



COMMONWEALTH OF MASSACHUSETTS
THE GENERAL COURT
STATE HOUSE, BOSTON 02133-1053

July 21, 2021

Chrystal Kornegay, Executive Director
MassHousing
One Beacon St.
Boston, MA 02018

Dear Executive Director Kornegay,

We are writing to express our ongoing concerns relative to the application now pending before Mass Housing for a determination of site eligibility for the project proposed by SLV School Street, LLC (SLV), known as the Sanctuary at Manchester-by-the-Sea, on School Street in that community, pursuant to MGL Chapter 40B. The town's Board of Selectmen has worked diligently to reach a compromise that would yield a suitable development scenario for this very challenging property. In the absence of such an agreement, the board has most recently identified numerous and serious issues regarding the potential development of the site in correspondence to you dated June 22, 2021, a copy of which is attached. We write here to highlight and emphasize those issues, which include:

- The project as proposed does not meet MassHousing Sustainability Development Principles;
- The project is inconsistent with Local Zoning Regulations and the town's Housing Production Plan;
- The project would subject the site and surrounding area to significant and lasting environmental degradation; and
- Public Safety Threats are presented by the project

Given the magnitude and extent of the problems presented by this proposal, we ask that you give careful consideration to its unsuitability for site approval, particularly in the context of significant efforts now underway to create appropriate, suitable, sustainable, and practical housing stock in Manchester that will be focused directly on affordability and the needs of those who would occupy the units created. In order to assist in that consideration, we request to meet with you as soon as possible to discuss this application and its ramifications for the town and affordable housing.

Thank you for your attention to this matter, and our request for a meeting to discuss it further. We look forward to scheduling such a meeting as soon as possible and ask that you contact us at your earliest convenience to do so.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bruce Tarr".

Bruce Tarr
State Senator
Minority Leader

A handwritten signature in blue ink, appearing to read "Brad Hill".

Brad Hill
State Representative
Assistant Minority Leader

**Cc: Michael Kennelly, Secretary, Executive Office of Housing and Economic Development
Greg Federspiel, Town Administrator
Manchester-by-the-Sea Board of Selectmen
Manchester-by-the-Sea Zoning Board of Appeals
Manchester-by-the-Sea Planning Board**



MANCHESTER-BY-THE-SEA

BOARD OF SELECTMEN • TOWN HALL
Manchester-by-the-Sea, Massachusetts 01944-1399
Telephone (978) 526-2000 FAX (978) 526-2001

June 22, 2021

Michael Busby, Relationship Manager
MassHousing Finance Agency
One Beacon Street
Boston, MA 02108

RE: Proposed 40B – The Sanctuary at Manchester-by-the-Sea, MH ID No. 1116

Dear Mr. Busby,

On behalf of the Board of Selectmen of Manchester-by-the-Sea, I write to convey our grave concerns about the appropriateness and feasibility of the Sanctuary at Manchester-by-the-Sea project seeking project eligibility approval from MassHousing. Earlier this year and for several months in 2020, during the pandemic, the Board expended considerable hours and taxpayer dollars meeting with the same applicant for virtually the same project pursuant to the applicant's request for Local Initiative Project support from the Board. The negotiations ended without reaching an agreement because the Board was unable to reach a position mitigating many significant concerns, which we outline here. The site and proposed project are simply incompatible. The project does not warrant a positive Project Eligibility Letter from MassHousing.

The key aspects which make this project inappropriate are that the project:

- 1) Fails to meet the MassHousing Sustainability Development Principles per the applicant's own application.
- 2) Overturns local zoning. The proposal is in a section of town zoned for limited commercial development. This is not just a request for greater housing density but a request to put housing where no housing is allowed by local zoning.
- 3) Ignores and damages our Local Housing Production Plan. We are actively working on appropriately scaled projects properly integrated within our central village area.
- 4) Defies financial reality. The applicant's financial analysis shows, in addition to a needed loan, a \$36 million private equity stake being required that will take 60 years to pay back with no interest. No sound businessperson would ever make such an investment.

- 5) Degrades the environment. From massive blasting the top 40 feet of a granite hilltop to water quality concerns due to runoff, to an undefined on-site wastewater disposal system, to vernal pools on site and nearby, the environmental impacts of the project are unacceptable. Some 20+ waivers from our local wetland regulations are being requested.
- 6) Raises major safety concerns. With just a single access for 136 units, a steep (6-8% grade), long and winding driveway and no internal sidewalks or bike lanes, the project raises significant public safety concerns.

1. **MassHousing Sustainability Development Principles are not met.** Not a single criterion under Method 1 of the self-assessment as filled out by the applicant is met. Under Method 2, the applicant claims compliance with less than 30% of the criteria. The project fails to meet these principles in the following ways:

Claiming credit under Concentrated Development and Mixed Uses is a stretch at best. This is an undeveloped site in an area comprised mostly of conservation lands. There is no existing neighborhood as that term is normally used. Any development would qualify as a higher density use given the area is undeveloped.

Despite claims by the applicant, the project does not Advance Equity nor is it reflective of Making Efficient Decisions. The many public meetings that the Board of Selectmen held on the project attempted to make the project a better fit. We were unable to reach agreement on how to do this. This project does not represent an inclusive community planning effort that ensures social, economic, and environmental justice. The proposed large apartment complex is situated at the very outskirts of town, isolated from the center of the community. The environmental and safety issues are inconsistent with ensuring “future generations are not compromised by today’s decisions” as there is a strong potential for environmental degradation and risking the safety of the new residents. Yes, the Town needs more diverse and affordable housing but not in this location and as proposed.

The project absolutely does not Protect Land and Ecosystems. The environmental impacts of this project present some of our gravest reservations. The only claim the applicant is making here is reference to an informal commitment to placing a conservation restriction on the lands not used in the development of the project. The bulk of this remaining land is wetland and undevelopable. More environmental concerns are found below.

Use Natural Resources Wisely. Given that the project requires blasting away 40 feet of hilltop ledge to create a buildable site, it is hard to understand how the project proponents can claim to be using natural resources wisely. The very steep, granite hill upon which the project is proposed is simply unsuited for this intense a use.

Expands Housing Opportunities. Yes, the project adds to the community’s rental housing stock and a few units will be available to disabled people, but again, it is the wrong location. This site

is away from transit, does not provide housing near jobs and available services, and is completely out of character with our town. No other building in Manchester comes close to the size and scale of the proposed apartment complex. The project is incompatible with our recently updated Housing Production Plan and is counter to what our local zoning calls for in this section of town. Proposing a multi-story apartment complex in a zone that is designated only for limited commercial uses is inconsistent with our local planning efforts.

The project does not Provide Transportation Choice. Due to its isolated location and being perched on a steep hilltop, personal transportation is the only option. Proximity to Route 128 does not mean the project is meeting this criterion. This project does not prioritize “rail, bus, boat, rapid transit, shared ride services, bicycling and walking.” In fact, the developer resisted even modest measures to promote bicycling and walking. The Town, under its existing Complete Streets Policy, will extend the sidewalk further up School Street should development occur in this part of town. Thus, at a minimum, the applicant should be required to build a sidewalk along the project access drive.

Increase Job and Business Opportunities. Here again we see only a modicum of benefit – the few jobs related to the running of the apartment complex are the only increase in permanent jobs we will see from this project. It does nothing to attract new businesses and jobs to locations “near housing, infrastructure and transportation options”. Nor does it advance the State’s goals of expanding “access to education, training, and entrepreneurial opportunities and supporting growth of local businesses, including sustainable natural resources-based businesses ...”

While the project will meet energy star standards, it is missing opportunities to advance the State’s goals of Supporting Distributed Generation Technologies (solar arrays would be a natural for the large roof space proposed) and other measures to reduce or Eliminate the Consumption of Fossil Fuels.

The applicant claims Consistency to the Regional Plan without providing any explanation. The project is inconsistent with large portions of the regional plan given its isolated location and natural resource constraints on and around the site. The regional plan advocates for new development to take place within existing community centers, not on the fringes in high natural resource areas. The regional plan calls for the protection of our water resources. This project poses threats to 50% of Town’s drinking water. The applicant has no qualifications to opine on regional planning, and in particular no experience or history with Manchester’s planning. MassHousing should disregard the entirety of the applicant’s representation in this regard.

We are not asking for anything more than the objective application of MassHousing’s own Sustainability Development Principles which, due to the extreme constraints of this proposed site, cannot be met. Thus, it would be inconsistent with these principles to grant a Project Eligibility Letter.

- 2. Inconsistent with Local Zoning Regulations and Housing Production Plan.** The proposal not only seeks a much higher level of density than anything allowed under our zoning, but also proposes housing in an area zoned only for limited commercial uses, hence the name - Limited Commercial District (LCD). There are no residential units in this part of town. In fact, a large majority of the LCD consists of parcels permanently conserved as natural areas. The Town zoned this area for limited uses due to the abundance of natural resources in the area, particularly its water resources as it serves as a major water recharge area serving the Town's principal drinking water well. The area includes numerous State mapped vernal pools, rare and endangered species, and other significant natural resources. The project site includes vernal pools and large wetlands. Thus, to grant high-density residential use goes completely against the local planning efforts that have been underway for decades.

The Town has recently started exploring options for allowing mixed uses within the LCD on lands that are suited for more intense development, not including this 40B parcel. For example, one landowner is working with the Town on plans for a continuing care complex that would include independent to assisted care living arrangements for seniors as well as workforce housing. This type of collaborative development is something the Town is much more interested in pursuing. The proposed 40B project is counter to these efforts.

- 3. The Town recognizes the need to diversify its housing stock and is working to do so.** Our recently adopted Master Plan calls for continued efforts to create more diverse and affordable housing. Voters approved the creation of the Manchester Affordable Housing Trust in 2016 and have been providing substantial funding to the Trust since its inception. Manchester also recently updated its Housing Production Plan that provides a clear and logical path forward to achieving our housing goals. This plan includes partnering with our local housing authority on a major upgrade and expansion of units that will, in conjunction with a few other integrated, appropriately scaled projects, get the Town above a 10% subsidized affordable housing stock threshold. The Trust has just completed the preliminary feasibility study that sets the stage for this important project to move forward. (Note the Planning Board letter attached for more details on the extensive affordable housing efforts underway by the Town.)

One of these projects was finalized just a few weeks ago. With an impressive local fundraising effort of over \$1.4 million, and partnering with the North Shore CDC, a 29-unit complex in the center of town will be 100% deed restricted to affordable housing. The Citizen's Initiative for Manchester Affordable Housing spearheaded this successful project. (Note the Manchester Affordable Housing Trust letter attached.)

The Town affirmed its commitment to completing its Housing Production goals at its 2021 Annual Town Meeting held June 21, 2021. By a near-unanimous vote it requested the Board of Selectmen and the Manchester Affordable Housing Trust to pursue in-town projects that are consistent with our village character and are consistent with Sustainable Development Principles. Additionally, voters expressed their opposition to the proposed 40B project. Earlier this year over 700 residents signed a petition in opposition to the project. (Note the attached petition from CIMAH, the citizen's group promoting

affordable housing in Manchester. Also note the attached letter from the Manchester Planning Board regarding affordable housing and zoning efforts.)

4. **The very high cost and unrealistic financial viability of the project should prevent MassHousing from issuing a Project Eligibility Letter.** Based on the applicant's pro-forma application, the per unit cost is more than \$550,000, even when using a very low cost per square foot estimate. Per the applicant's submittal, in addition to a large loan, an additional \$36 million in cash equity is needed for the project. The applicant shows the project generating an annual profit of approximately \$600,000. That's a 60-year payback on the required cash investment, with no profit on the original investment – a financially unsustainable proposition. Thus, there can be no finding that the project is financially viable. This is in large part due to the very high site improvement costs necessary, further demonstrating that this is the wrong location for such a project. (Note the attached Planning Board letter which goes into greater detail on the finances of the project.)

5. **Environmental Degradation.** As noted under the zoning discussion, the project lies within an extremely sensitive natural resource area. The site shares boundary lines with conservation lands owned by the Town, by the Manchester Essex Conservation Trust and by the Trustees of Reservations. The site and the adjacent parcels contain significant wetlands. Cedar Swamp, which lies adjacent to the site, is an essential part of the Town's well that supplies 50% of our drinking water for residents. The area also contains mapped and unmapped vernal pools. The applicant's own wetland consultant reported "three wetland areas within the site contained the necessary biological and physical criteria for certification as vernal pools." The area is home to an array of rare and endangered species. There is concern that unnaturally warm runoff from paved and constructed surfaces could impact endangered fish species. (Note the attached letter from MECT detailing the many natural resources including the work of their Water Resources Consultant.)

The site is a granite hill that rises steeply from the public road. To develop the site a massive amount of blasting must be done. The hill rises to an elevation of over 150 feet. But to build the apartment complex the developer plans to blast away the top 40 feet of the hilltop encompassing over three acres. This is a huge amount of blasting, and the impacts are likely to alter water flow. The Board remains concerned about the possible collateral damage of such extensive blasting to nearby structures.

Controlling water runoff from the disrupted granite hilltop will be very difficult. With critical water resources surrounding the site it is imperative that no net gain in sediment laden runoff be created. In addition, the applicant proposes a large on-site wastewater disposal system. Again, the feasibility of building such a system that operates to the highest environmental standards is questionable and at best is extremely expensive to build and operate. Nutrient and chemical runoff into Cedar Swamp and into our drinking water system is a major concern. Consider the most recent State-mandated regulation regarding certain "forever" chemicals – PFAS. The new threshold is 20 parts per trillion – it will take very little to contaminate drinking water given the new, extremely low threshold here. Adding to our concerns is the fact that the applicant seeks waivers from over 20 local wetland regulations. These

regulations were adopted locally to protect our water resources. To summarily disregard them raises major red flags for us.

Protecting our drinking water is of paramount importance to us. We cannot take chances here. If our aquifer becomes contaminated/compromised by the construction of this project, it will be too late to do anything about it under a timeframe that will allow us to continue to supply potable water to our community.

6. **Public Safety Threats.** The project only has one point of access/egress along a very long, steep, and winding road. According to the developer, no other access is possible given the site constraints. The grade of the road is as much as 8%. Our local regulations call for at least two access points for projects with over 20 units; this project proposes one access point along a very steep driveway for 136 units. Our local regulations, typical of most, also call for cul-de-sacs to be a maximum length of 500 feet, not the nearly 1900 feet proposed in this ill-sited project.

The steep site with one poor access route at best gives us serious pause. Emergency access up the steep driveway could easily be blocked in a storm by fallen trees, ice or deep snow. The Town hired a well-respected and highly experienced traffic engineer to conduct a review of the proposal as initially presented to the Board for Local Initiative Project approval. His analysis highlighted the concern over just one access road and the steep, curving nature of the driveway. His strong admonition was to insist on a second means of access/egress from the proposed apartment complex. Fleeing residents would be in direct conflict with arriving public safety apparatus. A crash on the access road would block all access to or from the apartment complex. In a public meeting, the developer acknowledged that the proposed single access road made the project less safe.

Our traffic consultant also strongly recommended that accommodations be made for walkers and bikers. The Town has a Complete Streets policy and will be extending sidewalks past the proposed site as future development is approved in the area if and when utilities are extended across Route 128. The isolated site needs all the help it can get to integrate into the community. At a minimum, the project needs sidewalks along the internal access road. Such a sidewalk should meet accessibility requirements as promulgated by the Massachusetts Architectural Access Board. Given the steepness of the site, a handicapped accessible sidewalk connecting to the Town's sidewalk system will be challenging and expensive, exacerbating the financial viability of the project.

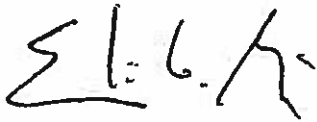
Both aspects of public safety, the ability to respond to emergencies at the site and safe access to and from the complex, once again bring into serious doubt the suitability of this proposed site. No one benefits from a housing project that is isolated, poses real risks to the residents of the complex, and jeopardizes the safety of emergency personal responding to incidents. (Note the Town's Traffic Consultant's Report provided in the attached CIMAH letter.)

It is worth noting earlier 40B projects that ultimately were denied a permit by the MA Housing Appeals Commission. In *Lexington Woods vs. Waltham*, the MA Housing Appeals Commissions upheld the denial

by the Waltham Zoning Board of Appeals. The project proposed 36 units (100 less than this project) and a single access road of nearly half the length and of similar grades. In the Lexington case, it was determined the single access road was too great a safety risk and out of compliance with local roadway standards – an analogous situation to what we are dealing with in this application. A similar case in Norwell had the same outcome.

In conclusion, the proposed Sanctuary at Manchester-by-the-Sea would endanger its own residents and emergency personnel, put the Town's water supply at risk, fail to provide the integrated, diverse, affordable housing that our community has embraced, disrupt long-standing land-use planning, and fail to meet any of the goals of MassHousing Sustainability Development Principles. The project even fails to make a profit for its investors. We are convinced that ultimately the project will not be permitted. Please save all involved the time and expense of protracted proceedings by refusing to grant a Project Eligibility Letter.

Sincerely,



Eli Boling, Chairman
Manchester-by-the-Sea Board of Selectmen

CC: Senator Bruce Tarr
Representative Brad Hill
William Joyce, Executive Director, MAAB

Enclosures -- Supplemental Letters from:
The Manchester Planning Board
The Manchester Conservation Commission
The Manchester Affordable Housing Trust
The Manchester Essex Conservation Trust
The Citizens Initiative for Manchester's Affordable Housing