



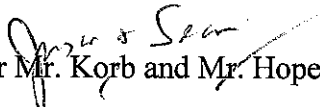
Commonwealth of Massachusetts  
**DEPARTMENT OF HOUSING &  
COMMUNITY DEVELOPMENT**

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Chrystal Komegay, Undersecretary

December 14, 2017

Jason Korb  
Sean D. Hope  
CC HRE 1791 Mass Ave Tenant LLC  
c/o Capstone Communities LLC  
1155 Walnut Street #31  
Newton Highlands, MA 02461

RE: Frost Terrace - Cambridge, MA— Project Eligibility Letter

  
Dear Mr. Korb and Mr. Hope:

I am pleased to inform you that your application for project eligibility determination for the proposed Frost Terrace project located in Cambridge, Massachusetts, has been approved under the Low Income Housing Tax Credit (LIHTC) program. The property is located at 1791 Massachusetts Avenue and 1 and 2 Frost Terrace in Cambridge, Massachusetts. This approval indicates that the proposed plan is for 40 units, all of which are affordable (100%) at no more than 60% of area median income. The proposed development will consist of 13 one-bedroom, 14 two-bedroom and 13 three-bedroom units and the rental structure as described in the application is generally consistent with the standards for affordable housing to be included in the community's Chapter 40B affordable housing stock. This approval does not constitute a guarantee that LIHTC funds will be allocated to the Frost Terrace project. It does create a presumption of fundability under 760 CMR 56.04, and permits CC HRE 1791 Mass Ave Tenant LLC to apply to the Cambridge Zoning Board of Appeals for a comprehensive permit. The sponsor should note that a One Stop submission for funding for this project must conform to all Department of Housing and Community Development (DHCD) program limits and requirements in effect at the time of submission.

As part of the review process, DHCD has made the following findings:

1. The proposed project appears generally eligible under the requirements of the Low Income Housing Tax Credit program.
2. DHCD has performed an on-site inspection of the proposed Cambridge project and has determined that the proposed site is an appropriate location for the project.
3. The proposed housing design is appropriate for the site.
4. The proposed project appears financially feasible in the context of the Cambridge housing market.

5. The initial proforma for the project appears financially feasible and consistent with the requirements for cost examination and limitations on profits on the basis of estimated development and operating costs. Please note again that a One Stop submission for funding for this project must conform to all DHCD program limits and requirements in effect at the time of submission.
6. A third-party appraisal has been completed and reviewed by DHCD. The Low-Income Housing Tax Credit Program Guidelines state that the allowable acquisition value of a site with a comprehensive permit must be equal to or less than the value under pre-existing zoning, plus reasonable carrying costs.
7. CC HRE 1791 Mass Ave Tenant LLC is a limited dividend organization, and meets the general eligibility standards of the Low Income Housing Tax Credit program.
8. The applicant controls the site.
9. In addition, DHCD received the attached comments from the City of Cambridge during the review period.

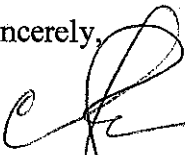
The proposed Frost Terrace project will have to comply with all state and local codes not specifically exempted by a comprehensive permit. In applying for a comprehensive permit, the project sponsor should identify all aspects of the proposal that will not comply with local requirements.

If a comprehensive permit is granted, construction of this project may not commence without DHCD's issuance of Final Approval pursuant to 760 CMR 56.04 (7) and an award of LIHTC funds. This project eligibility determination letter is not transferable to any other project sponsor or housing program without the express written consent of DHCD. When construction is complete, a Chapter 40B cost certification and an executed and recorded 40B Regulatory Agreement in compliance with DHCD's requirements pertaining to Chapter 40B must be submitted and approved by DHCD prior to the release of a Low-Income Housing Tax Credit Form 8609.

This letter shall expire two years from this date, or on December 14, 2019, unless a comprehensive permit has been issued.

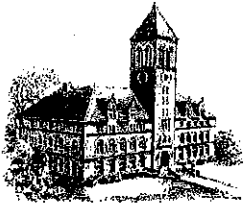
We congratulate you on your efforts to work with the City of Cambridge to increase its supply of affordable housing.

Sincerely,



Catherine Racer  
Associate Director

Cc: Mr. Louis A. DePasquale, City Manager, City of Cambridge



# City of Cambridge

## Executive Department

**LOUIS A. DePASQUALE**  
City Manager

**LISA C. PETERSON**  
Deputy City Manager

November 27, 2017

Chrystal Kornegay, Undersecretary  
Department of Housing and Community Development  
100 Cambridge Street, Suite 300  
Boston, MA 02114

Re: Site Eligibility Determination for 1791 Mass Ave/1 and 2 Frost Terrace

Dear Ms. Kornegay:

I am writing to express the City's support for CC HRE 1791 LLC's Site Eligibility Application for 1791 Mass Ave and 1 and 2 Frost Terrace. The City and the Cambridge Affordable Housing Trust have been working with the developers on this exciting new construction and redevelopment project. The Trust committed \$7,180,000 to assist in developing forty units of affordable rental housing.

The project is located in Cambridge's Agassiz neighborhood, an area that has traditionally had fewer affordable housing opportunities. The creation of forty affordable rental units, with an emphasis on family-sized homes, will assist the City in achieving its goal of increasing access to affordable housing throughout the City, close to transit, services and jobs. Increasing the supply of affordable housing for low- and moderate-income households in the City is a priority goal for the City Council and the community.

With a shortage of affordable housing in Cambridge and throughout the Greater Boston area, we appreciate the successful partnership the City has enjoyed with the Department of Housing and Community Development over the years. We look forward to continuing our joint efforts to preserve and produce affordable housing, and hope to continue this important partnership in completing the proposed project at 1791 Mass Ave and 1 and 2 Frost Terrace.

Thank you for your consideration of CC HRE 1791 LLC's site eligibility application for 1791 Mass Ave and 1 and 2 Frost Terrace.

Very truly yours,

Louis A. DePasquale  
City Manager  
Managing Trustee, Cambridge Affordable Housing Trust

