMORANDUM

JANUARY 26, 2006

TO: BOSTON REDEVELOPMENT AUTHORITY AND
MARK MALONEY, DIRECTOR

FROM: THOMAS MILLER, DIRECTOR OF ECONOMIC DEVELOPMENT
ARMINDO GONCALVES, ASSISTANT DIRECTOR, COMMUNITY
DEVELOPMENT
MICHAEL CANNIZZO, SENIOR ARCHITECT

SUBJECT: TERRACE STREET LOFTS CONDOMINIUM: 154, 164, AND 166
TERRACE STREET IN THE MISSION HILL NEIGHBORHOOD OF
BOSTON.

SUMMARY: This Memorandum seeks authorization for the Director to: (1) issue a Scoping Determination, in connection with the Terrace Street Lofts Condominium Project, waiving the requirement of further review pursuant to Article 80, Section 80B-5.3(d) of the Boston Zoning Code (the "Code"); (2) issue a Certification of Compliance upon successful completion of Article 80 review; and (3) execute a Cooperation Agreement, a Boston Residents Construction Employment Plan, an Affordable Housing Agreement, and any and all other documents necessary in the determination of the Director, in connection with the proposed project.

PROJECT HISTORY

A Project Notification Form ("PNF") for the Terrace Street Property was originally submitted to the BRA in October 1998 and a Draft Project Impact Report ("DPIR") submitted in September 2001. The original project comprised 175 residential units and 84 parking spaces with over 200,000 gross square feet of renovated space in two existing buildings and an adjacent new building. Highland Springs, LLC, (the "Proponent") initiated an open review process with the Mission Hill community in the spring of 2005 and as a result of that process submitted a new PNF in October 2005 for a 175,000 square foot, mixed-use condominium project comprised of nine (9) artist live-work units, 166 loft style-units, 4,000 square feet of artist studio/gallery space and 134 underground parking spaces (the "Proposed Project"). The Proposed Project renovates two existing brewery buildings and constructs a 107 foot new mid-rise residential building on a 30,000 square foot parcel.

PROJECT REVIEW

The Proposed Project is subject to Large Project Review pursuant to Article 80 of the Code. Accordingly the proponent submitted a PNF to the Boston Redevelopment Authority (“BRA”) on October 31, 2005, notice of which was published on October 28, 2005 in the Boston Herald. The BRA held a Scoping Session with the City’s public agencies on December 2, 2005. The BRA conducted a publicly advertised meeting on November 16, 2005, at Mississippi’s Restaurant in Mission Hill to solicit input from the community on the Proposed Project. The public meeting notice was published in The Mission Hill. The original comment period of November 30, 2005 was further extended to December 15, 2005 to allow for additional community participation and review of the Proposed Project.

The Proponent has reached out to the Mission Hill community to understand their concerns. Three public meetings were held over the summer and fall to discuss reuse of the existing buildings and massing alternatives for the site. Architects with strong ties to the community, Stull and Lee, Inc. and Gail Sullivan Associates, Inc., were retained to lead these meetings. An artist focus group was established to understand the particular needs of Mission Hill’s growing artist community.

As a result of these proactive efforts by the Proponent to solicit community input and respond to issues raised, the Mission Hill community supports the Proposed Project and continues to work with the Proponent to develop a mitigation program that addresses their concerns. Modifications and mitigation measures include:

- Adding of artist live/work spaces and artist galleries,
- Increasing onsite parking to achieve 0.75 spaces per unit,
- Providing subsidies to the Mission Hill Link Shuttle System,
- Proposing traffic calming measures for Terrace Street,
- Providing onsite parking for a shared vehicle program like Zipcar,
- Providing an indoor bicycle storage area,
- Proposing pedestrian improvements to the Terrace Street sidewalks, and
- Providing a T Pass program.

The Proponent continues to work with the community through the Impact Advisory Group (“IAG”) to explore alternatives to car ownership and transportation mitigation strategies.

The design schematics for the Proposed Project has been reviewed and approved by BRA design staff and the BCDC. Consistent with the provisions of Article 65 allowing for certain design matters to be addressed and resolved as part of Large Project Review, BRA staff feels that the various impacts associated with the Proposed Project are minimized in comparison the original project submitted in 2001. The BRA has received several letters of support in connection with the Proposed Project (see attached).

AFFORDABLE HOUSING

Twenty-six (26) of the one hundred seventy-five (175) condominium units within the Proposed Project will be created as affordable housing (the “Affordable Units”). The affordable units will consist of seven (7) studio units measuring approximately 513 to 699 square feet, nine (9) one-bedroom units measuring approximately 700 to 777 square feet and ten (10) two-bedroom units measuring approximately 948 to 1,129 square feet. All of the units will be marketed to households earning up to 100% of the Area Median Income (“AMI”) for the Boston Standard Metropolitan Statistical Area as promulgated by the United States Department of Housing and Urban Development. The remaining one hundred forty-nine (149) units will be sold at market rate. The quality of the affordable units shall be comparable to the market units and they will be dispersed evenly throughout the development.

The location, size, and income limits of the Affordable Units are as follows:

Table I

<u>Location</u>	<u>Number of Units</u>	<u>Number of Bedrooms</u>	<u>SF</u>	<u>% of AMI</u>	<u>HH Size</u>	<u>Sales Price</u>
1st Fl. Ditson	3	Two	1,003, 1,042, 1,129	100%	2-3	220,200
1st Fl. Pickle	6	Two	1,000; 1,034; 1,056; 1,058; 1,063; 1,118	100%	2-3	220,200
2nd Fl. Ditson	1	Studio	638	100%	1	174,800
2nd Fl. Ditson	1	Two	948	100%	2-3	220,200
2nd Fl. Pickle	2	One	700, 702	100%	1-2	197,600
3rd Fl. Ditson	1	One	755	100%	1	197,600
3rd Fl. Pickle	1	Studio	630	100%	1	174,800
3rd Fl. Pickle	1	One	702	100%	1-2	197,600
3rd Fl. Phase II	1	Studio	619	100%	1	174,800
3rd Fl. Phase II	1	One	777	100%	1	197,600
4th Fl. Pickle	1	Studio	699	100%	1	174,800
4th Fl. Pickle	1	One	700	100%	1-2	197,600
4th Fl. Phase II	1	Studio	619	100%	1	174,800
5th Fl. Phase II	1	Studio	591	100%	1	174,800
6th Fl. Phase II	1	Studio	513	100%	1	174,800
6th Fl. Phase II	1	One	777	100%	1-2	197,600
7th Fl. Phase II	2	One	777	100%	1-2	197,600

The Developer will enter into an Affordable Housing Agreement with the BRA for the Affordable Units. The Affordable Housing Agreement must be executed along with, or prior to, issuance of Certification of Compliance. The Developer has also agreed to submit a Marketing Plan (the "Plan") to the Boston Fair Housing Commission and the BRA, which shall be approved along with the execution of the Affordable Housing Agreement. A preference will be given to Boston residents. The Affordable Units will not be marketed prior to the submission and approval of the Plan. A deed restriction will be placed on the Affordable Units to maintain affordability for a period of fifty (50) years.

In addition to the affordable units, the 4,000 square feet of artist work space will be made available for ownership and lease at below market rates. In total, approximately 18% of the project will meet affordability guidelines. The deeded parking spaces will be marketed separately from the units but will be available to all residents.

The Developer has agreed to contribute, upon the issuance of the full building permit for the proposed project, Fifty-Thousand Dollars (\$50,000.00) to be held in an escrow account by the BRA, for the use toward community improvements. Disbursements of the funds will be made by the BRA.

RECOMMENDATION

It is, therefore, the staff's recommendation, pursuant to Article 80, that the Director be authorized to issue a Scoping Determination waiving further review ("Determination") indicating that the PNF and supplemental filings adequately describe and address the impacts arising from the Proposed Project located at 154, 164, and 166 Terrace Street in Mission Hill, subject to further BRA design review and approval, and that a notice of the issuance of the Determination be published in the Boston Herald. Upon the expiration of the subsequent 19-day public comment period, assuming that no new information has been submitted indicating the likelihood of significant adverse impacts, such Determination shall become final.

Further, the staff recommends that the Director be authorized: (1) to issue a Certification of Compliance upon successful completion of Article 80 review; and (2) to execute a Cooperation Agreement, a Boston Residents Construction Employment Plan, an Affordable Housing Agreement, and any other documents required in connection with the Proposed Project.

Appropriate votes follow:

VOTED: That the Director be, and hereby is, authorized to issue a Scoping Determination under Section 80B-5.3(d) of the Boston Zoning Code (the

“Code”) which (i) finds that the Project Notification Form submitted to the Boston Redevelopment Authority (the “Authority”) on October 31, 2005, as modified and supplemented by a Response to Comments submitted to the Authority on January 9, 2006 for the Terrace Street Lofts Condominium Project to be located at 154, 164, and 166 Terrace Street in Boston (“Revised Project”) adequately describes the potential impacts arising from the Proposed Project, and provides sufficient mitigation measures to minimize these impacts; and (ii) waives further review of said Revised Project under Section 80B of the Code, subject to continuing design review by the Authority, and

FURTHER

VOTED: That the Director be, and hereby is, authorized to issue a Certification of Compliance for the Revised Project, upon the successful completion of the Article 80 processes;

FURTHER

VOTED: That the Director be, and hereby is, authorized to execute a Cooperation Agreement, a Boston Residents Construction Employment Plan, an Affordable Housing Agreement, and any and all other documents that the Director deems necessary, in connection with the Revised Project, that includes terms the Director deems appropriate and in the best interest of the Boston Redevelopment Authority; and

FURTHER

VOTED: In reference to petition BZC-2634, Highland Spring LLC/Briggs Capital Real Estate LLC, 164-166 Terrace Street, Mission Hill, for six (6) variances to erect a 175-unit residential building, the Boston Redevelopment Authority recommends APPROVAL WITH PROVISIO: that the plans be submitted to the Authority for design review approval.