

BOARD APPROVED

MEMORANDUM

NOVEMBER 16, 2017

TO: BOSTON REDEVELOPMENT AUTHORITY
D/B/A BOSTON PLANNING & DEVELOPMENT AGENCY (BPDA)*
AND BRIAN P. GOLDEN, DIRECTOR

FROM: JONATHAN GREELEY, DIRECTOR OF DEVELOPMENT REVIEW
MICHAEL CHRISTOPHER, DEPUTY DIRECTOR OF DEVELOPMENT
REVIEW/GOVERNMENT AFFAIRS
RAUL DUVERGE, PROJECT MANAGER
MICHAEL CANNIZZO, SENIOR ARCHITECT/URBAN DESIGNER
KRISTINA, RICCO, SENIOR PLANNER

SUBJECT: 135 BREMEN STREET, EAST BOSTON

SUMMARY: This Memorandum requests that the Boston Redevelopment Authority (“BRA”) d/b/a Boston Planning & Development Agency (“BPDA”): (1) issue a Determination waiving the requirement of further review pursuant to Article 80, Section 80A-6.2 of the Boston Zoning Code (the “Code”) in connection with the 135 Bremen Street project (the “Project”); (2) authorize the Director to terminate the Affordable Rental Housing Agreement and Restriction dated May 31, 2016; and (3) authorize the Director to enter into an Affordable Housing Agreement in connection with the 135 Bremen Street project and take any other action and execute any other agreements and documents that the Director deems appropriate and necessary in connection with the 135 Bremen Street project.

PROJECT SITE

The Project at 135 Bremen Street is located adjacent to the East Boston Greenway and at the corner of Bremen Street and Porter Street in the East Boston neighborhood. The site consist of approximately 35,998 square feet of land and is

* Effective October 20, 2016, the BRA commenced doing business as BPDA.

currently occupied by a vacant, single story truck terminal building and two (2) billboards (the "Project Site").

The Project Site is within a short walking distance of MBTA bus service and less than a half mile away from Blue Line subway service (Maverick and Airport Station), providing direct access to Downtown and the Greater Boston area.

DEVELOPMENT TEAM

The development team consists of:

Proponent: 135 Bremen Street, LLC
Michael Merullo, Joseph Ricupero

Architect: Neshamkin French Architects, Inc.
Linda Neshamkin

Legal Counsel: Drago + Toscano LLP
Jeffrey Drago

BACKGROUND INFORMATION

On November 13, 2014, the BRA approved a six (6) story, approximately 126,189 gross square foot, mixed-use building with ninety-four (94) residential rental units, approximately 8,300 square feet of commercial/retail space, one hundred ten (110) off-street vehicle parking spaces, and one hundred (100) bicycle storage spaces (the "2014 Approved Project"). Twelve (12) of the ninety four (94) residential units were designated as Inclusionary Development Policy ("IDP") units and included a \$52,000 partial IDP payment.

CHANGE TO THE INCLUSIONARY DEVELOPMENT COMMITMENT

On September 21, 2017, the Proponent submitted a Notice of Project Change (the "NPC") seeking approval from the BPDA to convert the residential units in the Project from rentals to condominiums (homeownership units). In order to authorize the proposed change, the BPDA must terminate the existing Affordable Rental Housing Agreement and Restriction that was executed between the Proponent and the BPDA on May 31, 2016 and enter into an Affordable Housing Agreement ("AHA") to ensure the affordability of the IDP units as condominiums.

The Project is subject to the IDP, dated September 27, 2007, where at least 15% of the total number of market rate units within the development shall be designated as IDP units. In this case, the Proponent has agreed that twelve (12) units within the Project will be created as IDP homeownership units (the "IDP Units"), of which six (6) will be made affordable to households earning not more than 80% of the Area Median Income ("AMI"), as based upon the United States Department of Housing and Urban Development ("HUD") and the remaining six (6) units will be made affordable to households earning greater than 80% AMI but not more than 100% of AMI.

The proposed sizes, location and sale prices for the IDP Units are as follows (unit locations are unchanged from the previous approval):

Number of Bedrooms	Approximate Square Footage	Location of IDP Unit	Percent of Median Income	Approximate Sale Price
Studio	469 SF	Unit 215	80%	\$145,000
One	718 SF	Unit 206	80%	\$179,600
Two	1052 SF	Unit 212	80%	\$214,300
Two	885 SF	Unit 314	80%	\$214,300
Two	1054 SF	Unit 309	80%	\$214,300
Two	1086 SF	Unit 317	80%	\$214,300
One	967 SF	Unit 302	100%	\$239,000
Two	1176 SF	Unit 208	100%	\$277,100
Two	1325 SF	Unit 305	100%	\$277,100
Two	1179 SF	Unit 211	100%	\$277,100
Two	967 SF	Unit 218	100%	\$277,100
Two	967 SF	Unit 418	100%	\$277,100

The location of the IDP Units will be finalized in conjunction with BPDA staff and outlined in the AHA, and sales prices and income limits will be adjusted according to BPDA published maximum sales prices and income limits, as based on HUD AMIs, available at the time of the initial sale of the IDP Units. IDP Units must be comparable in size, design, and quality to the market rate units in the Proposed Project, cannot be stacked or concentrated on the same floors, and must be consistent in bedroom count with the entire Project.

The Proponent must also submit an Affirmative Marketing Plan (the "Plan") to the Boston Fair Housing Commission and the BPDA. Preference will be given to applicants who meet the following criteria, weighted in the order below:

- (1) Boston resident;
- (2) Household size (a minimum of one (1) person per bedroom); and
- (3) First time homebuyer.

The IDP Units will not be marketed prior to the submission and approval of the Plan. A deed restriction will be placed on each of the IDP Units to maintain affordability for a total period of fifty (50) years (this includes thirty (30) years with a BRA option to extend for an additional period of twenty (20) years). The household income of the buyer and sales price of any subsequent sale of the IDP Units during this fifty (50) year period must fall within the applicable income and sales price limits for each IDP Unit. IDP Units may not be rented out by the developer prior to sale to an income eligible buyer, and the BPDA or its successors and assigns will monitor the ongoing affordability of the IDP Units.

In addition to the twelve (12) designated IDP Units, the Proponent has agreed to make an IDP contribution of \$52,000 as partial payment (0.26 unit) to the IDP Special Revenue Fund ("IDP Fund") managed by the Department of Neighborhood Development ("DND"). This payment will be made at the time of building permit issuance. Combined this contribution together with the twelve (12) designated IDP Units satisfies fully the IDP requirements pursuant to the September 27, 2007 IDP.

RECOMMENDATION

The Project complies with the requirements set forth in September 27, 2007 IDP. Therefore, Staff recommends that the BPDA: (1) authorize the Director to issue a Determination waiving the requirement of further review pursuant to Article 80, Section 80A-6.2 of the Boston Zoning Code (the "Code") in connection with the 135 Bremen Street project (the "Project"); (2) authorize the Director to terminate the Affordable Rental Housing Agreement and Restriction dated May 31, 2016; and (3) authorize the Director to enter into an Affordable Housing Agreement in connection with the 135 Bremen Street project and take any other action and execute any other agreements and documents that the Director deems appropriate and necessary in connection with the 135 Bremen Street project.

Appropriate votes follow:

VOTED: That the Director be, and hereby is, authorized to issue a Determination (the "Determination") under Section 80A-6 of the Boston Zoning Code (the "Code") which finds that the Notice of Project Change ("NPC") submitted to the Boston Redevelopment Authority ("BRA") by 135 Bremen Street, LLC (the "Proponent") on September 21, 2017, does not significantly increase the impacts of the 135 Bremen Street Project (the "Project") located in the East Boston neighborhood and waives further review of the Project, subject to continuing design review by the BRA; and; and

FURTHER VOTED: That the Director be, and hereby is, authorized to terminate the Affordable Rental Housing Agreement and Restriction dated May 31, 2016 and to execute and deliver an Affordable Housing Agreement in connection with the 135 Bremen Street project for the creation of twelve (12) on-site homeownership Inclusionary Development Policy Units, and take any other action and execute any other agreements and documents that the Director deems appropriate and necessary in connection with the 135 Bremen Street project.

135 Bremen Street, East Boston



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