

Law Office of Singer & Singer, LLC

26 Upper County Road
P. O. Box 67
Dennisport, Massachusetts 02639

Andrew L. Singer
Marian S. Rose

Tel: (508) 398-2221

Fax: (508) 398-1568

www.singer-law.com

Myer R. Singer (1938-2020)

May 20, 2021

Via Email

Harwich Board of Selectmen
732 Main Street
Harwich, MA 02645

Re: Chloe's Path, Harwich

Dear Members of the Board:

I am writing in advance of our meeting with you this upcoming Monday evening to introduce an exciting new affordable rental housing proposal for the above-referenced land. The landowners and their consultant team desire to engage in a preliminary, informal discussion with the Board of the scope, regulatory process, and community outreach for the proposal.

The Chloe's Path land now consists of 8.14 acres located on Sisson Road adjacent to the Harwich Police and Fire Departments and across the street from the Harwich Cultural Center (see attached aerial). The landowner proposes to build a new community of two buildings containing 48 apartments each (for a total of 96 units) with a total of 165 parking spaces both at-grade and beneath the buildings. The 3.91 acres of wetlands delineated on the aerial photograph have previously been deeded to the Town of Harwich for open space protection. No work is proposed within the 0-50 ft. wetland buffer. All buildings and parking will be located more than 100 ft. from the wetlands.

Based on a recent market study completed on behalf of the landowner, there will be 62 one-bedroom, 24 two-bedroom, and 10 three-bedroom apartments with a total of 144 bedrooms. An advanced, amphidrome wastewater treatment facility to be permitted with a DEP Groundwater Discharge Permit is proposed at this time, and the ultimate septic system will be designed to connect up to a future Town sewer system along Sisson Road. The onsite wastewater treatment facility will provide tertiary nitrogen removal and treatment in the time before sewerage is available.

Twenty-five percent (25%) of the apartments will be deed-restricted to tenants earning no more than 80% of the Area Median Income, and the anticipated rents for the remaining units will provide a needed housing opportunity to workforce as well as market-rate tenants. The maximum local eligibility allowed by the Commonwealth will be proposed. As a rental community, all 96 units will count towards Harwich's Subsidized Housing Inventory (SHI). Based on the most recent data from the Department of Housing and Community Development, the Chloe's path proposal will increase Harwich's percentage of residential units qualifying for the SHI from 5.4% (6,121 year-round housing units based on the 2010 census divided by 333 total development units) to 7.0% (6,121 divided by 429).

The Chloe's Path housing community will be sited to utilize the existing topography and enhance screening from all directions. The proposed buildings will be set back at the lower end of the property furthest from Sisson Road and will be fully sprinkled. A bus stop on the property and a crosswalk leading to the existing sidewalk on the other side of Sisson Road are proposed. A dedicated fire lane and pedestrian path are proposed circling the building for public safety access and resident enjoyment, respectively. The below-building parking will be connected underground for through traffic flow to eliminate dead-ends.

This is the beginning of the review process, and on behalf of the landowner, we appreciate the opportunity to share preliminary plans and renderings with you on Monday night, to seek your initial input, and to formally begin the permitting process.

Thank you for your time and consideration.

Very truly yours,
Andrew L. Singer
Andrew L. Singer

ALS/a
Attachment

STATEMENT OF CONFIDENTIALITY

THIS E-MAIL CONTAINS PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE READER IS NOT THE INTENDED RECIPIENT OR THE EMPLOYEE OR AGENT RESPONSIBLE FOR DELIVERING IT TO THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISSEMINATION OR COPYING OF THIS E-MAIL IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS IN ERROR, PLEASE IMMEDIATELY NOTIFY US BY TELEPHONE AND RETURN THE ORIGINAL TO US AT BMOSSEY@SINGER-LAW.COM. THANK YOU.

IF YOU HAVE ANY QUESTIONS OR PROBLEMS WITH RECEPTION, PLEASE CALL (508) 398-2221.



EXISTING SITE AERIAL

CHLOE'S PATH HOUSING
HARWICH, MA 02645

EXISTING SITE
AERIAL

DATE ISSUED: 05.24.2021

REVISIONS:		
NO.	DESCRIPTION	DATE

DRAWN BY: Author

SCALE:

DRAWING NO.:

SP0.0

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September 27, 2021

Via Email and Hand Delivery

Harwich Board of Selectmen
732 Main Street
Harwich, MA 02645

Re: Chloe's Path Housing, Chloe's Path, Harwich

Dear Members of the Board:



I am writing in advance of our continued meeting with you on October 4, 2021, to update you on the proposal to create the Chloe's Path affordable housing community.

When we first met with you, several issues and areas of concern were raised. The Applicants and their consultants have met weekly since that time working to address those matters as much as possible at this stage in order to provide the Board with comfort that all matters are being reviewed seriously and with forethought as the review process takes shape for a Comprehensive Permit to develop the land.

Attached are the following supplemental materials for your review:

1. Project Benefits List (Singer & Singer);
2. Preliminary Traffic Review Memorandum (VHB);
3. Recorded Deed Restriction and Plan; and
4. Market Potential Analysis (Tracy Cross & Associates, Inc.).

All MADEP wastewater regulations will be satisfied, and the environment will be protected. All MESA/NHESP regulations will be satisfied, and sensitive habitat and species will be protected. All stormwater regulations will be satisfied, and the groundwater will be protected. The proponents will continue to work with MADEP, MESA/NHESP, and Town Departments on each of these issue areas throughout the regulatory process.

This is a proposed development with many moving parts. Because this is a Comprehensive Permit process, we cannot answer all questions at this time. We will be preparing and providing additional materials throughout the Zoning Board of Appeals review process based on continued input received from the Town and State. The Applicants' goal is to make this proposal a win-win-win for the residents of the property, the local community and Town, and the property owner.

Everyone talks about the urgent need for affordable housing, that we are in a crisis. Housing experts agree that density is required to make such housing practical. Chloe's Path Housing provides just such housing in a manner that will be aesthetically attractive, environmentally protective, and economically feasible.

Thank you for your time and consideration.

Very truly yours,
Andrew L. Singer
Andrew L. Singer

ALS/a
Attachments

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Harwich Board of Selectmen

Proposed Chloe's Path Affordable, Mixed-Income Housing Development

Project Benefits List (September 27, 2021)

- Safe and convenient location within walking distance to multiple Town services
- Provide critically needed market rate and affordable, year-round rental opportunities in Harwich
- Will comply with MADEP discharge requirements in Saquatucket Estuary
- Will comply with recorded deed restriction for protected parcel of land along Forest Street
- Will comply with MESA/NHESP regulations and either seek an amendment to existing approval or redesign site layout. As previously required, the southeast field will be mowed to create turtle nesting habitat as allowed by the Commonwealth later in the Fall
- Will comply with all dimensional setback, building coverage, and site coverage requirements of Harwich Zoning By-Law
- Will comply with all stormwater regulations
- Will comply with all lighting regulations
- Will provide crosswalk at and bus stop along Sisson Road
- VHB completed a Preliminary Traffic Review Memorandum for peak summer conditions and calculates that the rental community will generate 46 weekday morning peak trips per hour and 57 weekday evening peak trips per hour. Further review and analysis will be completed during the permitting process



To: Mr. Gary Terry

Date: September 1, 2021

Memorandum

Project #: 15405.00

From: Randall Hart, Principal

Re: Preliminary Traffic Review
Chloe's Path Residential Development
Harwich, Massachusetts

VHB has prepared this preliminary traffic memo to evaluate the potential residential development proposed along Chloe's Path in Harwich, Massachusetts. Specifically, this assessment considers potential project traffic generation and for the project. The potential residential development is comprised approximately 96 apartment units. The following summarizes our findings.

Trip Generation

The ITE *Trip Generation Manual*¹ was used to estimate trips associated with the proposed residential development. The trip generation estimates for the proposed facility were calculated using Land Use Codes (LUC 220 Multifamily Housing, Low-Rise) for the apartments. The proposed vehicle trip estimates are presented in Table 1.

Table 1 Trip Generation Summary

Apartments ^a	
Weekday Daily	
Enter	342
<u>Exit</u>	<u>342</u>
Total	685
Weekday Morning Peak Hour	
Enter	11
<u>Exit</u>	<u>35</u>
Total	46
Weekday Evening Peak Hour	
Enter	36
<u>Exit</u>	<u>21</u>
Total	57

^a Based on ITE LUC 220 (Multifamily Housing, Low-Rise) for 96 apartments

As demonstrated in Table 1, the proposed Chloe's Path residential project is expected to generate approximately 685 vehicle trips (342 entering and 342 exiting) on a daily basis, 46 vehicle trips (11 entering and 25 exiting) during the

¹ Trip Generation Manual, 10th Edition, Institute of Transportation Engineers, Washington, D.C., 2017

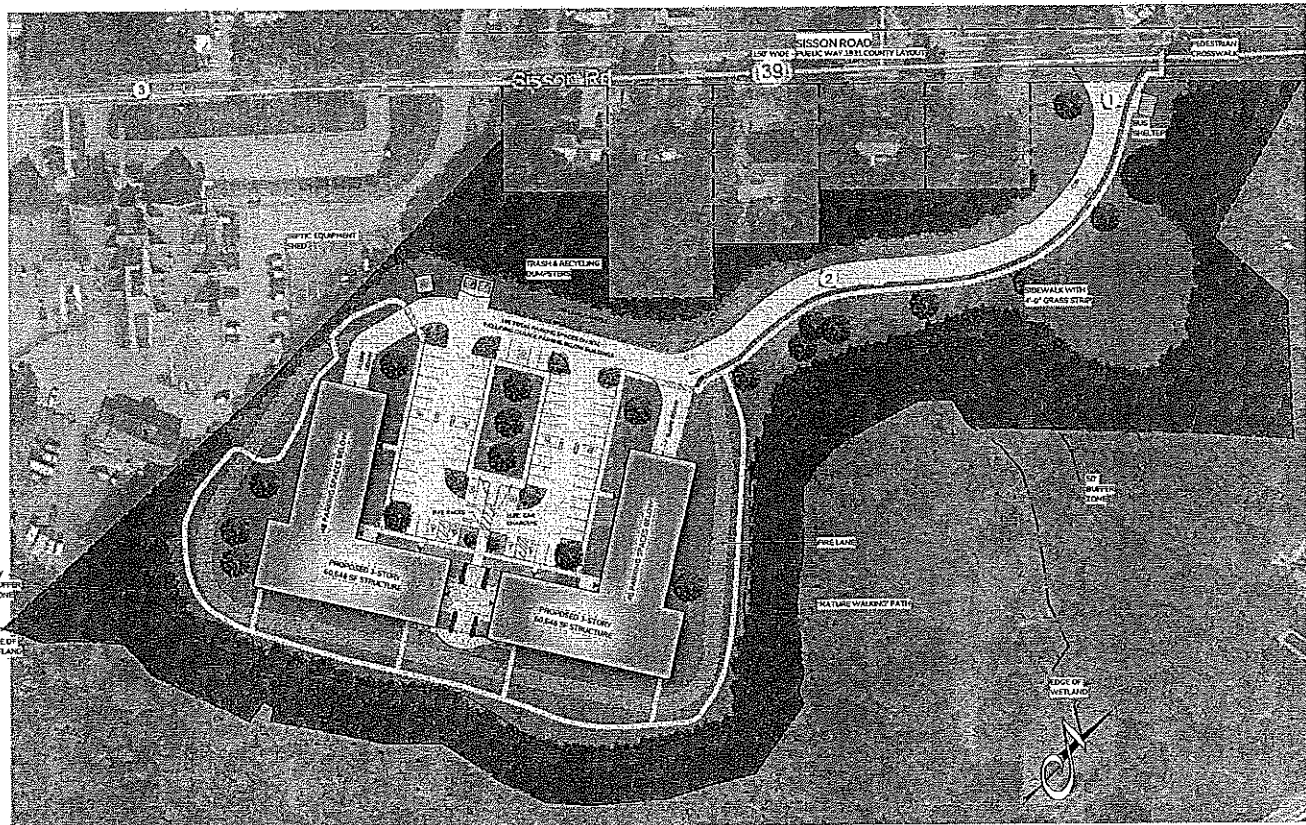
weekday morning peak hour, and 57 vehicle trips (36 entering and 21 exiting) during the weekday evening peak hour. The trip generation worksheets are provided as an attachment to this memorandum.

Attachments

Conceptual Site Plan

ITE Traffic Projection Backup Sheets

Conceptual Site Plan



1 CONCEPTUAL SITE PLAN
1" = 40'-0"

Catalyst
ARCHITECTS
PLANNERS
ENGINEERS
1000 STATE STREET, SUITE 200
HARWICH, MA 02645
TEL: 508.881.1111
WWW.CATALYSTARCHITECTS.COM

CHLOES PATH HOUSING
HARWICH, MA 02645

PROPOSED
CONCEPTUAL
SITE PLAN

DATE	BY	REVISION
01/11/2011	SP1.1	1

DATE: 01/11/2011
SCALE: 1" = 40'-0"
DRAWING NO.: SP1.1

SP1.1

ITE Trip Generation Worksheets

ITE TRIP GENERATION WORKSHEET
(10th Edition, Updated 2017)

LANDUSE: Multi-Family Housing (Low-Rise - 1-2 Story)
 LANDUSE CODE: 220 Independent Variable — Number of Units
 SETTING/LOCATION: General Urban/Suburban
 JOB NAME: _____
 JOB NUMBER: _____ 96 units

WEEKDAY

RATES:		# Studies	R^2	Total Trip Ends			Independent Variable Range			Directional Distribution	
				Average	Low	High	Average	Low	High	Enter	Exit
	DAILY	29	0.96	7.32	4.45	10.97	168	5	590	50%	50%
	AM PEAK OF GENERATOR	36	0.91	0.56	0.34	0.97	161	5	495	28%	72%
	PM PEAK OF GENERATOR	35	0.94	0.67	0.41	1.25	146	5	495	59%	41%
	AM PEAK (ADJACENT ST)	42	0.90	0.46	0.18	0.74	199	5	650	23%	77%
	PM PEAK (ADJACENT ST)	50	0.86	0.56	0.18	1.25	187	5	650	63%	37%

TRIPS:

	BY AVERAGE			BY REGRESSION		
	Total	Enter	Exit	Total	Enter	Exit
DAILY	703	351	351	685	342	342
AM PEAK (ADJACENT ST)	44	10	34	46	11	35
PM PEAK (ADJACENT ST)	54	34	20	57	36	21

SATURDAY

RATES:		# Studies	R^2	Total Trip Ends			Independent Variable Range			Directional Distribution	
				Average	Low	High	Average	Low	High	Enter	Exit
	DAILY	5	0.93	8.14	3.36	11.40	89	48	148	50%	50%
	PEAK OF GENERATOR	5	0.92	0.70	0.41	0.93	89	48	148	N/A	N/A

TRIPS:

	BY AVERAGE			BY REGRESSION		
	Total	Enter	Exit	Total	Enter	Exit
DAILY	781	391	391	823	412	412
PEAK OF GENERATOR	67	N/A	N/A	70	N/A	N/A

Caution - Small :
Caution - Small :

SUNDAY

RATES:		# Studies	R^2	Total Trip Ends			Independent Variable Range			Directional Distribution	
				Average	Low	High	Average	Low	High	Enter	Exit
	DAILY	5	0.96	6.28	2.61	8.22	89	48	148	50%	50%
	PEAK OF GENERATOR	5	0.93	0.67	0.36	0.93	89	48	148	N/A	N/A

TRIPS:

	BY AVERAGE			BY REGRESSION		
	Total	Enter	Exit	Total	Enter	Exit
DAILY	603	301	301	631	315	315
PEAK OF GENERATOR	64	N/A	N/A	67	N/A	N/A

Caution - Small :
Caution - Small :

DECLARATION OF RESTRICTION

18th THIS DECLARATION OF RESTRICTION (hereinafter the "Declaration") is made this day of SEPTEMBER, 2016, by HFH Development, LLC with an address of 39 George Ryder Road, Chatham, MA 02633 (hereinafter the "Declarant").

WITNESSETH

WHEREAS, Declarant is the owner of that certain parcel of land located in the Town of Harwich, Barnstable County, Massachusetts (hereinafter the "Property"), shown on as Parcel B-1 on the plan entitled "Approval Not Required Plan of Land in Harwich, Massachusetts for Donovan Building Corporation" dated December 11, 2015, prepared by J.M. O'Reilly & Associates, Inc., and recorded in the Barnstable County District Registry of Deeds at Plan Book 666 as Plan 20-22 (the "Plan"); and

WHEREAS, the Property contains important habitat, breeding sites, and migration routes for wildlife including the Eastern Box Turtle (*Terrapene Carolina*) which at the time of this recording is listed as endangered pursuant to the Massachusetts Endangered Species Act (MESA) (G.L. c. 131A:3 and 321 CMR 10.23); and

WHEREAS, Declarant desires to protect a significant contiguous area of this rare species habitat as an integral part of the development of the Property; and

WHEREAS, the Property is subject to the terms and provisions of MA Endangered Species Act [G.L. c. 131A]; and

WHEREAS, Declarant desires and agrees that Parcel B-1, which contains approximately 40,000 square feet as shown on said Plan, shall be maintained in perpetuity as habitat and open space, subject to the Prohibited Acts and Uses and Reserved Rights set forth below;

NOW, THEREFORE, Declarant hereby voluntarily declares and imposes in perpetuity upon the Parcel the following covenants, conditions and restrictions for the benefit of Declarant, the Town of Harwich [hereinafter the "Town"], and the Commonwealth of Massachusetts Division of Fisheries and Wildlife [hereinafter the "Division"], and said Property shall be held, transferred, sold, conveyed, occupied and used subject to the covenants, conditions, and restrictions hereinafter set forth.

1. Prohibited Acts and Uses. Subject to the exceptions set forth in Section 2 below, the following acts and uses are prohibited in the Parcel:
 - A. Construction or placing of any building, tennis court, landing strip, mobile home, swimming pool, fences, asphalt or concrete pavement, sign, billboard or other advertising display, antenna, tower, or other temporary or permanent structure or facility in, on, above or below said Parcel.
 - B. Mining, excavating, dredging or removing soil, loam, peat, gravel, sand, rock or other mineral resource or natural deposit.

- C. Placing, filling, storing or dumping of soil, refuse, trash, vehicle bodies or parts, rubbish, debris, junk, waste or other substance of material whatsoever or the installation of underground storage tanks.
 - D. Cutting, removing or otherwise destroying trees, grasses or other vegetation or disturbance of shrubs, ground, forest floor or leaf litter.
 - E. The use of motorized vehicles of any kind, except as required by the police, fire department or any other governmental agents in carrying out their lawful duties.
 - F. Activities substantially detrimental to drainage, flood control, water conservation, erosion control or soil conservation.
 - G. Any other use of or activity on the Parcel which would materially impair significant conservation interests thereon unless necessary for the protection of the conservation interest that are the subject of this restrictive covenant.
2. Reserved Rights. Notwithstanding any provisions herein to the contrary, Declarant reserves to itself and its successors and assigns the right to:
- A. establish, enforce, waive, alter and amend such additional rules, regulations, covenants, conditions and restrictions governing use of the Parcel as are not otherwise prohibited by this Declaration of Restriction as agreed to in writing by the Division and allowed by applicable federal, state or local law or regulation, and
 - B. conduct or permit the following activities in the Parcel if such acts do not materially impair significant conservation interests:
 - 1) Selective cutting or pruning of trees and vegetation to maintain access to and over existing footpaths located thereon and for protection of persons and property from imminent risks of harm or damage to persons and structures.
 - 2) Construct fences or necessary boundary markers on the Parcel upon written consent by the Division, such consent not to be unreasonably withheld.
 - 3) Habitat management activities, including forestry, may be permissible with prior written approval from the Natural Heritage and Endangered Species Program of the Division of Fisheries and Wildlife (the "Division"), its successors and assigns;
3. Monuments and Signage. The Declarant and the Declarant's Successors shall maintain in good condition any, bounds, monuments, markers and signs shown on the Plan,

demarcating the boundaries of the Parcel, and shall repair and or replace said monuments and signage on an as needed basis.

4. **Term - Binding Effect In Perpetuity.** This Declaration of Restriction and its provisions herein set forth shall run with the Parcel as shown on said Plan in perpetuity from the date of recordation in the Barnstable County Registry of Deeds and shall be binding upon Declarant, Declarant's successors and assigns, and any other party having an ownership interest in said Parcel or claiming to have an interest with respect to said Parcel as tenants, invitees, licenses or otherwise, and all of the respective heirs, successors, grantees, mortgages, assigns, agents, contractors, subcontractors and employees of the foregoing.

This Declaration of Restriction is hereby intended and declared to be in perpetuity and no re-recordation of this Declaration of Restriction under G.L. c. 184, ss. 23-30 or any other law shall ever be necessary in order to maintain the full legal effect and authority hereof and Declarant and its successors and assigns, including but not limited to all subsequent owners of the Parcel, hereby waive all their legal right to and shall forego any action in law or equity of any kind whatsoever attempting to contest the validity of any provision of this Declaration of Restriction and shall not, in any enforcement action, raise the invalidity of any provision of this Declaration of Restriction.

Notwithstanding anything inconsistent or to the contrary set forth above, the Town and the Division are hereby authorized, jointly and severally, to record and file any notices and/or instruments that the Town and/or the Division deem appropriate to assure the legal validity and enforceability in perpetuity of this Declaration of Restriction and the Declarant, on behalf of itself and its successors and assigns, hereby appoints the Town and the Division as its and their attorney-in-fact to jointly or severally execute, acknowledge, deliver and record any such notice or instrument on its and/or their behalf. Without limiting the forgoing, the Declarant and its successors and assigns agree to execute any such notices and instruments upon request of the Town or the Division.

5. **Enforceability.** The Town and the Division, jointly and severally, shall have the authority and right to enforce this Declaration of Restriction and are a benefitted parties.

The Town and the Division, jointly and severally, shall have the right to enter the Parcel, in a reasonable manner and at reasonable times, for the purposes of (i) inspecting the Parcel to determine compliance with this Declaration of Restriction; (ii) enforcing this Declaration of Restriction; and (iii) taking any other action which may be necessary or appropriate.

The Town and the Division, jointly and severally, shall have the right to bring proceedings at law or equity against any party or parties violating or attempting to violate the terms of this Declaration of Restriction to enjoin them from so doing and to cause any such violation to be remedied, including but not limited to restoration of the portion of the Parcel adversely affected, after providing written notice to such party or parties and all mortgagees of record if the names and addresses of such parties and mortgagees have been provided in writing to the Town and the Division.

6. **Severability.** If any court or other tribunal of competent jurisdiction determines that any provision of this Declaration of Restriction is invalid or unenforceable, such provision shall be deemed to have been modified automatically to conform to the requirements for validity and enforceability as determined by such court or tribunal. In the event the provision invalidated is of such a nature that it cannot be so modified, the provision shall be deemed deleted from this instrument as though it had never been included herein. In either case, the remaining provisions of this instrument shall remain in full force and effect.
7. **Non-Waiver.** Any election by the Town and/or the Division as to the manner and timing of its right to enforce this Declaration of Restriction or otherwise exercise its rights hereunder shall not be deemed or construed to be a waiver of such rights.
8. **Access.** This Declaration of Restriction does not grant to the Town, the Division, the general public, or to any other person or entity any right to enter upon the Parcel except the right of the Town and the Division to enter the Parcel at reasonable times and in a reasonable manner for the purpose of inspecting the same to determine compliance herewith and enforcing this Declaration of Restriction as set forth in Section 5 above.
9. **Incorporation Into Deeds, Mortgages, Leases and Instruments of Transfer.** Declarant and Declarant's successors and assigns, including all subsequent owners of the Parcel, shall incorporate this Declaration of Restriction, in full or by reference, into all deeds, easements, mortgages, leases, licenses, occupancy agreements or any other instrument of transfer by which an interest in and/or a right to use the Parcel. Any such deed, mortgage or other interest purporting to convey any portion of the Parcel without including this Declaration of Restriction in full or by reference shall be deemed and taken to include said Declaration of Restriction in full even though said Declaration of Restriction is not expressly described or referenced therein.
10. **Recordation/Registration.** Declarant shall record and/or register this Declaration of Restriction with the appropriate Registry of Deeds and/or Land Registration Office within thirty (30) days of its date of execution.
11. **Amendment and Release.** No amendment or release of this Declaration of Restriction shall be effective unless it has been approved in writing by the Division [hereinafter the Division Approval] and said amendment or release and the requisite Division Approval has been recorded with the appropriate Registry of Deeds and/or Land Registration Office.

IN WITNESS WHEREOF, PETER B. DONOVAN, Manager of HFH Development, LLC
 has caused these presents to be signed, acknowledged and delivered in its name and behalf this
16th day of SEPT, 2016.

By: 

Peter B. Donovan, Manager

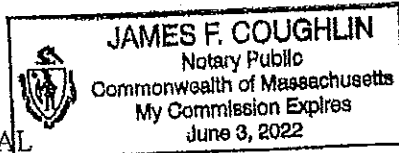
COMMONWEALTH OF MASSACHUSETTS

BARNSTABLE

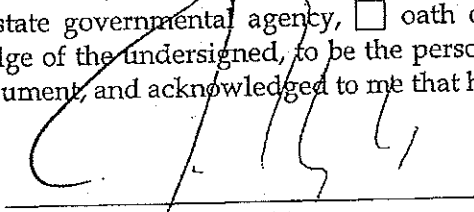
, ss.

9/19, 2016

On this day before me, the undersigned notary public, personally appeared(name), proved to me through satisfactory evidence of identification, which was ☐ photographic identification with signature issued by a federal or state governmental agency, ☐ oath or affirmation of a credible witness, ☒ personal knowledge of the undersigned, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose.



SEAL


 Notary Public
My Commission Expires: 6/3/22

BARNSTABLE REGISTRY OF DEEDS
John F. Meade, Register



PARCEL A
ARTHUR P. OGANE, JR.
VIRGINIA OGANE
100 FOREST STREET
MARVIN, WA 98245
DEED BOOK 1412 PAGE 465
PLAN BOOK 572 PAGE 46
ASSESSORS MAP 31, PARCEL D-3
TOTAL AREA: 124,450 SQ. FT. OR 3.55 AC.
UPLAND AREA: 97,110 SQ. FT. OR 2.23 AC.
WETLAND AREA: 27,310 SQ. FT. OR .62 AC.

LOUIS J. SOMVHARA, JR., TRUSTEE
CURVET NECA REALTY TRUST
P.O. BOX 1213
SOUTH DUNN, MA 02660
DEED BOOK 17452 PAGE 70
PLAN BOOK 353 PAGE 21
ASSESSORS' MAP B1, PARCEL D-4
TOTAL AREA: 396,440 SF OR 13.69 AC;
UPLAND AREA: 118,010 SF OR 9.61 AC;
WETLAND AREA: 177,630 SF OR 4.00 AC;

ZONE	RL (RESIDENTIAL-LOW DENSITY)
MINIMUM AREA	40,000 SQ
MINIMUM FRONTAGE	150 FEET
FRONT YARD SETBACK	25 FEET
SIDE AND REAR YARD SETBACK	20 FEET
MAXIMUM BUILDING COVERAGE	15%
MAXIMUM BUILDING HEIGHT	30 FEET
MAXIMUM SHAPE FACTOR	25

AREA OF NEW LAND PARCEL (A-1 AND REMAINDER OF D):
APPROXIMATE TOTAL AREA = 573,920 SF ± OR 13.21 AC ±
APPROXIMATE UPLAND AREA = 403,190 SF ± OR 9.26 AC ±
APPROXIMATE WETLAND AREA = 172,130 SF ± OR 3.95 AC ±

NOTE
PARCELS A-1 AND B-1 CONTAIN INSUFFICIENT AREA AND FRONTAGE TO COMPLY WITH ZONING REGULATIONS AND SHALL BE CONVEYED TO ADJUTERS. PARCEL B-1 SHALL BECOME AND REMAIN A PART OF THE REMAINDER OF PARCEL A. PARCEL A-1 SHALL BECOME AND REMAIN A PART OF THE REMAINDER OF PARCEL B.

APPROVAL UNDER THE SUBDIVISION CONTROL LAW
IS NOT REQUIRED

DATE OF APPLICATION January 13, 2016

NO DETERMINATION OF COMPLIANCE WITH ZONING REQUIREMENTS
HAS BEEN MADE OR IS INTENDED.

HARWICH PLANNING BOARD

DATE February 23, 2016

Juan C. Koyar
Alta Pineda

TOWN OF MARSHIC
FIRE DEPARTMENT
DEED BOOK 2769 PAGE 536 & 342
PLAN BOOK 305 PAGE 47
ASSESSORS MAP 91 PARCEL H1-2

HARVICH CONSERVATION TRUST
DEED BOOK 27486 PAGE 326
PLAN BOOK 325 PAGE 21
ASSESSORS MAP 31 PARCEL 51-1A

ADJUTERS
A: SARA L. DONNELLY
DEED BOOK 27005 PAGE 33
ASSESSORS MAP 31 PARCEL A-1

DJ WALTER FOSTER
DEED BOOK 12304 PAGE 315
ADJESOR'S MAP 51 PARCEL A-2

G.) GARY J. ZELCH
ELIZABETH D. ZELCH
DEED BOOK 4941 PAGE 112
ADJESSORS MAP 51 PARCEL A-5

D.J. KENNETH & MELISSA SOUTHWORTH
DEED BOOK 25353 PAGE 262
ASSESSORS MAP 31 PARCELS A-4

EJ THOMAS & CAROL THIBERT
DEED BOOK 25754 PAGE 132
ASSIGNORS AND 33 PARCEL A-B

REMAINDER OF PARCEL

COMPACT OF CAPE COD
DEED BOOK 27496 PAGE 300
PLAN BOOK 325 PAGE 21
ASSESSORS MAP 31 PARCEL D-6

101 SEP 19 A 10 45
REGISTRY DE DEANE

ROBERT G. CLOBRIDGE
FATY L. CLOBRIDGE
DEED BOOK 6540 PAGE 16
PLAN BOOK 209 PAGE 85
ASSESSORS MAP 40 PARCEL X1-7

JAMES & JOHN SELDOUP
DEED BOOK 21175 PAGE 214
SESSORS MAP 40 PARCEL 21-B

ARTHUR F. DOANE, JR.
VIRGINIA DOANE
DEED BOOK 126 PAGE 654
ASSISTANTS MAR 31 PARCEL D-2

REMAINDER OF PARCEL A
TOTAL AREA: 135,540 SF± OR 3.11 AC±
LOVELAND AREA: 78,630 SF± OR 1.80 AC±
WETLAND AREA: 97,310 SF± OR 2.21 AC±

PARCEL B-1
TOTAL AREA: 10,000 SF± OR 0.22 AC±
IMPAVED AREA: 84,500 SF± OR 0.79 AC±
VETLAND AREA: 3,500 SF± OR 0.13 AC±

FOR REGISTRY USE ONLY

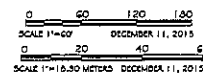
I CERTIFY THAT THIS PLAN WAS PREPARED
IN ACCORDANCE WITH THE RULES AND
REGULATIONS OF THE REGISTRARS OF
DEEDS EFFECTIVE JANUARY 1, 1976 AND
AMENDED JANUARY 7, 1988.


DATE 2-23-16

PROFESSIONAL SURVEYOR

APPROVAL NOT REQUIRED

PLAN OF LAND
IN
HARWICH, MASSACHUSETTS
FOR
HFH DEVELOPMENT, LLC



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An Analysis of the Market Potential
For Apartment Development
--- Sisson Road Apartments ---
Harwich, Massachusetts

Prepared on behalf of:

Heritage Properties
100 Merrimack Street, Suite 401
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April 14, 2021



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INTRODUCTION

At the request of Heritage Properties, Tracy Cross & Associates, Inc. evaluated the market potential for residential development in Harwich, Barnstable County, Massachusetts. Specifically, this analysis addresses the marketability of moderate-density market rate apartments within an approximate 7.7-acre portion of a 13.21-acre parcel aligning Sisson Road immediately southwest of Forest Street. The property is situated 1.5 miles south of US 6/Mid-Cape Highway and roughly one-half mile north of MA 28, principal commutation and commercial corridors of the Lower Cape area.

GEOGRAPHIC DELINEATION: SISSON ROAD PROPERTY -- HARWICH, MASSACHUSETTS --



Source: Heritage Properties and Google Maps

Overall, this analysis establishes the following:

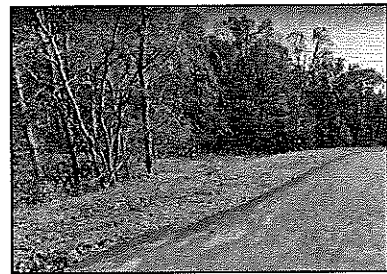
- ☐ Conclusions regarding the depth of the Harwich area for new construction market rate multifamily development during the 2021-2025 forecast period based upon pertinent economic, demographic, and residential construction trends which define the marketplace.
- ☐ Conclusions regarding the marketability of moderate-density market rate apartments to be developed under Mass General Law Ch. 40b guidelines and distributed within a series of multi-story residential buildings to include private structured parking. These conclusions are based upon factors associated with the location of the property, the performance of proximate newer market rate apartment developments of scale, and the near term outlook for apartment development in Harwich and its environs.

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- ☐ Detailed product development guidelines for apartment housing forms that have measurable market support, together within a benchmark rent strategy and associated absorption forecast to competitively position a prototype development in the marketplace.
- ☐ Alternative benchmark rent strategies and attendant absorption forecasts to enable further financial modeling.

THE SUBJECT PROPERTY AND ITS ENVIRONS

The subject property is a 13.21-acre parcel aligning Sisson Road immediately southwest of Forest Street in Harwich, Massachusetts. Formerly planned for residential duplex development, temporary roadway and other infrastructure improvements are in-place. Approximately 5.5 acres of the overall assemblage consists of dedicated wetlands along with native vegetation which will be preserved. The property is directly northeast of the Town of Harwich Police and Fire Department campus, while established residential neighborhoods align Sisson Road and Forest Street. The property is also proximate to the Grass Pond Bird Sanctuary, a popular nature area aligning Forest Street and within minutes of the many beaches, boardwalks, and nature trails of the Cape Cod National Seashore.



The Sisson Road Property



Representative Neighborhood – Harwich, MA

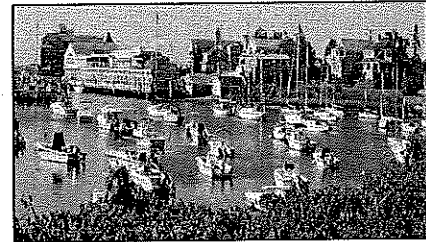


Cape Cod National Seashore

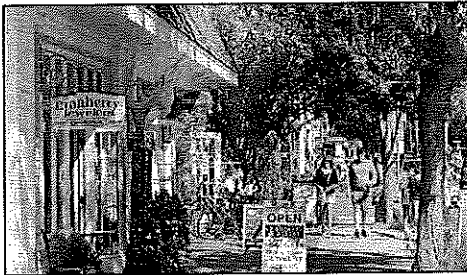
Sisson Road will afford future residents of the community ease of access to grocery, pharmacy, auto services, banking facilities and other daily consumer services within minutes of the subject site. Residentially, the immediate area is characterized by established neighborhoods of homes built primarily during the 1960s through the 1990s where single family home values today range from the high-\$300,000s to the \$800,000 mark inland, with coastal area home values extending well beyond \$1.0 million. The modicum of townhome, duplex and/or older condominium developments currently support values extending from the high-\$200,000s to the mid-\$400,000s. The general area is also beginning to experience a measure of teardown/replacement single family development.

Residential Market Analysis
Heritage Properties
Sisson Road Apartments
Harwich, Massachusetts

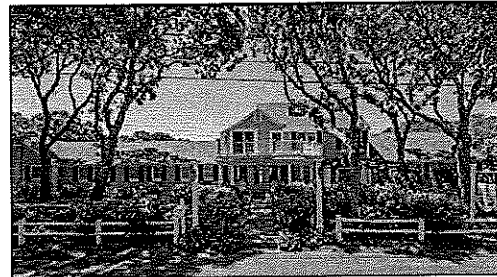
Harwich is a picturesque harbor town in the Lower Cape area of Cape Cod long been recognized as a seasonal destination for tourism and (particularly) boating enthusiasts. The town supports numerous shops, art galleries, and a variety of dining establishments, along with variety of established bed and breakfast inns and resorts. Apart from its seasonal attraction, however, US 6 and MA 28 afford residents ease of access to concentrations of employment throughout Barnstable County, as well as sources of employment throughout Plymouth County to the west which are all within an approximate 30- to 45 minute drive of Harwich.



Wychmere Harbor – Harwich, MA



Harwich Village Center



The Commodore Inn – Harwich, MA

Emergency services for residents are provided by Cape Cod Healthcare hospital campuses in Hyannis and Falmouth, which also provides affiliated diagnostic and urgent care facilities in Harwich. This health system also represents a major regional employer. While it is not expected that the proposed development would attract a significant family segment, the property is served by the well regarded Monomoy School District's Harwich Elementary and Monomoy Regional High School which are within one-half mile west and northeast of the site, respectively.

Overall, the site occupies an **excellent** location relative to regional employment, healthcare, and established ancillary services, while its alignment with Sisson Road will provide a strong marketing window for Heritage Properties.

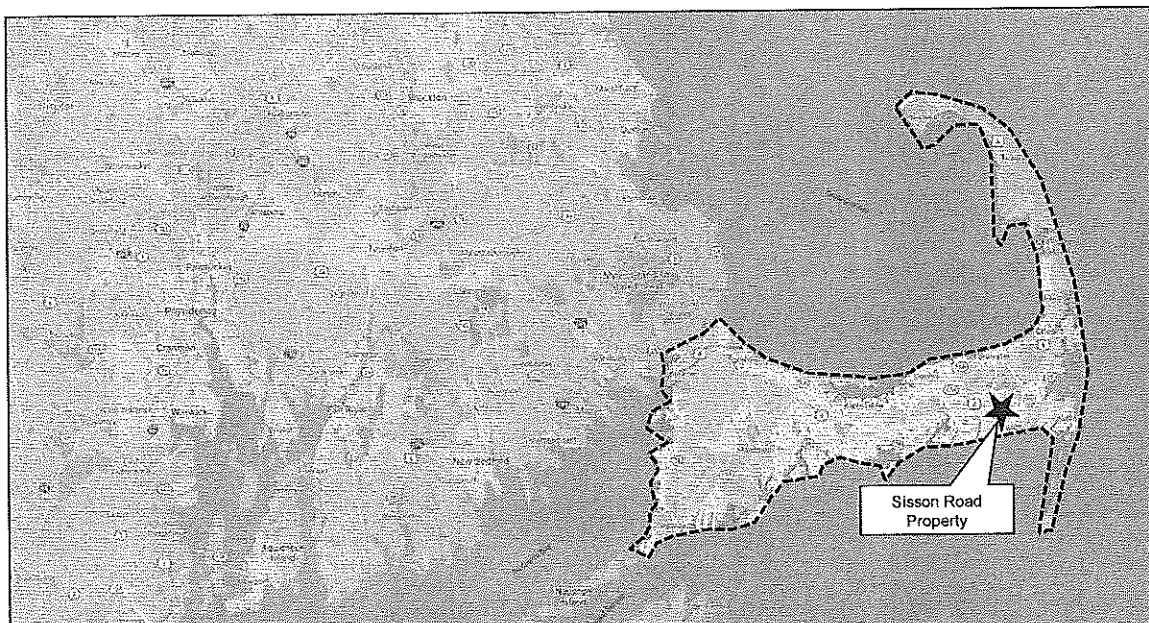
THE PROPOSED DEVELOPMENT

As conceptualized, the Sisson Road Apartments envisions up to 100 moderate-density market rate apartments to be distributed among a series of multi-story residential buildings to (potentially) include private structured parking within a wooded, lifestyle-oriented enclave living environment. The purpose of this analysis is to forward recommendations for those apartment housing forms which have measurable market support, blend harmoniously with adjoining residential, civic, and recreational areas, and can maximize land values and overall financial return. Pending approval, construction of the proposed development is expected to commence in late-2021 or 2022 in anticipation of initial occupancies in 2023.

THE MARKET AREA

The geographic area from which primary demand support for apartment development within the Sisson Road property will emanate consists of the host Barnstable County in its entirety. Encompassing 1,306 square miles in southeastern Massachusetts, this defined *Barnstable County Market Area* consists of the Cape Cod peninsula and its associated islands, and forms a homogeneous region defined by its dependence upon like sources of employment and transportation systems, socio-economic similarities in demographic and household composition, and the alignment and location of rental developments which will serve as sources of competitive influence.

GEOGRAPHIC ORIENTATION: BARNSTABLE COUNTY MARKET AREA



Source: Google Maps and Tracy Cross & Associates, Inc.

CONCLUSION

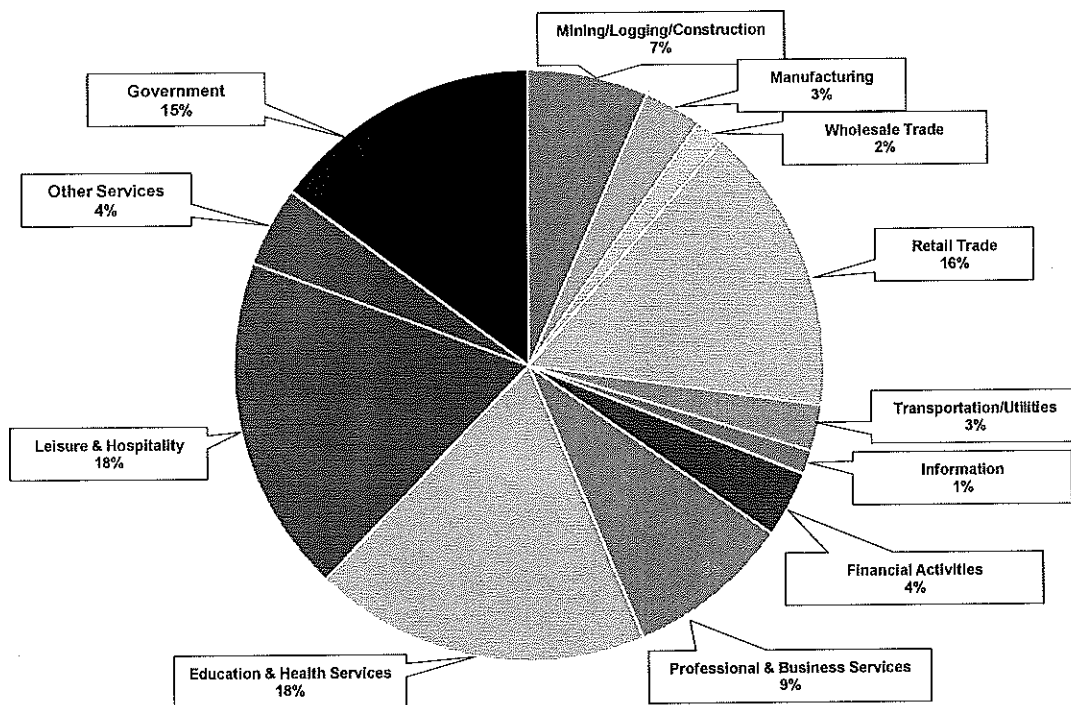
The market potential for rental apartment development within the Sisson Road property is viewed as **strong** based upon the property's location proximate to significant concentrations of employment, healthcare, and ancillary services, access to regional transportation systems and sustaining demand for market rate rental apartment construction through the 2021-2025 forecast period and beyond. This conclusion also considers the expectation of *measured* economic growth during the 2021-2025 timeframe, summarized as follows:

EMPLOYMENT TRENDS

Barnstable County defines the Barnstable Town, MA MSA, a region rooted in tourism and hospitality, education/health services, engineering, and professional/business services. Major regional employers include (among others) Cape Cod Health Systems, Cape Cod Potato Chips, Savant Systems, Seikagaku America, Sencorwhite, Inc., Teledyne Benthos, and Arcor Epoxy Coatings. Government, as well, plays a

major role in the region, including the U.S. Coast Guard and the Oceanographic Institute, along with federal, state, county and municipal public and school administrations. According to the U.S. Department of Labor, the MSA supported a total nonfarm employment base of 107,100 in 2019, with a combined 33.0 percent of all nonfarm workers employed in education, healthcare, and government (36,000 jobs), followed by leisure/hospitality with an 18.0 percent representation (19,700 jobs) and professional/business services (9.0 percent or 9,400 workers). Wholesale and retail trade and manufacturing also play key roles in the region, supporting a combined 22,100 jobs or 21.0 percent of total employment.

2019 NONFARM EMPLOYMENT BY INDUSTRY SECTOR
-- BARNSTABLE TOWN, MA MSA⁽¹⁾ --



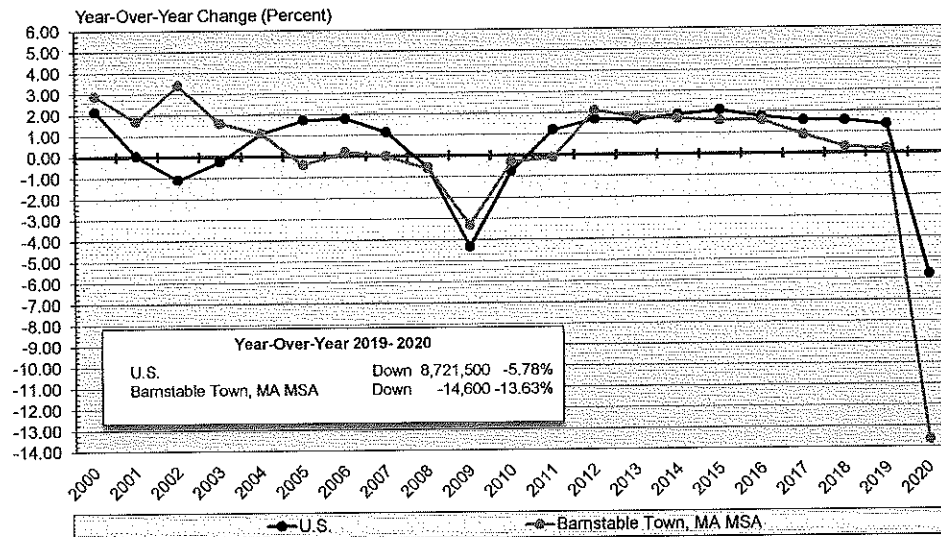
⁽¹⁾ Defined as Barnstable County, Massachusetts.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Employment growth in the Barnstable Town, MA MSA has generally mirrored national trends over the last two decades. For example, while statistics must be viewed in context, between 2000 and 2019 the MSA averaged 611 payroll additions yearly, reflecting an annual growth rate of 0.6 percent during the 19-year period. This compares with a national average of 0.7 percent during the same timeframe. Moreover, Barnstable County benefitted from *strong* levels of employment growth in the aftermath of the Great Recession (2010-2015) when payroll additions averaged 1,400 yearly and annual growth rates averaged 1.7 percent. The pace of employment growth moderated during the subsequent 2015-2019 timeframe, averaging 775 yearly or an annualized 0.3 percent growth rate, attributed at least in part to trade imbalance issues impacting regional technology and manufacturing industries. Refer to Appendices A1 and A2 for detailed employment statistics.

It must also be noted that the region has been hard hit by the COVID-19 pandemic and ensuing economic constraints. Specifically, the Barnstable Town MSA experienced year-over-year job losses of 14,600 in 2020 or 13.6 percent of total employment. This compares with a 5.8 percent employment contraction witnessed nationwide during the year. As might be expected, the majority of job losses occurred during the April-July 2020 period when (collectively) payroll losses totaled 348,100 jobs or an average of 87,025 per month, largely impacting the region's leisure/hospitality, retail trade and education/healthcare sectors of industry.

NONFARM EMPLOYMENT GROWTH COMPARISONS
-- BARNSTABLE TOWN, MA MSA AND THE U.S. --



Source: U.S. Department of Labor, Bureau of Labor Statistics

In tandem with initial federal stimulus efforts and a coordinated reboot of the national economy, however, the *pace* of job contractions nationally began to moderate in the 3rd Quarter 2020, reflected in national GDP growth which outpaced expectations, advancing by a substantial 33.4 percent during the 3rd Quarter 2020. Continued discernible growth nation-wide resulted in GDP growth at an annual pace of 4.3 percent during the 4th Quarter 2020, although the rebound in the second half of 2020 could not overcome the economic shock earlier in the year, with the national economy contracting by 5.8 percent in 2020.

Realistically, the overall impact of the pandemic and ensuing economic restrictions will vary *dramatically* from region to region and could potentially also result in *intra-regional* shifts in levels of demand. Home sales (in particular) have begun to respond with new and existing for-sale housing sectors gaining traction through the end of 2020 and expected to achieve tangible growth during the 2021-2025 forecast period, especially given today's mortgage interest climate and expected favorable conditions for at least the next 24 to 36 months. It must also be reiterated that, in 2020, there were some 92,500 *private sector* jobs in Barnstable County, representing major employers across a broad base of industry sectors. Hence, despite today's rather bleak economic picture, our favorable conclusion considers the expectation of tangible yet reserved regional economic growth beginning in mid-2021 and continuing through the 2025 forecast period in concert with potential introduction of the Sisson Road Apartments in 2023 or later.

DEMOGRAPHICS

The following paragraphs summarize demand-related market fundamentals which inform the benchmark rent strategy and absorption forecast:

- As summarized in Appendix A3, positive employment will continue to foster relatively steady rates of household growth during the 2021-2025 forecast period. Specifically, estimates derived from the 2010 Census carried forward to 2020 indicate that the Barnstable County Market Area currently supports a household base of 96,397. Largely reflecting turbulent economic periods experienced during much of the decade, household growth in the market area averaged a modest 64 additions yearly during the 2010 decade. Looking forward Census estimates indicate household growth advancing to an average of 241 yearly through 2025. However, these estimates are based primarily upon the generally built-out character of the market area, coupled with shifting demographics and transitioning lifecycle patterns of maturing resident families. **Census estimates do not reflect potentials in redevelopment initiatives** set forth by constituent municipalities including not only Harwich, but also Chatham, Hyannis, Falmouth, Orleans, and others to repurpose under-utilized properties, as a diminishing supply of land available for residential development of scale throughout Barnstable County effectively *limits* new construction to infill and/or redevelopment sites such as the subject Sisson Road initiative.
- Tenure estimates in the Barnstable County Market Area favor ownership which accounts for 77.5 percent of all occupied units. Not to be dismissed, however, an estimated 21,734 households or 22.5 percent are renters, despite a definitive lack of rental construction and (particularly) market rate rental construction in the county over the last two decades. In Harwich itself, 19.7 percent of residents are renters (1,140 households). Renter household additions reflect increased occupancies among existing, older rental developments generally built prior to 1985, elevated participation in ownership inventory (both attached and detached) brought to the market as rentals, coupled with a modicum of workforce and/or affordable rental construction of late.
- Also consistent with the proposed lifestyle development initiative, as detailed in **Exhibit 1**, market area householders reflect a median age of 61.5 years. Specifically, 9.2 percent of current market area households are under the age of 35, while 61.4 percent are aged between 45 and 74, representing the strongest age categories for rental and/or lifestyle-oriented housing forms. Moreover, Census estimates of household composition reveal that three-quarters of resident market area households represent those *without children under the age of 18*, primarily reflecting persons living alone or in two-person arrangements, consistent typical renter and/or lifestyle profiles.

HOUSEHOLD COMPOSITION: 2020
-- BARNSTABLE COUNTY MARKET AREA --

Attribute	Barnstable County Market Area		Town of Harwich	
	Number	Percent	Number	Percent
Total Households	96,397	100.0	5,795	100.0
1-Person Household	32,364	33.6	2,056	35.5
2-Person Household	37,182	38.6	2,286	39.4
3-Person Household	12,699	13.2	684	11.8
4-Person Household	8,963	9.3	518	8.9
5-Person Household	3,582	3.7	175	3.0
6-Person Household	1,190	1.2	63	1.1
7 or More Person Household	417	0.4	13	0.2
Total 1- and 2-Person Households	69,546	72.1	4,342	74.9

Source: Environics Analytics

- Rental apartment development within the Sisson Road property is also consistent with socio-economic characteristics of market area residents. For example, households throughout the market area support an estimated 2020 median annual income of \$78,583. As summarized in the following text table and detailed in Appendices A3 and A4, 2020 median incomes in Harwich were

HOUSEHOLDS BY TYPE AND AGE OF HOUSEHOLDER: 2020
-- THE BARNSTABLE COUNTY MARKET AREA --

Attribute	Barnstable County Market Area		Town of Harwich	
	Number	Percent	Number	Percent
2020 Households by Type				
Total Households	96,397	100.0	5,795	100.0
Average Household Size	----- 2.17 -----		----- 2.09 -----	
Households with Children	21,408	22.2	1,171	20.2
Married Couple	14,385	14.9	821	14.2
Other Family	6,772	7.0	339	5.8
NonFamily	251	0.3	11	0.0
Households without Children	74,989	77.8	4,624	79.8
Married Couple	32,179	33.4	2,037	35.2
Other Family	5,783	6.0	346	6.0
NonFamily	37,027	38.4	2,241	38.7
2020 Households by Age of Householder				
Total Households	96,397	100.0	5,795	100.0
Under 25	1,364	1.4	81	1.4
25 - 34	7,494	7.8	418	7.2
35 - 44	9,528	9.9	470	8.1
45 - 54	13,417	13.9	765	13.2
55 - 64	22,101	22.9	1,215	21.0
65 - 74	23,753	24.6	1,578	27.2
75 - 84	12,781	13.3	861	14.9
85 and Over	5,959	6.2	407	7.0
Median	----- 61.5 Years -----		----- 63.6 Years -----	
Households Under 35	8,858	9.2	499	8.6
Households 35 - 54	22,945	23.8	1,235	21.3
Households 55 - 74	45,854	47.6	2,793	48.2

Source: Environics Analytics and Tracy Cross & Associates, Inc.

estimated at \$83,287. Further, based upon typical renter profiles and most germane to quality new market rate rental development, these exhibits also reveal that not fewer than two-thirds of resident households under the age of 35 and aged 45 to 74 earn *at least* \$58,000 annually, incomes requisite to support rental rates for quality, new construction market rate apartments complying with Ch. 40b development guidelines. Refer to Appendix A5 for delineation of Ch. 40b qualifying methodology.

**HOUSEHOLD AGE AND INCOME CHARACTERISTICS: 2020
-- BARNSTABLE COUNTY MARKET AREA --**

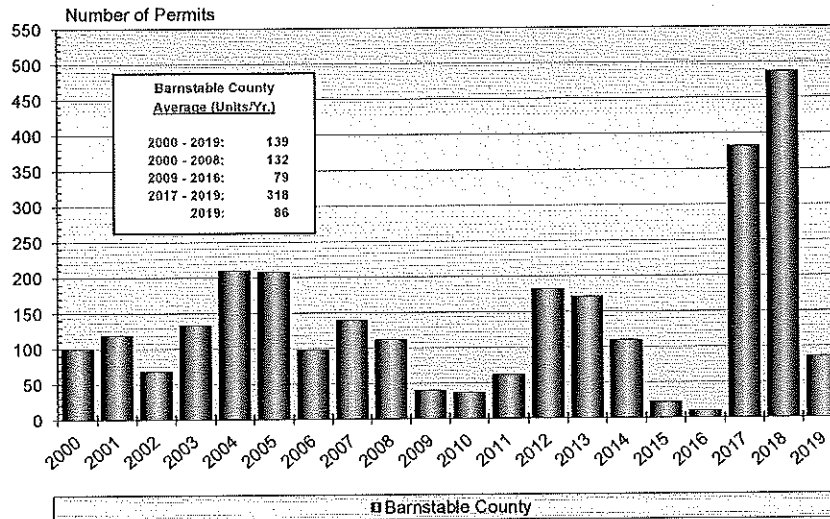
Attribute	Total Households					
	Barnstable County Market Area			Town of Harwich		
	Number	Percent	Median	Number	Percent	Median
Total Households	96,397	100.0	\$78,583	5,795	100.0	\$83,287
Under 25 Years	1,364	1.4	55,065	81	1.4	87,360
25 - 34 Years	7,494	7.8	75,000	418	7.2	86,463
35 - 44 Years	9,528	9.9	96,896	470	8.1	100,583
45 - 54 Years	13,417	13.9	105,942	765	13.2	107,161
55 - 64 Years	22,101	22.9	93,784	1,215	21.0	94,558
65 - 74 Years	23,753	24.6	77,780	1,578	27.2	81,958
75 - 84 Years	12,781	13.3	54,764	861	14.9	56,951
85 Years and Over	5,959	6.2	39,688	407	7.0	36,119
Total Households Under 35 Years	8,858	9.2	\$71,930	499	8.6	\$86,609
With Incomes of \$58,000 or More	5,449	61.5	---	361	72.3	---
With Incomes of \$75,000 or More	4,263	48.1	---	325	65.1	---
Total Households Aged 35 to 54 Years	22,945	23.8	\$102,186	1,235	21.3	\$104,658
With Incomes of \$58,000 or More	17,048	74.3	---	960	77.7	---
With Incomes of \$75,000 or More	14,615	63.7	---	866	70.1	---
Total Households Aged 55 to 74 Years	45,854	47.6	\$85,494	2,793	48.2	\$87,439
With Incomes of \$58,000 or More	30,854	67.3	---	1,888	67.6	---
With Incomes of \$75,000 or More	25,377	55.3	---	1,585	56.7	---

Source: Environics Analytics and Tracy Cross & Associates, Inc.

RESIDENTIAL CONSTRUCTION TRENDS

Lending support to apartment development within the Sisson Road property, there has been only limited and sporadic apartment construction in the whole of Barnstable County over the last two-plus decades. Specifically, as detailed in Appendix A6, since 2000 and through 2019 market area multifamily authorizations have averaged a modest 139 yearly, representing only 15.7 percent of total residential construction activity over the last 20 years. The strongest recent period of multifamily construction occurred during the 2000-2007 timeframe when an average of 134 units were permitted annually, for the most part reflecting a modicum of condominium development during the housing boom period, together with a limited number of senior housing and/or income-qualifying affordable rental development. During the subsequent 2008-2016 timeframe, multifamily issuances fell to an annual average of 83 yearly. During the more recent 2017-2019 period, however, authorizations spiked, averaging 318 yearly. These recent authorizations reflect development of condominium projects such as Old Wharf Village in Chatham and Ocean Heights in Dennis Port; the 202-unit Everleigh Cape Cod active adult apartments in Hyannis; a number of affordable and/or workforce housing communities such as Yarmouth Commons in Barnstable, Village at Nauset Green in Eastham, Little Pond Place in Falmouth, Village Green in Hyannis, and Clay Pond Cove/Canal Bluffs in Bourne. However, the only non age-restricted *market rate* apartments to be authorized recently include the 29-unit Carriage House Apartments in Barnstable and the 22-unit 319 Main Street Apartments now under construction in downtown Hyannis.

MULTIFAMILY PERMIT TRENDS: BARNSTABLE COUNTY, MA



Source: U.S. Bureau of the Census: C-40 Construction Reports and Tracy Cross & Associates, Inc.

RENTAL CONSTRUCTION OUTLOOK

In tandem with anticipated regional economic growth, coupled with noted demographic and socio-economic trends, over the 2021-2025 forecast period, the defined Barnstable County Market Area could support construction of up to 180 new *market rate* rental units annually (or a total of 900 units through 2025) without creating market weakness. Moreover, *new construction requirements could potentially double during any given year if supply were made available and competitive rents were maintained.* This new construction requirement balances Census estimates of household growth over the five-year forecast period with anticipated phased implementation of various mixed-use and/or infill redevelopment initiatives, multifamily construction trends over the past two decades, along with a measure of replacement demand. This derived annual new construction requirement is sufficient to support development of the proposed Sisson Woods Apartments during the forecast period.

ANNUAL RENTAL CONSTRUCTION REQUIREMENT SUMMARY: 2020 - 2025
-- BARNSTABLE COUNTY MARKET AREA --

Attribute	Number
Expected Annual Household Growth	241
Expected Annual Renter Household Growth @ 40.0 Percent of Total ⁽¹⁾	95
Annual Vacancy Requirement to Maintain Balance in the Market ⁽²⁾	30
Annual Replacement Demand @ 0.25 Percent of 2020 Rental Inventory	55
Derived Annual Rental Construction Requirement	180
⁽¹⁾ Determined by applying the expected percentage of new renter households to the expected number of new household additions from 2020 through 2025.	
⁽²⁾ A balanced marketplace generally requires vacancies in the range of 5.0 to 6.0 percent; represents annualized estimate applied to total market area renter households over the five-year forecast period.	

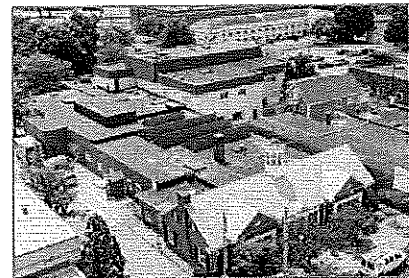
Source: Tracy Cross & Associates, Inc.

THE APARTMENT MARKETPLACE

As noted, only limited and sporadic new market rate apartment construction has occurred throughout Barnstable County over the last two decades. In fact, most localized rental alternatives represent smaller-scale, privately-managed developments built in the 1980s or earlier, together with a measure of adaptive residential conversion of former commercial properties. Hence, in order to evaluate the competitive environment within which the proposed Sisson Road Apartments would exist, our firm expanded the investigative area to encompass portions of the neighboring Plymouth and Bristol counties, generally focusing upon areas aligning the I-495/195 and MA 3 corridors south of US 44, as developments in these areas share commonalities in terms of transportation systems and/or sources of employment.

This section of our report therefore summarizes trends from a *regional* perspective, focusing upon newer construction market rate alternatives viewed as more representative of conventional sources of competitive substitution. Defined for purposes of this analysis as the *Harwich Competitive Market Area* or *CMA*, 13 developments and a collective 1,356 apartments built in 2004 or later constitute the representative competitive base. Most represent two or three-story, elevator-served developments of 100 units or less. Six of the 13 provide structured enclosed or attached or detached garage parking for an incremental fee, with the remaining seven developments offering only surface parking. The two representative age-restricted/active adult developments which are largely or solely designated as affordable to low income households have been excluded from this analysis. **Exhibit 2** provides a geographic orientation of the 13 representative developments, together with future projects announced and/or now under construction throughout the expanded CMA. The following paragraphs, in turn, briefly characterize competitive conditions in the marketplace which inform our conclusions and recommendations.

- ❑ As summarized in **Exhibit 3**, as of February 2021, posted base rents among the representative newer projects averaged \$2,342 monthly for a 1,018 square foot apartment home. Posted base rents translate to a value ratio of \$2.30 per square foot. Excluding the two workforce housing developments in Eastham and Hyannis, market rate rents range from average highs of \$2,539 or \$2.43 per square foot in Plymouth to a low of \$1,895 or \$1.80 in the town of Barnstable.
- ❑ As Exhibit 3 also reveals, despite the challenges of the last year, vacancies among *stabilized* CMA developments which stood at a very tight 3.0 percent at the close of February 2021, with only 30 of 1,008 stabilized units unoccupied. Notably, in Barnstable County, stabilized market rate and workforce developments are *fully occupied* and report waiting lists for occupancy. For perspective market balance generally requires vacancies in the range of 5.0 to 6.0 percent to allow for movement between developments. As might be expected, discounts and other lease incentives are negligible, typically seen in the waiving of administrative fees or reduced security deposits for select applicants.
- ❑ The newest market rate apartment project in Barnstable County is **319 Main Street**, a 22-unit adaptive residential conversion development now under construction in downtown Hyannis. Plan offerings include a variety of one, one bedroom and den, two and two bedroom and den plan styles which range in unit size from 655 to 1,471 square feet. Corresponding posted rents extend from \$1,800 to \$2,700 and average \$2,152 monthly for a 994 square foot unit. Posted rents yield a value ratio of \$2.16 per square. The resident is responsible for all utilities. Community amenities are limited to a fitness studio and private storage lockers. Marketing of 319 Main Street began in February 2021 in anticipation of initial occupancies in May. At the close of February, three apartments had been pre-leased. No lease incentives or discounts are currently being marketed.



**GEOGRAPHIC ORIENTATION:
REPRESENTATIVE NEWER/PLANNED APARTMENT DEVELOPMENTS
-- HARWICH CMA --**

Subject Property

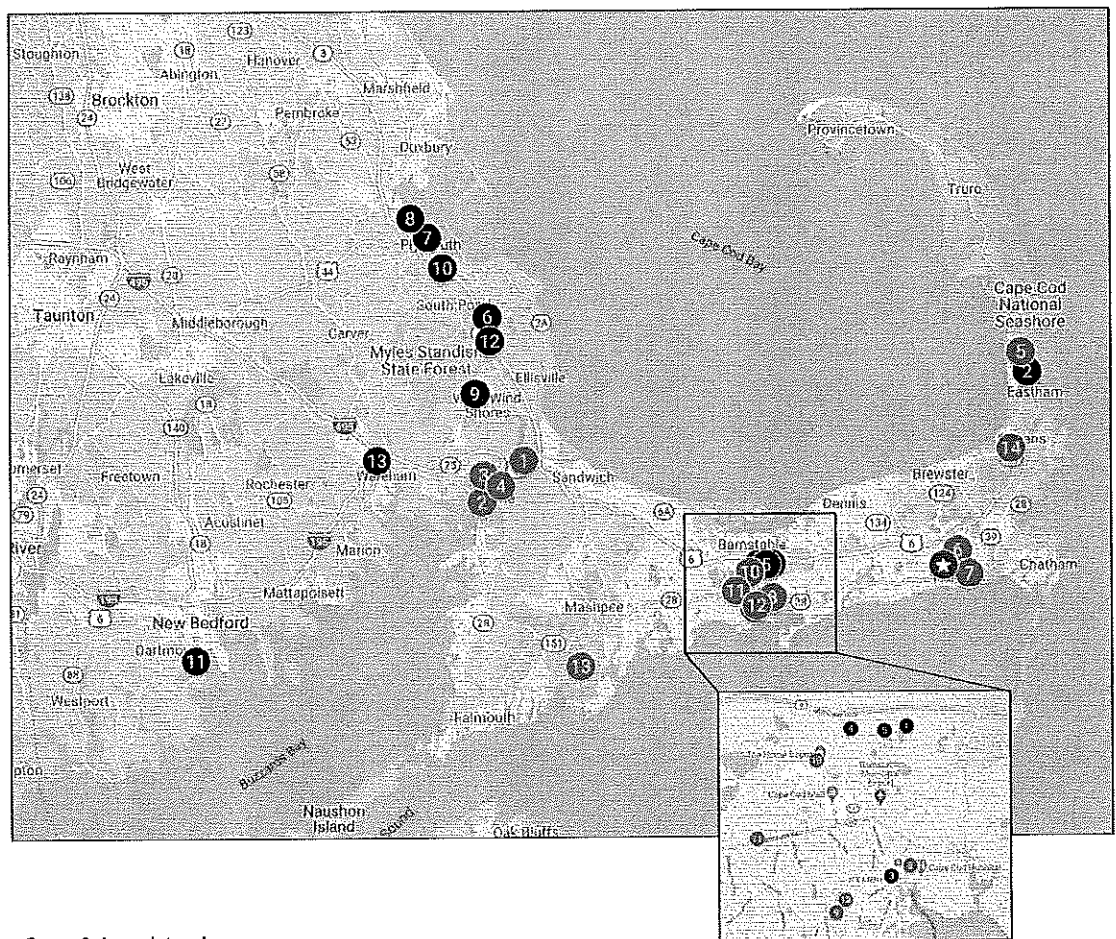
- ★ Sisson Road Apartments

Apartment Developments

- 1 Carriage House
- 2 Village at Nauset Green-Workforce
- 3 319 Main Street
- 4 Everleigh Cape Cod-AA
- 5 Village Green-Workforce
- 6 Avalon at the Pinehills
- 7 Copper Cove Village
- 8 Harborwalk at Plymouth Stn
- 9 Redbrook
- 10 Pointe 1620
- 11 Amelia-AA
- 12 Marq at the Pinehills
- 13 35 Rosebrook Way

Future Developments

- 14 Jasper's Landing
- 15 TBD (Mixed-Use)
- 16 Bay Motor Inn Conv
- 17 The Tides at Bourne-AA
- 18 TBD (Mixed Use)
- 19 The Royal Apartments
- 20 Stone Horse Dorm Conv
- 21 Sea Captains Row
- 22 TBD (Twin Brooks Golf)
- 23 TBD (fmr Cape Cod Health)
- 24 TBD (Mixed-income)
- 25 TBD Workforce
- 26 TBD (40B)
- 27 Orleans Cape Cod



Source: Google Maps and Tracy Cross & Associates, Inc.

COMPOSITE SUMMARY: REPRESENTATIVE NEWER APARTMENT DEVELOPMENTS
-- HARWICH CMA⁽¹⁾ --

Municipality/ Development	Year Built/ Renovated	Number of Units	Number Vacant	Percent Vacant	Average Unit Size (Sq. Ft.)	Rent Characteristics				Stabilized Developments ⁽²⁾		
						February 2021				Number of Units	Number Vacant	Percent Vacant
						Average Posted		Average Effective				
						\$	\$/Sq.	\$	\$/Sq. Ft.			
Harwich CMA Total / Average:	---	1,356	240	18.0	1,018	\$2,342	\$2.30	\$2,335	\$2.29	1,008	30	3.0
Barnstable County												
Barnstable (Town)	—	29	0	0.0	1,052	\$1,895	\$1.80	\$1,895	\$1.80	29	0	0.0
Carriage House	2018	29	0	0.0	1,052	1,895	1.80	1,895	1.80	29	0	0.0
Eastham	—	58	0	0.0	894	\$1,404	\$1.57	\$1,404	\$1.57	58	0	0.0
Village at Nauset Green (Workforce)	2020	58	0	0.0	894	1,404	1.57	1,404	1.57	58	0	0.0
Hyannis	—	344	97	30.1	955	\$2,187	\$2.29	\$2,187	\$2.29	120	0	0.0
319 Main Street ⁽³⁾	2021	22	NA	NA	994	2,152	2.16	2,152	2.16	---	---	---
Everleigh Cape Cod-AA ⁽⁴⁾	2019	202	97	48.0	960	2,812	2.93	2,812	2.93	---	---	---
Village Green (Workforce)	2015	120	0	0.0	940	1,140	1.21	1,140	1.21	120	0	0.0
Bristol County												
South Dartmouth	—	55	0	0.0	1,061	\$1,929	\$1.82	\$1,929	\$1.82	55	0	0.0
Amelia-AA ⁽⁵⁾	2019	55	0	0.0	1,061	1,929	1.82	1,929	1.82	55	0	0.0
Plymouth County												
Plymouth	—	805	143	17.8	1,044	\$2,539	\$2.43	\$2,526	\$2.42	681	30	4.4
Avalon at the Pinehills	2004	192	10	5.2	1,298	2,823	2.17	2,817	2.17	192	10	5.2
Copper Cove Village	2017	38	0	0.0	926	2,411	2.60	2,411	2.60	38	0	0.0
Harborwalk at Plymouth Station ⁽⁶⁾	2019	124	113	91.1	902	2,419	2.68	2,346	2.60	---	---	---
Marq at the Pinehills	2016	220	11	5.0	996	2,614	2.62	2,614	2.62	220	11	5.0
Pointe 1620	2018	51	3	5.9	1,104	2,531	2.29	2,531	2.29	51	3	5.9
Redbrook ⁽⁷⁾	2019	180	6	3.3	938	2,256	2.41	2,258	2.41	180	6	3.3
Wareham	—	65	0	0.0	1,093	\$2,115	\$1.94	\$2,115	\$1.94	65	0	0.0
35 Rosebrook ⁽⁸⁾	2018	65	0	0.0	1,093	2,115	1.94	2,115	1.94	65	0	0.0

⁽¹⁾ Defined as Barnstable County in its entirety together with areas of southern Plymouth County and coastal areas of eastern Bristol County.

⁽²⁾ Excludes rental programs currently undergoing renovation and/or new programs undergoing initial absorption.

⁽³⁾ Adaptive conversion. Leasing commenced February 2021; initial occupancy anticipated May 2021. Three (3) units pre-leased at close of February.

⁽⁴⁾ Age-restricted/Active Adult community. Leasing commenced January 2018; initial occupancy May 2019. Absorption rate of 4.5 units per month reflects 97 units occupied as of February 2021.

⁽⁵⁾ Age-restricted/Active Adult community. Leasing commenced October 2019; initial occupancy January 2020. Stabilized September 2020 at an overall absorption rate of 5.8 units per month.

⁽⁶⁾ Leasing commenced June 2019; initial occupancy November 2019. Absorption rate of 7.2 units per month reflects 113 units occupied as of February 2021.

⁽⁷⁾ Leasing commenced March 2019; initial occupancy July 2019. Stabilized February 2021 at an overall absorption rate of 9.1 units per month.

⁽⁸⁾ Leasing commenced September 2018; initial occupancy November 2018. Stabilized October 2019 at an overall absorption rate of 5.5 units per month.

Source: Tracy Cross & Associates, Inc.

- It is again noted that throughout Barnstable County, the average market rate apartment is now some 40 years old and lacks today's energy-efficient construction technologies and contemporary design elements and offers little (if any) form of community amenities. For perspective, Appendix A7 delineates pertinent feature and amenity characteristics and summarizes the range of leasing requirements and other incremental fees currently in effect among the representative sampling of newer developments found in more urbanized areas of Plymouth County. These feature and amenity characteristics are consistent with standard finishes and community amenities anticipated to be provided by the Sisson Road Apartments.

A FRAMEWORK FOR PLANNING

Within the context of the envisioned residential community and adhering to MA Ch. Law 40b development guidelines, **Exhibit 4** summarizes a suggested product matrix and benchmark rent strategy to competitively position a *prototype* 96-unit development in context with new construction alternatives throughout the CMA. This prototype matrix envisions two (2) four-story, elevator-served buildings, each consisting of three (3) residential floors over one level of structured parking at grade or (given topography) partially exposed. Structured parking is expected to accommodate +/-72 enclosed/structured single parking stalls together with +/-88 surface parking spaces, facilitating a market-consistent parking ratio of 1.67 parking spaces per residential unit. It is noted that the prototype development size is forwarded for financial planning only. Based upon land planning and approvals, total unit count could vary by +/-10.0 percent without material impact upon absorption potentials. It is further assumed that ten (10) percent of all units will represent three bedroom styles and 25.0 percent of all units (+/-24 units) will be designated for households earning not more than 80.0 percent of area median income (AMI). In establishing rents for these designated workforce units, we have adhered to the currently available MassHousing 2020 Income and Rent Limits effective April 1, 2020 and 2020 Utility Allowance Guidelines per bedroom type. For analytical purposes, we have also assumed that the mandated distribution will be proportionate among all plan offerings as detailed in **Exhibit 5**.



As outlined, the recommended unit types include a variety of one, two and three bedroom plan styles providing between 550 and 1,350 square feet of living area. Overall, the recommended development matrix provides 82,400 net leasable square feet, with the average apartment residence containing 858 square feet of living area, exclusive of patio or balcony. As outlined in Exhibits 4 and 5, benchmark posted **base** rents for the 72 *market rate* units extend from \$1,255 to \$3,150, and average \$2,390 for an 858 square foot apartment. Benchmark rents, which are presented in March 2021 dollars, **do not include** premiums for floor, corner-unit orientation or enhanced views. Nor do they include incremental revenues derived from optional enclosed parking, pet fees, administrative fees, or other landlord-provided services. For clarity, posted base rents represent the lowest rent available for a particular plan type and are established on the first residential floor of the prototype buildings. Benchmark posted base market rate rents yield a current dollar value ratio of \$2.77 per square foot.

Benchmark *net* rents for the 24 designated workforce units, in turn, extend from \$1,255 to \$1,735 and average \$1,358 monthly or \$1.61 per square foot – again, after estimated utility allowances are factored.

Benchmark rents assume quality interior appointments and community amenities as outlined on Exhibit 4. This exhibit also forwards a range of suggested market-consistent premiums and other fees for consideration. It is reiterated that the prototype development size is forwarded for financial planning only. Based upon land planning and approvals, total unit count could vary by +/-10.0 percent without material impact upon absorption potentials.

**A BENCHMARK DEVELOPMENT STRATEGY⁽¹⁻⁴⁾: SISSON ROAD APARTMENTS
-- HARWICH, MASSACHUSETTS --**



Three (3) Elevator-Served Residential Floors over Structured Parking: 96 Units / +/-72 Structured Parking Stalls and +/-88 Surface Parking Spaces

Plan Designation	One Bedroom	Two Bedroom	Three Bedroom	
Number of Units:	62	24	10	
Percent Distribution:	64.6	25.0	10.4	
Bedrooms:	1	2	3	
Baths:	1.0	2.0	2.0	
Plan Size Range (Sq. Ft.):	550 - 800	1,000 - 1,200	1,350	
Average:	685	1,100	1,350	
Benchmark Posted <i>Base/Net</i> Rent Range ⁽¹⁾ :	\$1,255 - \$2,195	\$1,505 - \$2,975	\$1,736 - \$3,150	
Average:	\$1,861	\$2,523	\$2,867	
Per Sq. Ft.:	\$2.72	\$2.29	\$2.12	

Community Summary ⁽¹⁻⁴⁾	Absorption at Benchmark
Total Number of Units: 96	Average Absorption to Stabilization: 7.6 (In Units per Month)
Total Net Leasable Square Feet: 82,400	
Weighted Average Unit Size (Sq. Ft.): 858	
Avg. Posted <i>Base Market Rate</i> Rent ⁽¹⁾ : \$2,390	Months to Stabilization: 12.0 (91 Total Units at 95% Occupancy)
Market Rate Rent/Sq. Ft. ⁽¹⁾ : \$2.77	
Average Designated 80.0% AMI Rent: \$1,358	
Rent/Sq. Ft. ⁽²⁾ : \$1.61	

Benchmark Standard Features / Community Amenities / Suggested Premiums⁽³⁾

- Programmable Thermostat
- Internet/Cable/Smart Technology Connectivity
- Nine-Foot Ceiling Height
- Designer Finishes Throughout
- Plank-Style Laminate Flooring in Kitchen/Living Areas
- Carpeted Bedrooms and Bedroom-wing Hallways
- Walk-In Master Bedroom Closet; Adequate Secondary Closets
- Designer Baths with Laminate or Ceramic Flooring, Quartz/Granite Vanity Top, Frameless Shower Doors (per plan), Solid-Surface Surround w/Accessory Niche
- Designer Kitchen Cabinetry and Lighting
- Quartz/Granite Kitchen Countertop/Island
- Energy-Efficient Stainless Steel Appliances
 - Range
 - Dishwasher
 - Refrigerator
 - Microwave/Hood Vent
 - Full-Size Washer and Dryer
- Undermount Stainless Steel Sink with Garbage Disposal
- Balcony

- Non-Smoking Environment; Secured Reception Lobbies
- Secured Mail/Package Room with Technology Concierge
- E-Lounge Café, Zoom/Co-Work Rooms or Nooks, Meeting/Dining Room
- Great Room with Service Kitchen and Game Area
- Fitness Center with On-Demand Training and Yoga/Pilates/Spin Studio
- Furnished Terrace with Outdoor Kitchen/Grill Station and Fireside Lounge
- Walking Paths or Trail System Aligning Conservancy Areas
- Dedicated Pet Park; Pet Grooming Room/Spa
- Secured Bicycle Storage
- Tenant Paid Water/Refuse or Resident Billing System; Individually Metered Utilities
- On-Site Leasing/Management Office

Suggested Premiums/Incremental Fees⁽³⁾

- View Premium: \$25 to \$50 (Assumes maximum of 15% or +/-14 Units)
- Corner-Unit Premium: \$50
- Floor Premium: Floors 3 @ \$10; Floor 4 @ \$20
- Pet Fees (Deposit/Mo. Rent): \$350 / \$50
- Enclosed Single Parking Space: \$145 Assigned

⁽¹⁾ Benchmark base *market rate* rents are presented in March 2021 dollars. They *do not include* premiums for floor, corner-unit orientation or enhanced views. Nor do they include incremental revenues derived from optional enclosed parking, utility fees (if applicable), pet fees, administrative fees or other landlord-provided services. Benchmark base rents established on Floor 1.

⁽²⁾ Estimated designated MA Ch. Law 40b rents, which are presented in March 2021 dollars, reflect MassHousing 2020 Income and Rent Limits effective 4/1/2020 for households earning not more than 80.0 percent AMI. They *do not include* incremental revenues for *optional* enclosed parking, pet fees, administrative fees and/or other landlord-provided services. It is assumed for analytical purposes that the mandated 25.0 percent allocation is distributed proportionately across all plan types.

⁽³⁾ Incremental floor, corner-unit and view premiums apply to 72 *market rate units* only; utilized for analytical purposes.

⁽⁴⁾ Benchmark rents and absorption forecast *assume a minimum* of 160 parking spaces distributed between +/-72 enclosed/structured single stalls and +/-88 surface parking spaces. Parking allocation yields a more than adequate overall parking ratio of 1.67 parking spaces per residence.

**BENCHMARK RENT STRATEGY⁽¹⁻³⁾, DETAILED BY PLAN TYPE AND PRODUCT DESIGNATION
-- SISSON ROAD APARTMENTS - HARWICH, MASSACHUSETTS --**

Plan Designation	Number of Units	Bedrooms/ Baths	Plan Size (Sq. Ft.)	Designated Maximum 80.0% AMI ⁽¹⁾					Market Rate Units ⁽²⁾		
				Number of Units @ 25%	Gross Rent ⁽²⁾	Est. Utility Allowance ⁽²⁾	Net Rent ⁽²⁾		Number of Units	Benchmark Base Rent ⁽³⁾	
							\$	\$/Sq. Ft.		\$	\$/Sq. Ft.
Three (3) Elevator Served Residential Floors over Structured Parking: 96 Units / +/- 84 Enclosed Single Stalls and 86 Surface Parking Spaces											
Plan Type - One Bedroom	62		685	16	\$1,450	\$195	\$1,255	\$1.84	46	\$2,072	\$3.02
Plan A1	14	1 / 1.0	550	4	\$1,450	\$195	\$1,255	\$2.28	10	\$1,925	\$3.50
Plan A2	16	1 / 1.0	650	4	1,450	195	1,255	1.93	12	2,030	3.12
Plan A3	16	1 / 1.0	725	4	1,450	195	1,255	1.73	12	2,115	2.92
Plan A4	16	1 / 1.0	800	4	1,450	195	1,255	1.57	12	2,195	2.74
Plan Type - Two Bedroom	24	--	1,100	6	\$1,740	\$235	\$1,505	\$1.37	18	\$2,863	\$2.60
Plan B1	8	2 / 2.0	1,000	2	\$1,740	\$235	\$1,505	\$1.51	6	\$2,755	\$2.76
Plan B2	8	2 / 2.0	1,100	2	1,740	235	1,505	1.37	6	2,860	2.60
Plan B3	8	2 / 2.0	1,200	2	1,740	235	1,505	1.25	6	2,975	2.48
Plan Type - Three Bedroom	10	---	1,350	2	\$2,010	\$274	\$1,736	\$1.29	8	\$3,150	\$2.33
Plan C	10	3 / 2.0	1,350	2	\$2,010	\$274	\$1,736	\$1.29	8	\$3,150	\$2.33
Grand Total/Average:	96	---	858	24	\$1,569	\$212	\$1,358	\$1.61	72	\$2,390	\$2.77

⁽¹⁾ Benchmark unit distribution and plan types reflect MA Ch. Law 40b requirement of 10.0 percent three bedroom styles and 25.0 percent distribution of units designated for households earning not more than 80.0 percent AMI.

⁽²⁾ Estimated designated MA Ch. Law 40b rents, which are presented in March 2021 dollars, reflect MassHousing 2020 Income and Rent Limits effective 4/1/2020 for households earning not more than 80.0 percent MI. They *do not include* incremental revenues for enclosed parking, pet fees, administrative fees or other landlord-provided services. It is assumed for analytical purposes that the mandated 25.0 percent allocation is proportionate across all plan types.

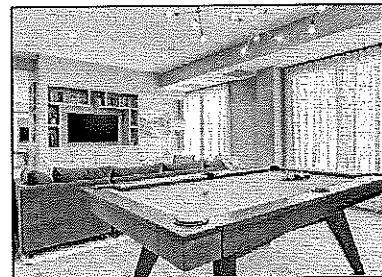
⁽³⁾ Benchmark rents for *market rate* units are presented in March 2021 dollars and established on Floor 1. They *do not include* premiums for floor, corner-unit orientation or enhanced views, or incremental revenues derived from optional enclosed parking, pet fees, administrative fees or other landlord-provided services. It is assumed that premiums will apply to market rate units only.

Source: Heritage Properties Concept Schematic dated 9/1/2020 and Tracy Cross & Associates, Inc.

As noted, all apartments are expected to feature quality interior appointments commensurate with new construction apartment development throughout the region. Typically, these include nine-foot ceiling height, plank-style laminate flooring in kitchens and living areas, with carpeted bedrooms and bedroom-wing hallways; designer kitchens with quartz/granite countertops and islands, ceramic tile backsplash, stainless steel undermount sinks, energy-efficient stainless steel kitchen and laundry appliances; walk-in master bedroom closets; and designer baths with laminate or ceramic tile flooring, quartz/granite vanity tops, solid-surface shower surrounds and frameless glass shower doors. All apartments will provide internet/cable connectivity, some level of Smart technology, and adequate secondary closeting. For analytical purposes, it is assumed that all utilities will be billed directly to the resident.



As also outlined on Exhibit 4, community amenities should be commensurate with the scale of the prototype development and include secured reception lobbies, along with on-site leasing and management offices, a secured mail/package room with technology concierge, a Resident Club with e-lounge café, social and game areas, service kitchen with private dining/meeting room, a co-work library with private "nooks" or "Zoom Rooms", a fitness center with On-Demand training and spin/yoga studio. Outdoor socializing areas should include a landscaped and furnished terrace with outdoor kitchen/grill stations, a multi-use lawn court for bocce ball or the like, walking paths or trail system aligning conservancy areas, and a dedicated pet area. A pet spa/grooming room as well as secured bicycle storage should be provided in the parking garage.



A FORECAST OF ABSORPTION

Given the overall lack of new market rate apartment construction, coupled with the tight overall conditions, assuming market introduction in 2023 and a continuous construction and leasing schedule, at benchmark 2021 rents it is expected that the 96-unit prototype development would achieve stabilization at 95.0 percent occupancy (or 91 units occupied) within a 12.0-month timeframe from initial occupancy, or consistent with the development's release schedule. This overall marketing period translates to an overall absorption rate of 7.6 units per month. This leasing period assumes extensive marketing commence with site improvements and three- to six months of lease reservations prior to initial deliveries. Also, while it is understood that unit counts may vary with final design and approvals, it is strongly suggested that a *proportionate ratio of unit types and plan sizes be maintained* in order to achieve the forecasted rate of absorption.

COMPETITIVE POSITIONING

Rationale for the recommended rental development strategy is summarized in the following paragraphs:

- ☐ The suggested apartment matrix *fully addresses* current and expected trends in the residential marketplace and is representative of the newest lifestyle apartment offerings in the region. Moreover, the benchmark rent strategy is established to enable the prototype development to appropriately align *with the gradual upward movement of incomes* in the marketplace. Further, the suggested plan offerings and lifestyle amenities will appeal across a broad spectrum of consumer segments including not only younger professional singles and childless couples, but also more mature consumers desirous of a lifestyle environment. To this latter point, lifestyle rental

**Residential Market Analysis
Heritage Properties
Sisson Road Apartments
Harwich, Massachusetts**

alternatives are generating interest among consumers between the ages of 45 and 74 given, in most cases, the high level of amenities and/or concierge services available to residents. Lending support to projected absorption potentials, it is reiterated that at least three-quarters of higher-income market area householders align age categories of 45 to 74, while American Community Survey/Census estimates reveal that roughly 35.0 percent of the market area's *existing renters* also reflect these profile age categories.

**UNIT MIX ANALYSIS: SELECTED NEWER APARTMENT DEVELOPMENTS
-- HARWICH CMA - FEBRUARY 2021 --**

Unit Type	Sisson Road Apartments - Prototype				Selected Newer Apartments ⁽¹⁾			
	Total Units		Plan Size		Total Units		Plan Size	
	Number	Percent	Range	Average	Number	Percent	Range	Average
Studio	---	---	---	---	1	0.1	729	729
Convertible/JR-1	---	---	---	---	---	---	---	---
One Bedroom	62	64.6	550 - 800	685	347	37.7	655 - 984	826
One Bedroom+Den	---	---	---	---	77	8.4	832 - 1,005	851
Two Bedroom	24	25.0	1,000 - 1,200	1,100	358	38.9	1,003 - 1,488	1,164
Two Bedroom+Den	---	---	---	---	44	4.8	1,093 - 1,471	1,124
Two Bedroom Loft	---	---	---	---	45	4.9	1,593 - 1,826	1,719
Three Bedroom	10	10.4	1,350	1,350	34	3.7	1,063 - 1,366	1,161
Three Bedroom Loft	---	---	---	---	15	1.6	1,877	1,877
Total/Averages:	96	100.0	550 - 1,350	858	921	100.0	655 - 1,877	1,042

⁽¹⁾ Includes developments identified in Exhibits 2 through and 7.

Source: Tracy Cross & Associates, Inc.

- ☐ It is important to also recognize that in addition to adequate market area construction requirements over the forecast period, the projected absorption pace can be supported by turnover in the market area's existing rental stock. As noted, some 21,734 Barnstable County Market Area householders are renters. Of these, approximately 11,000 will move annually, with at least 50 percent of these mobile households remaining renters, staying in the local area, and thus representing part of the subject development's pool of prospective residents. Hence, the 72 *market rate* Sisson Road Apartments need capture a mere 2.0 percent of *aggregate* new construction requirements and turnover potentials to achieve stabilization within the projected twelve month construction and leasing cycle.
- ☐ Similarly, as summarized in the following text table, based upon the number of Barnstable County households at qualifying incomes not to exceed 80.0 percent AMI, the 24 workforce/40b units need capture a fractional 0.4 percent of eligible households to achieve *full occupancy*.

PENETRATION REQUIREMENTS: SISSON ROAD 40B APARTMENTS
-- HARWICH, MA --

Households Aged Under 75 and within Affordability Limits of:	Barnstable County Market Area			Town of Harwich		
	Number of Units	Eligible Households	Penetration Rate	Number of Units	Eligible Households	Penetration Rate
70.0 to 80.0 AMI	24	6,427	0.4	24	392	6.1

Source: MassHousing 2020 Income and Rent Limits; Environics Analytics; and estimates by Tracy Cross & Associates, Inc.

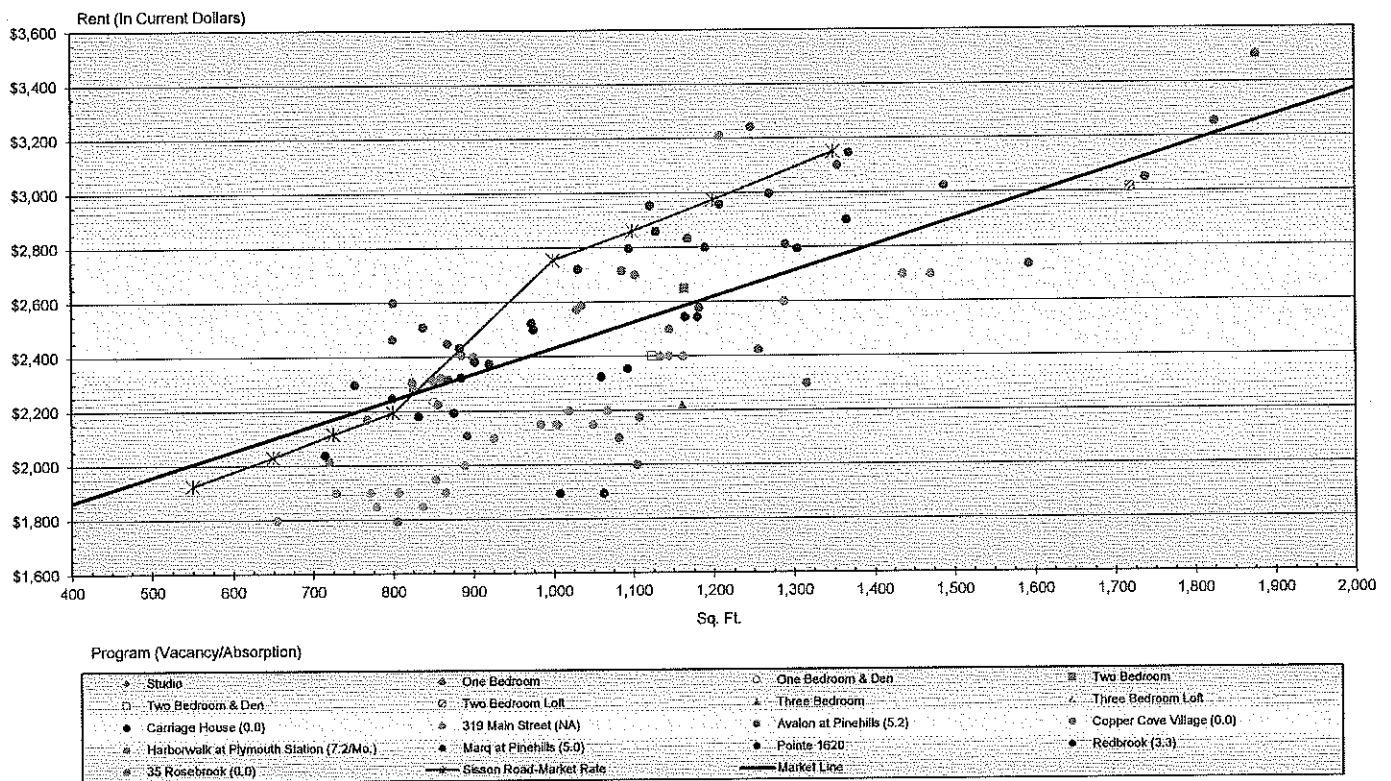
- **Exhibits 6 and 7** illustrate the competitive benchmark positioning of the suggested market rate units (in both whole dollars and for comparable footage) relative to similar newer market rate communities in the CMA. For example, on a *comparable footage basis*, benchmark posted base rents appropriately position the prototype apartments a nominal \$88 monthly above the market average among the newest developments in the CMA and well below current rents at Everleigh Cape Cod which is arguably the only other amenity-enhanced market rate development of scale in Barnstable County. The benchmark competitive positioning balances the expected quality new construction alternative with variances in location, project scale and lifestyle environs.
- The 7.6-unit per month overall absorption forecast is consistent with the *average* 6.8-unit monthly absorption level generated by newer CMA projects of similar scale during their respective stabilization periods. The projected absorption rate weighs today's very tight market conditions among stabilized developments with the expectation of measured economic growth through the forecast period, consistencies in project scale, plan types and unit sizes among these competing newer developments and, importantly, the definitive lack of new quality market rate rental development of scale in the immediate area.

ABSORPTION TRENDS: SELECT APARTMENTS BUILT IN 2017 OR LATER
-- HARWICH CMA - MARCH 2021 --

Development/Location	Total Units	Initial Occupancy (Month/Year)	Stabilization @ 95% Occupancy (Month/Year)	Average Absorption Rate (Units/Month) ⁽¹⁾
35 Rosebrook / Wareham	65	November 2018	October 2019	5.5
Redbrook / Plymouth	180	July 2019	February 2021	9.1
Amelia-AA / South Dartmouth	55	January 2020	September 2020	5.8
Total Units/Average Unit Absorption^(1:2):	300	---	---	---
Average Development Size:	100	---	---	6.8
⁽¹⁾ Starting at first month of occupancy.				

Source: Tracy Cross & Associates, Inc.

Rent/Value Analysis
Representative Newer Market Rate Apartments
Harwich CMA
February 2021



Rent/value analysis uses a scatter diagram to graphically represent a set of observations found in today's marketplace, specifically the square footage of units offered and their associated rent levels. Regression analysis is then used to fit a line through the set of market observations that represent the "best fit" or average market line. This market line can then be used to predict the performance of a new, untested product line or offer explanations regarding the occupancy/absorption rates of currently available product lines.

Rent/Value Analysis
Representative Newer Market Rate Apartments
Harwich CMA
February 2021

Plan Size (Sq. Ft.)	Average Market Rent	Development/Location	Year Built	Total Units	Average Plan Size (Sq. Ft.)	Average Posted Rent		Average Market Rent	Variance From Market	Vacancy Rate / Absorption (Units/Mo.)
						Dollars	Rent per Sq. Ft.			
600	\$2,054	(2) Everleigh Cape Cod-AA/Hyannis	2019	202	960	\$2,812	\$2.93	\$2,393	\$+419	(4.5/Mo.)
700	2,148	Marq at Pinehills/Plymouth	2016	220	996	2,614	2.62	2,427	+187	5.0
800	2,242	Avalon at Pinehills/Plymouth	2004	192	1,298	2,823	2.17	2,710	+113	5.2
900	2,336	(1) Sisson Road-MR Bnmk Base	2023	72	864	2,390	2.77	2,302	+88	7.6/Mo. Fcst
1,000	2,430	(3) Harborwalk at Plymouth Station/Plymouth	2019	124	902	2,419	2.68	2,338	+81	(7.2/Mo.)
1,100	2,524	(3) Copper Cove Village/Plymouth	2017	38	926	2,411	2.60	2,361	+50	0.0
1,200	2,618	(3) Pointe 1620/Plymouth	2018	51	1,104	2,531	2.29	2,528	+3	5.9
1,300	2,712	---- Market Average ----	2017	921 / 102	1,042	2,470	2.37	2,470	0	3.9 / (7.2/Mo.)
1,400	2,806									
1,500	2,900									
1,600	2,994	(3) Redbrook/Plymouth	2019	180	938	2,256	2.41	2,372	-116	3.3
1,700	3,088	(4) 319 Main Street/Hyannis	2021	22	994	2,152	2.16	2,425	-273	NA
1,800	3,182	35 Rosebrook/Wareham	2018	65	1,093	2,115	1.94	2,518	-403	0.0
1,900	3,276	(2) Amelia-AA/South Dartmouth	2019	55	1,061	1,929	1.82	2,488	-559	0.0
2,000	3,370	Carriage House/Barnstable	2018	29	1,052	1,895	1.80	2,479	-584	0.0

(1) Unit count reflects *market rate units only*; assumes 24 designated units at 80.0 percent AMI; utilized for analytical purposes only.

(2) Age-restricted/active adult development; not included in derivation of market line.

(3) Statistics exclude designated affordable/workforce units.

(4) Adaptive conversion of former commercial building; occupancies anticipated May 2021.

Slope: \$0.94 per sq. ft.

- ❑ To reiterate, there has been no market rate multifamily development *of scale* in Barnstable County in more than two decades. In fact, most market rate developments in the general area are now (on average) some 40 years old and lack the energy-efficient construction technologies afforded by new construction. Moreover, most are of small scale (i.e., less than 50 units) and provide little (if any) level of community amenities such as in-unit laundry appliances, elevator-served buildings, clubhouse, fitness center and/or options for enclosed parking. Yet, despite the age and condition of existing market rate developments, all are fully leased and report waiting lists for residency. While replacement demand *alone* lends support to the development of the Sisson Road Apartments, anticipated measured economic growth during the forecast period, coupled with tight vacancies among older developments suggests strong levels of pent-up demand for a new construction alternative. Finally, the projected absorption rate within a short twelve months of initial deliveries, can also be supported from a case study perspective of developments introduced in markets of similar size throughout the New England region where accelerated absorption rates have been noted, leading to stabilization in tandem with construction and delivery schedules.
- ❑ Finally, the benchmark development strategy also considers a competitive environment marked by periods of accelerated apartment construction – a pattern of development expected to continue for the foreseeable future and (potentially) intensify short term. As summarized in Appendix A8, there are currently 14 *announced* rental projects and not fewer than 1,311 new apartment units in various stages of the planning pipeline in Barnstable County. However, only two of the announced developments are now under construction and expected to begin lease-up within the next 12- to 18 months. These include the 46-unit *Sea Captains Row* apartments in Hyannis which are expected to begin leasing in the next three months, together with the 120-unit *Tides At Bourne* active adult development in Bourne which is expected to open in 2022. Nonetheless, as it is unlikely that the derived Barnstable County Market Area rental construction/turnover potentials will be met during the 2021-2025 forecast period, introduction of the 96-unit prototype Sisson Road Apartments will merely serve to alleviate some measure of market constraint and help to bring the Barnstable County marketplace closer to balance.

ALTERNATIVE BENCHMARK RENT STRATEGIES

To reiterate, benchmark strategies are established to provide a competitive position in the marketplace and allow for an acceptable absorption period for the prototype development. As these lease rates may differ from Heritage Properties' financial objectives, the following text table outlines alternative benchmark *posted base rent* strategies and attendant absorption forecasts *specific to the 72-unit market rate component* to assist in continued pro forma financial modeling.

ALTERNATIVE RENT/ABSORPTION SCENARIOS: SISSON ROAD APARTMENTS
-- HARWICH, MASSACHUSETTS --

A 72-Unit Prototype <i>Market Rate</i> Development						
Benchmark Posted Rent ⁽¹⁾ for a <i>Market Rate</i> 864 Sq. Ft. Apartment		Variance From Benchmark	Anticipated Monthly Absorption		Average Monthly Absorption Rate ⁽²⁾	Months to Stabilization @ 95% Occupancy (68 Units)
\$	\$/Sq. Ft.		First 12 Months of Occupancy	Thereafter		
\$2,490	\$2.88	+\$100	4.8	3.6	4.6	14.8
2,465	2.85	+75	5.0	3.8	4.8	14.1
2,440	2.82	+50	5.2	4.2	5.0	13.4
2,415	2.80	+25	5.4	4.6	5.4	12.7
2,390	2.77	Benchmark	5.6	---	5.6	12.0

(1) Benchmark posted rents are presented in March 2021 dollars. They *do not include* premiums for floor, corner-unit orientation, enhanced views, or other incremental revenue sources.

(2) Starting at the first month of occupancy. Marketing and lead list generation assumed to commence with site improvements. Lease reservations, which are anticipated to begin *at least* three (3) months prior to initial occupancies, are factored into this forecast.

Source: Tracy Cross & Associates, Inc.

It is again noted that benchmark base rents and associated absorption potentials are presented in March 2021 dollars. Given current and anticipated market conditions, for pro forma comparisons and barring *additional* unforeseen economic turmoil, it is therefore *strongly suggested* that posted benchmark rents *be held constant through at least 2021*, with modest annual rent appreciation in the range of 1.5 to 2.0 percent applied to pro forma financial models *beginning in 2022*.

CLOSING REMARKS

In the aftermath of the COVID-19 experience, it is very likely that consumers across-the-board and (particularly) among profile mature lifestyle segments will prioritize health and wellness factors in their housing choices. Incorporating this anticipated shift in lifestyle behaviors in the planning of interior appointments and communities, coupled with the energy-efficient technologies of new construction, will enable Heritage Properties to establish a strong competitive position in the marketplace of tomorrow. In this regard, provided below are a few items for consideration:

- The type and style of furniture and accessories in all common areas or amenity spaces, while being tastefully appointed, should be made of materials that can be easily (and readily) cleaned and disinfected.
- In the Resident Club area, consideration should be given to establishing privacy areas (both internal and external) that are more personalized for an individual, related couple or a small group gathering.

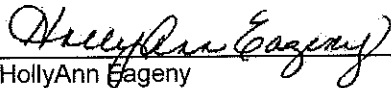
- In the fitness centers, privatizing or compartmentalizing the work-out machines would go a long way in maximizing the appeal of these facilities.

Again, these are but three examples of the planning mindset that should guide the implementation of the Sisson Road Apartments development initiative.

CERTIFICATION AND SIGNATURE

This analysis represents our objective and independent opinion regarding the market potential for rental apartment development within the Sisson Road property located in Harwich, Barnstable County, Illinois as certified below:

TRACY CROSS & ASSOCIATES, INC.
An Illinois Corporation

By: 
HollyAnn Eageny

Its: Vice President

Date: April 14, 2021



A1

**TRENDS IN NONFARM WAGE & SALARY EMPLOYMENT
- BARNSTABLE TOWN, MA MSA -**

Employment Sector	All Employees in Thousands ⁽¹⁾																			
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Nonfarm Employment	97.1	98.7	100.3	101.4	101.0	101.2	101.2	100.6	97.3	97.0	96.9	98.9	100.7	102.4	104.0	105.7	106.6	108.9	107.1	92.5
Mining, Logging, & Construction	5.2	5.4	5.7	6.0	6.2	6.2	6.0	5.7	4.7	4.6	4.6	4.8	5.2	5.5	5.8	6.2	6.5	6.9	7.1	6.5
Manufacturing	4.1	3.7	3.4	3.3	3.3	3.3	3.2	3.2	3.0	2.9	2.9	3.0	3.0	3.2	3.3	3.3	3.4	3.3	3.4	3.2
Wholesale Trade	1.8	1.9	1.9	1.9	1.8	1.9	1.9	1.9	1.8	1.7	1.7	1.8	1.8	1.8	1.8	1.7	1.8	1.7	1.7	1.8
Retail Trade	17.6	18.0	18.2	18.5	18.0	17.9	17.7	17.5	16.5	16.4	16.5	16.9	16.9	16.9	17.1	17.2	17.2	17.1	17.0	14.6
Transportation and Utilities	2.7	2.7	2.7	2.7	2.7	2.6	2.7	2.7	2.6	2.5	2.6	2.6	2.4	2.5	2.7	2.7	2.8	2.8	2.7	2.6
Information	2.3	2.2	2.1	2.0	1.9	1.9	1.8	1.7	1.7	1.7	1.7	1.6	1.6	1.6	1.5	1.4	1.5	1.5	1.4	1.3
Financial Activities	4.7	4.7	4.7	4.6	4.5	4.4	4.1	4.1	3.9	3.7	3.6	3.6	3.7	3.7	3.8	3.8	3.8	3.9	3.9	3.8
Professional & Business Services	9.1	9.4	9.6	9.5	9.2	9.1	9.2	9.0	8.3	8.3	8.4	8.6	8.7	8.8	9.0	9.2	9.1	9.4	9.6	8.1
Education & Health Services	15.4	15.8	16.5	17.1	17.6	17.9	18.1	18.4	18.8	18.8	19.0	19.3	19.4	19.6	19.8	20.0	20.3	20.1	19.8	18.0
Leisure & Hospitality	16.3	16.8	17.0	17.1	16.7	16.6	17.0	17.1	16.9	17.1	17.0	17.6	18.2	18.6	18.8	19.5	19.8	19.7	19.8	13.8
Other Services	3.6	3.7	3.8	3.8	3.9	4.1	4.1	4.0	3.9	3.9	3.9	4.0	4.3	4.6	4.7	4.7	4.6	4.6	4.7	3.9
Government	14.4	14.5	14.7	14.9	15.2	15.4	15.4	15.4	15.3	15.4	15.0	15.2	15.6	15.9	16.0	15.9	15.8	15.9	15.9	15.0

⁽¹⁾ Totals may not add due to rounding.

Source: U.S. Department of Commerce, Bureau of Labor Statistics

TRENDS IN NONFARM EMPLOYMENT: 2000 - 2020
 -- UNITED STATES AND THE BARNSTABLE TOWN, MA MSA --

Year	United States			Barnstable Town, MA MSA			
	Annual Change			Annual Change			Percent of U.S.
	Total	Number	Percent	Total	Number	Percent	
2000	132,011,000	---	---	95,500	---	---	---
2001	132,073,000	62,000	0.05	97,100	1,600	1.7	2.58
2002	130,634,000	-1,377,000	-1.0	98,700	3,200	3.4	-0.23
2003	130,331,000	-303,000	-0.2	100,300	1,600	1.6	-0.53
2004	131,769,000	1,438,000	1.1	101,400	1,100	1.1	0.08
2005	134,034,000	2,265,000	1.7	101,000	-400	-0.4	NEG
2006	136,435,000	2,401,000	1.8	101,200	200	0.2	0.01
2007	137,981,000	1,546,000	1.1	101,200	0	0.0	0.00
2008	137,224,000	-757,000	-0.5	100,600	-600	-0.6	NEG
2009	131,296,000	-5,928,000	-4.3	97,300	-3,300	-3.3	NEG
2010	130,345,000	-951,000	-0.7	97,000	-300	-0.3	NEG
2011	131,914,000	1,569,000	1.2	96,900	-100	-0.1	NEG
2012	134,157,000	2,243,000	1.7	98,900	2,000	2.1	0.09
2013	136,364,000	2,207,000	1.6	100,700	1,800	1.8	0.08
2014	138,940,000	2,576,000	1.9	102,400	1,700	1.7	0.07
2015	141,825,000	2,885,000	2.1	104,000	1,600	1.6	0.06
2016	144,336,000	2,511,000	1.8	105,700	1,700	1.6	0.07
2017	146,608,000	2,272,000	1.6	106,600	900	0.9	0.04
2018	148,908,000	2,300,000	1.6	106,900	300	0.3	0.01
2019	150,939,000	2,031,000	1.4	107,100	200	0.2	0.01
2020	142,218,000	-8,721,000	-5.8	92,500	-14,600	-13.6	NEG
Annual Average Change							
2000 - 2019	---	996,211	0.7	---	611	0.6	0.20
2000 - 2010	---	-166,600	NEG	---	150	0.1	0.20
2010 - 2015	---	2,296,000	1.7	---	1,400	1.7	1.40
2015 - 2019	---	2,278,500	1.6	---	775	0.3	0.80

Source: U.S. Department of Commerce, Bureau of Labor Statistics

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POPULATION, HOUSEHOLDS, TENURE, AND INCOME: 2020
-- BARNSTABLE COUNTY MARKET AREA --

Attribute/Year	Barnstable County Market Area	Town of Harwich	Attribute/Year	Barnstable County Market Area	Town of Harwich
Population			Households		
2000	222,232	12,372	2000	94,816	5,463
2010	215,888	12,243	2010	95,755	5,623
2020	213,090	12,277	2020	96,397	5,795
2025	214,400	12,731	2025	97,604	6,060
Average Annual Change			Average Annual Change		
2000 - 2010	-634	-13	2000 - 2010	94	16
2010 - 2020	-280	3	2010 - 2020	64	17
2020 - 2025	262	91	2020 - 2025	241	53
2020 Household Tenure			2020 Household Income		
Total Housing Units	162,038	10,465	Total Households	96,397	5,795
Total Occupied	96,397	5,795	Under \$25,000	13,054	828
Owner Occupied	74,663	4,655	25,000 - 34,999	7,417	459
Percent	77.5	80.3	35,000 - 49,999	9,711	491
Renter Occupied	21,734	1,140	50,000 - 74,999	15,973	826
Percent	22.5	19.7	75,000 - 99,999	13,020	877
Vacant	65,641	4,670	100,000 and Over	37,222	2,314
Percent	40.5	44.6	Median	\$78,583	\$83,287
2020 Household Size			2020 Housing Units by Year Built		
Total Population	213,090	12,277	Total Housing Units	162,038	10,465
In Group Quarters	4,190	176	Built in 2014 or Later	3,508	251
In Households	208,900	12,101	Built 2010 to 2013	1,390	94
Total Households	96,397	5,795	Built 2000 to 2009	13,115	921
Average Persons Per Household	2.17	2.09	Built 1990 to 1999	16,294	1,069
			Built 1960 to 1989	85,083	5,036
			Built 1959 or Earlier	42,648	3,094
			Median Year Structure Built	1976	1975

Source: U.S. Department of Commerce, Bureau of the Census: *Census 2000, 2010*; Environics Analytics; and Tracy Cross & Associates, Inc.

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HOUSEHOLD INCOME BY AGE OF HOUSEHOLDER: 2020 ESTIMATE
-- BARNSTABLE COUNTY MARKET AREA --

Age of Householder	2020 Income												Total	Median
	Under \$25,000		\$25,000 - 34,999		\$35,000 - 49,999		\$50,000 - 74,999		\$75,000 - 99,999		\$100,000 and Over			
	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households	Number of Households	Percent of Total Households		
Barnstable County Market Area														
15 - 24 Years	347	0.36	162	0.17	135	0.14	204	0.21	412	0.43	104	0.11	1,364	\$55,065
25 - 34 Years	857	0.89	629	0.65	818	0.85	1,443	1.50	1,073	1.11	2,674	2.77	7,494	75,000
35 - 44 Years	896	0.93	538	0.56	807	0.84	1,390	1.44	1,289	1.34	4,608	4.78	9,528	96,896
45 - 54 Years	951	0.99	827	0.86	932	0.97	1,989	2.06	1,598	1.66	7,120	7.39	13,417	105,942
55 - 64 Years	2,383	2.47	1,516	1.57	1,776	1.84	3,386	3.51	2,610	2.71	10,430	10.82	22,101	93,784
65 - 74 Years	3,002	3.11	1,592	1.65	2,601	2.70	4,221	4.38	3,853	4.00	8,484	8.80	23,753	77,780
75 - 84 Years	2,692	2.79	1,396	1.45	1,791	1.86	2,366	2.45	1,555	1.61	2,981	3.09	12,781	54,764
85 Years & Over	1,926	2.00	757	0.79	851	0.88	974	1.01	630	0.65	821	0.85	5,959	39,688
Total	13,054	13.64	7,417	7.69	9,711	10.07	15,973	16.57	13,020	13.51	37,222	38.61	96,397	\$78,583
Town of Harwich														
15 - 24 Years	6	0.10	3	0.05	4	0.07	3	0.05	51	0.88	14	0.24	81	\$87,360
25 - 34 Years	73	1.26	19	0.33	19	0.33	47	0.81	114	1.97	146	2.52	418	86,463
35 - 44 Years	54	0.93	8	0.14	20	0.35	43	0.74	108	1.86	237	4.09	470	100,583
45 - 54 Years	34	0.59	66	1.14	56	0.97	88	1.52	101	1.74	420	7.25	765	107,161
55 - 64 Years	112	1.93	124	2.14	100	1.73	149	2.57	158	2.73	572	9.87	1,215	94,558
65 - 74 Years	206	3.55	100	1.73	145	2.50	272	4.69	221	3.81	634	10.94	1,578	81,958
75 - 84 Years	198	3.42	85	1.47	100	1.73	159	2.74	87	1.50	232	4.00	861	56,951
85 Years & Over	145	2.50	54	0.93	47	0.81	65	1.12	37	0.64	59	1.02	407	36,119
Total	828	14.29	459	7.92	491	8.47	826	14.26	877	15.13	2,314	39.93	5,795	\$83,287

Source: EnviroNics Analytics and Tracy Cross & Associates, Inc.

**INCOME-QUALIFYING METHODOLOGY
-- SISSON ROAD 40B APARTMENTS --**

Proposed Unit Types	Maximum Income @ 80.0% AMI
One Bedroom Maximum Income Limit for a Two-Person Household MassHousing Maximum Gross Rent (including utility allowance) Proposed Maximum Monthly Gross Rent ⁽¹⁾ Gross Annual Rent Minimum Required Income @ 30.0 Percent Affordability Threshold	 \$61,850 \$1,450 \$1,450 \$17,400 \$58,000
Two Bedroom Maximum Income Limit for a Three-Person Household MassHousing Maximum Gross Rent (including utility allowance) Proposed Maximum Monthly Gross Rent Gross Annual Rent Minimum Required Income @ 30.0 Percent Affordability Threshold	 \$69,600 \$1,740 \$1,740 \$20,880 \$69,600
Three Bedroom Maximum Income Limit for a Five-Person Household MassHousing Maximum Gross Rent (including utility allowance) Proposed Maximum Monthly Gross Rent ⁽¹⁾ Gross Annual Rent Minimum Required Income @ 30.0 Percent Affordability Threshold	 \$83,500 \$2,010 \$2,010 \$24,120 \$80,400

Source: Massachusetts 2020 Schedule of *Maximum Annual Income Limits* and *Maximum Gross Rents* effective April 1, 2020.








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RESIDENTIAL BUILDING PERMIT TRENDS: BARNSTABLE COUNTY MARKET AREA
2000 - 2019

Year	Barnstable County Market Area			Town of Harwich					
	Total	Single Family	Multi-Family	Total	Percent of Market Area	Single Family	Percent of Market Area	Multi-Family	Percent of Market Area
2000	1,882	1,782	100	118	6.3	118	6.6	0	0.0
2001	1,619	1,500	119	170	10.5	105	7.0	65	54.6
2002	1,393	1,325	68	98	7.0	98	7.4	0	0.0
2003	1,228	1,095	133	66	5.4	66	6.0	0	0.0
2004	1,475	1,265	210	85	5.8	81	6.4	4	1.9
2005	1,360	1,152	208	55	4.0	55	4.8	0	0.0
2006	886	788	98	54	6.1	52	6.6	2	2.0
2007	818	679	139	42	5.1	42	6.2	0	0.0
2008	559	447	112	28	5.0	28	6.3	0	0.0
2009	377	337	40	52	13.8	50	14.8	2	5.0
2010	418	381	37	37	8.9	37	9.7	0	0.0
2011	404	342	62	45	11.1	37	10.8	8	0.0
2012	592	410	182	40	6.8	40	9.8	0	0.0
2013	596	425	171	36	6.0	36	8.5	0	0.0
2014	640	530	110	43	6.7	43	8.1	0	0.0
2015	572	550	22	43	7.5	43	7.8	0	0.0
2016	505	495	10	52	10.3	52	10.5	0	0.0
2017	871	489	382	55	6.3	55	11.2	0	0.0
2018	1,005	518	487	42	4.2	40	7.7	2	0.4
2019	513	427	86	24	4.7	24	5.6	0	0.0
Annual Average									
2000 - 2019	886	747	139	59	6.7	55	7.4	4	3.0

Sources: U.S. Department of Commerce, Bureau of the Census, *C-40 Construction Reports* and Tracy Cross & Associates, Inc.

DEVELOPMENT PROFILE SUMMARY: REPRESENTATIVE NEWER MARKET RATE APARTMENTS
-- HARWICH CMA - FEBRUARY 2021 --

Attribute							
Project Name	CARRIAGE HOUSE BARNSTABLE	319 MAIN HYANNIS	VILLAGE GREEN-WKFC HYANNIS	HARBORWALK-PLYM STA PLYMOUTH	POINTE 1620 PLYMOUTH	COPPER COVE VILLAGE PLYMOUTH	35 ROSEBROOK WAREHAM
Location	BARNSTABLE	HYANNIS	HYANNIS	PLYMOUTH	PLYMOUTH	PLYMOUTH	WAREHAM
Year Built	2018	(1938) 2021	2015	2019	2018	2017	2018
Units	29	22	120	124	51	38	65
Project Type/Number of Floors	MIDRISE / 3 FLOORS	ADPT CONV / 2 FLOORS	MIDRISE / 3 FLOORS	MIDRISE / 4 FLOORS	MIDRISE / 4 FLOORS	GARDEN / 2 FLOORS	MIDRISE / 4 FLOORS
Average Unit Size	1,052	964	940	902	1,104	926	1,093
Average Posted Base Rent	\$1,895	\$2,152	\$1,140	\$2,419	\$2,531	\$2,411	\$2,115
Average Rent/Sq. Ft.	\$1.80	\$2.16	\$1.21	\$2.68	\$2.29	\$2.60	\$1.94
PARKING / UTILITIES / INCREMENTAL FEES							
Parking⁽¹⁾							
Structured Assigned/General	NA / NA	NA / NA	NA / NA	NA / \$150	\$125 / NA	\$100 / NA	NA / NA
Shared Car/Charging Station	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA
Attached/Detached Garage	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA
Carport/Surface Assigned	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA
Utilities⁽¹⁾⁽²⁾							
Water/Refuse Collection	TENANT	TENANT	INCL	TENANT	TENANT	INCL	INCL
Gas	TENANT	TENANT	INCL	TENANT	TENANT	TENANT	TENANT
Electric	TENANT	TENANT	TENANT	TENANT	TENANT	TENANT	TENANT
Cable/Internet	TENANT	TENANT	TENANT	TENANT	TENANT	TENANT	TENANT
Premiums⁽¹⁾							
Floor	NA	NA	NA	VARIES	\$50	NA	\$55 - \$100
View	NA	NA	NA	VARIES	NA	NA	NA
Other Fees⁽¹⁾							
Administrative/Application	NA / NA	NA / NA	NA / \$20	NA / NA	NA / \$22	NA / NA	NA / NA
Security Deposit	ONE MONTH	\$5,700 - \$8,100	ONE MONTH	\$500 - ONE MONTH	ONE MONTH	ONE MONTH	ONE MONTH
Pet Deposit/Pet Rent	NA / \$50	TBD / TBD	NA / \$25-\$35	NA / \$50-\$100	NA / \$40-\$80	\$25-\$45 / \$5	NA / \$50
Storage: Central/Bike	NA / INCL	INCL / NA	NA / NA	\$75-\$135 / NA	INCL / NA	NA / NA	NA / INCL
STANDARD FEATURES AND COMMUNITY AMENITIES							
Interior Features⁽¹⁾							
Flooring: Common/Bedroom	CRPT / CRPT	FX WOOD / CRPT	FX WOOD / FX WOOD	FX WOOD / CRPT	FX WOOD / CRPT	FX WOOD / FX WOOD	FX WOOD / CRPT
Kitchen Appliances/Washer-Dryer	SS / UNIT	SS / UNIT	BLACK / UNIT	SS / UNIT	SS / UNIT	SS / UNIT	SS / UNIT
Kitchen Counters/Flooring	HSUR / FX WOOD	GRANITE / FX WOOD	LAMINATE / FX WOOD	QUARTZ / FX WOOD	QUARTZ / FX WOOD	GRANITE / FX WOOD	GRANITE / FX WOOD
Bath Counter/Flooring	CULT MRBL / CERAMIC	GRANITE / FX WOOD	CULT MRBL / CERAMIC	QUARTZ / FX WOOD	QUARTZ / CERAMIC	CULT MRBL / FX WOOD	GRANITE / CERAMIC
Patio/Balcony	INCL	NA	NA	NA	INCL	INCL	NA
Community/Building Amenities⁽¹⁾							
Clubroom/Kitchen	NA / NA	NA	INCL / SERVICE	INCL / SERVICE	INCL / SERVICE	NA / NA	INCL / SERVICE
Fitness Center/Wi-Fi/E-Lounge	INCL / NA / NA	INCL / NA / NA	INCL / INCL / NA	INCL / INCL / NA	INCL / INCL / NA	NA / NA / NA	NA / INCL / NA
Media Room/Business Center	NA / NA	NA / NA	NA / NA	NA / INCL / INCL	NA / NA	NA / NA	NA / NA
Dormer/Concierge	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA	NA / NA
Playground/Sport Court/Game Room	NA / NA / NA	NA / NA / NA	INCL / NA / NA	NA / INCL / NA	NA / INCL / NA	NA / NA / NA	NA / NA / NA
Garden or Roof Terrace	NA	NA	NA / NA	INCL	INCL	NA	INCL
Fireside Lounge/Grill Area	NA / NA	NA / NA	NA / NA	INCL / INCL	INCL / INCL	NA / NA	INCL / NA
Swimming Pool	NA	NA	NA	OUTDOOR	NA	NA	NA
Pet Park/Grooming Station	NA / NA	NA / NA	NA / NA	NA / INCL	NA / NA	NA / NA	NA / NA

⁽¹⁾ Indicates incremental monthly fee as applicable.

⁽²⁾ Assumes tenant responsible for all utilities as standard unless otherwise indicated.

Source: Tracy Cross & Associates, Inc.

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RENTAL APARTMENT PROJECTS IN PLANNING⁽¹⁾
-- BARNSTABLE COUNTY, MA --

Municipality/ Proposed Development	Location	Builder/Developer	Current Status ^(2,3)	Anticipated Leasing	Number of Units
Bourne					
Jasper's Landing	829 Scenic Highway	Silvia & Sivia Associates, Inc.	CS	2024	12
Bay Motor Inn Conv (Mixed-Income)	223 Main Street	Donald J. Bracken	CS	---	72
TBD (Mixed-Use)	2 Kendall Rae Place	CMP Development	PP	---	217
The Tides at Bourne-AA (Mixed-Incm)	25 Perry Avenue	Calamar	UC	2022	120
Eastham					
TBD (Mixed-Use)	4615-55 State Highway	Cedar Banks Landings LLC	CS	---	20
Harwich					
The Royal Apartments	328 Bank Street	Newman Properties	CS	---	26
Stone Horse Dormitory Conversion	866 Route 26	Main Street Stone Horse LLC	CS	---	22
Hyannis					
TBD (Twin Brooks Golf Course)	35 Scudder Avenue	Lennar Multifamily Communities	CS	---	312
TBD (fmr Cape Cod Healthcare)	Wilkens and Attucks lanes	New England Development	CS	---	270
TBD (Mixed-Income)	850 Falmouth Road	Standford Holdings LLC	CS	---	53
TBD (Workforce)	720 Main Street	720 Main Residences LLC	CS	---	40
Sea Captains Row	24 Pleasant Street	CapeBuilt Development	UC	Summer 2021	46
Mashpee					
TBD (40B)	950 Falmouth Road	Preservation of Aff. Hsg.	CS	---	39
Orleans					
Orleans Cape Cod Five (Workforce)	19 West Road	Pennrose LLC	PP	---	62
				Total⁽⁴⁾	1,311
⁽¹⁾ Excludes age and/or income-restricted, service-enhanced, and congregate care senior developments. ⁽²⁾ As of April 2021. ⁽³⁾ Status key: Concept Stage (CS); Preliminary Plat Approval (PP); Final Plat Approval (FP); Site Improvements started (INF); Permits issued/under construction (UC). ⁽⁴⁾ Excludes developments with unit counts and product idioms yet to be determined.					

Source: Tracy Cross & Associates, Inc.

GENERAL LIMITING CONDITIONS

Tracy Cross & Associates, Inc. has made extensive efforts to confirm the accuracy and timeliness of the information contained in this study. Such information was compiled from a variety of sources, including interviews with developers and their agents, government officials, and other third parties. Although Tracy Cross & Associates, Inc. believes all information in this study is correct, it does not warrant the accuracy of such information and assumes no responsibility for inaccuracies in the information provided by third parties.

Conclusions and recommendations established in this analysis represent a professional opinion and are based upon forecasts into the future which could be significantly altered by outside occurrences. These include, among others, the possible interplay of unforeseen social, economic, physical/environmental, and governmental actions. In this regard, Tracy Cross & Associates, Inc., its owners, and its employees shall be held harmless of changes in conditions that may materially result from these occurrences.



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Myer R. Singer (1938-2020)

August 19, 2021

Via Email

Harwich Board of Selectmen
732 Main Street
Harwich, MA 02645

Re: Chloe's Path Apartments, Harwich

Dear Members of the Board:

We appreciate your ongoing review of the Applicant and owners' request for the Town to consider being part of a future LIP application to the Commonwealth of Massachusetts to develop the above rental community. We are currently scheduled to re-appear before you on August 23, 2021, after our first session on July 26, 2021.

I understand that the Board had a discussion on affordable housing generally and the proposal specifically at your meeting on August 9, 2021. I further understand that additional concerns and questions were raised in addition to those discussed on July 26th. In order to provide the project proponent sufficient time to continue addressing several of the issues raised so that your ultimate deliberation and vote can be as complete as possible, I am writing to respectfully request that the August 23rd meeting be continued to your first meeting in October, 2021.

As I have written and testified to previously, we are at the beginning of a long review process, and we appreciate the opportunity to continue sharing and discussing the preliminary plans with you.

Thank you.

Very truly yours,
Andrew L. Singer
Andrew L. Singer

ALS/a

STATEMENT OF CONFIDENTIALITY

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IF YOU HAVE ANY QUESTIONS OR PROBLEMS WITH RECEPTION, PLEASE CALL (508) 398-2221.

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Harwich Board of Selectmen

Proposed Chloe's Path Affordable, Mixed-Income Housing Development

Presentation Handout (July 26, 2021)

Introduction

1. Proposed Affordable, Mixed-Income Housing Development (Chloe's Path Apartments)
 - Number of buildings (2), apartments (96 total with mix of 1-, 2-, and 3-bedrooms), and parking (open, at-grade and covered, underneath buildings)
2. Urgent Need for Rental Housing in Harwich
 - The lack of rentals is a crisis – Harwich Housing Production Plan, Harwich Local Comprehensive Plan, Harwich Affordable Housing Trust, Market Study
 - Provide year-round opportunities for young people to stay on Cape or return home – teachers, nurses, firefighters, police officers, landscapers, restaurant and hotel staffs, service industry workers, professional office staffs
3. Local Initiative Program (Friendly-40B) Process and Benefits
 - Board of Selectmen have the opportunity to provide more local input and control than with traditional 40B subsidy program
 - Board of Selectmen endorses initial concept of affordable, mixed-income housing on the land and signs draft LIP Application so that it can be submitted to the Commonwealth to begin the formal review process
 - Board of Selectmen does not approve the plans, design, scope, and project. If DHCD issues a Project Eligibility Letter, the Applicant can thereafter file with Harwich Board of Appeals to review the proposal through a public hearing process and seek a Comprehensive Permit
4. Pre-filing, Preliminary Town and Community Outreach
 - Introductory meetings with Town administration and Board of Selectmen (May and June, 2021), Informal meeting with Town Department Heads (June, 2021), Community meeting with interested neighbors (July, 2021), News coverage in Cape Cod Times and Cape Cod Chronicle), Draft LIP application posted on Town website home page

5. Subsidized Housing Inventory
 - This proposal will increase Harwich's percentage from 5.4% to 7.0% (toward Commonwealth's 10% goal)
6. Introduction of Developer Partner
 - Heritage Properties and local history of the Bush Family
7. Issues to address through public hearing process with Harwich Board of Appeals if LIP moves forward to preparation of studies and formal review (preliminary list at this time)
 - Traffic, wastewater, stormwater, landscaping, screening, lighting, architectural design, amendment of MESA Restriction, parking, bus stop, crosswalk

Discussion

1. Proposed Affordable, Mixed-Income Housing Development (Chloe's Path Apartments)

The Chloe's Path land now consists of 9.29 acres located on Sisson Road adjacent to the Harwich Police and Fire Departments and across the street from the Harwich Cultural Center (see submitted aerial). It is located on a major road with a sidewalk and is walkable to Harwich Village Center (shopping, food, stores, Town Hall, Brooks Academy, and Brooks Free Library) in one direction and down to additional shopping, restaurants, and attractions towards Route 28 in the other direction (albeit a longer walk). The 3.91 acres of wetlands delineated on the aerial photograph have previously been deeded to the Town of Harwich for open space protection.

The proposal is to build a new community of two, three-story buildings containing 48 rental apartments each (for a total of 96 units). There will be 58 one-bedroom, 28 two-bedroom, and 10 three-bedroom apartments, with a total of 144 bedrooms. Twenty-four (24) of the apartments will be deed-restricted for tenants earning no more than 80% of the Area Median Income. The remaining seventy-two (72) apartments will be market rate. Both are in high demand in the community. This property will be a rental community, not condominiums for sale.

There will be a total of 165 parking spaces both at-grade and beneath the buildings. All buildings and parking will be located more than 100 ft. from wetlands. No work is proposed within the 0-50 ft. wetland buffer.

An advanced, amphidrome wastewater treatment facility to be permitted with a DEP Groundwater Discharge Permit is proposed at this time, and the ultimate septic system will be designed to connect to a future Town sewer system along Sisson Road. The proposed, onsite wastewater treatment facility will provide tertiary nitrogen removal and treatment in the time before sewerage is available.

The Chloe's Path housing community will be sited to utilize the existing topography and enhance screening from all directions. The proposed buildings will be set back at the lower end of the property furthest from Sisson Road and will be fully sprinkled. Exterior lighting will comply with the Harwich lighting regulations.

A bus stop on the property and a crosswalk leading to the existing sidewalk on the other side of Sisson Road are proposed. A dedicated fire lane and pedestrian path are proposed circling the building for public safety access and resident enjoyment, respectively. The below-building parking will be connected underground for through traffic flow to eliminate dead-ends.

2. Urgent Need for Rental Housing in Harwich (and on Cape Cod)

We all know that there is a crisis on Cape Cod. Housing stock is priced out of reach for most and the inventory of year-round rentals is incredibly underprovided. News stories about the lack of affordable housing on Cape Cod appear weekly in the local newspapers, the Boston Globe, Banker & Tradesman, and on television.

- Governor Baker was in Falmouth for a roundtable just last week to discuss affordable housing. He noted that “almost every survey, every study I’ve seen for the last five or six years, says the single thing that makes Massachusetts an expensive place to live more than anything else is the cost of housing.”
- At the same roundtable, the head of the Housing Assistance Corporation stated that “there are literally no rentals; we have less than a 1 percent vacancy of rentals on the Cape year-round.”

Chloe’s Path Apartments are designed to address this dire need. These rental apartments will provide year-round living opportunities in Harwich for young people who grew up here to stay on Cape or to return home if they have been forced to leave – teachers, nurses, firefighters, police officers, landscapers, restaurant and hotel staffs, service industry workers, professional office staffs, and others will benefit.

Affordable housing cannot be built without economies of scale. The market rate units effectively subsidize the deed-restricted units. This is what makes affordable housing work. The Town of Harwich has been working diligently to improve its affordable housing stock over the past several years. The Town has adopted a Housing Production Plan, has established an Affordable Housing Trust, and is implementing a Local Comprehensive Plan, each of which stress the need to build more affordable housing:

- https://www.harwich-ma.gov/sites/g/files/vyhlf3236/f/file/file/harwich_housing_production_plan_final.pdf
- <https://www.harwich-ma.gov/harwich-affordable-housing-trust>
- <https://www.harwich-ma.gov/sites/g/files/vyhlf3236/f/file/file/finalplan04262011summary.pdf>
- <http://www.housing.ma/harwich/report>

In addition, the Board of Selectmen has just this year not only earmarked money for affordable housing (<https://www.capecod.com/newscenter/harwich-moves-funding-to-affordable-housing/>), but the Town recently purchased a piece of property with the intent of building affordable housing (<https://capecodchronicle.com/en/5627/harwich/7471/Affordable-Housing-Trust-Purchases-13-acre-Marceline-Property-Housing-and-homelessness.htm>).

The most recent update of the Harwich Production Plan calls for eighty percent (80%) of the new affordable housing to be rental based, and the Chloe’s Path Apartments will account for a significant percentage of this needed and desired housing.

3. Local Initiative Program (Friendly-40B) Process and Benefits

There are different types of 40B proposals, but all have one thing in common. There has to be a Project Eligibility Letter from the Commonwealth authorizing the proponent to file an application with the local Board of Appeals. In the more typical process, an applicant files directly with the Commonwealth, and often the Department of Housing and Community Development or the MassHousing Partnership serves as the subsidizing agent. In these cases, the Board of Selectman has no official role in the 40B process. The Applicant often meets with the Board and other local committees for advisory discussions.

With a Local Initiative Program 40B filing (<https://www.mass.gov/service-details/local-initiative-program>), the process is quite different. The LIP was created in 1990. Under LIP, the local Board of Selectmen plays an official role. These types of projects are typically referred to as “Friendly 40B’s” because there is more input and involvement with the Town.

The proponents of Chloe’s Path Apartments would like to pursue the development as a LIP. Thus, they have submitted a draft LIP Application for review by the Board. Ultimately, in order for a LIP to proceed to formal public hearing review, the Board of Selectmen must not only issue a letter endorsing the concept of affordable housing on the land, but also physically sign the application. Only then can the Applicant submit the application to the Commonwealth.

Under LIP (as with other types of 40B’s), the Board of Selectmen does not approve the plans, design, scope, and project. That remains the review of the Board of Appeals. However, there is no project under LIP for the Board of Appeals to approve and no formal application to be reviewed at a public hearing, if the Board of Selectmen does not initially choose to support the project.

4. Pre-filing, Preliminary Town and Community Outreach

At the encouragement of the Town Administration, the Applicant has conducted the following preliminary, pre-filing outreach to the Town and Community. If the project is able to move forward as a LIP, there will be continued outreach. The Applicant attended an introductory meeting with the Board of Selectmen (May, 2021); an informal meeting with Town Department Heads, including public safety, DPW, engineering, and others (June, 2021), and invited neighbors and other interested parties to a community meeting (July, 2021). News coverage has been provided in the *Cape Cod Times* and *Cape Cod Chronicle*. It is our understanding that there are no fewer than three Facebook Groups that have been discussing the proposal. Finally, a copy of the draft LIP application is posted on the Town website home page.

5. Subsidized Housing Inventory

The Commonwealth of Massachusetts has established a goal for all communities to provide at least ten percent (10%) of its year-round housing stock as affordable. As of December 21, 2020, the official percentage for the Town of Harwich is 5.4% (333 units). Chloe’s Path Apartments will increase the Town’s inventory substantially to 7.0% and should provide “safe harbor” protection to the Town in connection with other potential Chapter 40B proposals elsewhere for two years.

In accordance with State law, twenty-five percent (25%) of the apartments will be deed-restricted to tenants earning no more than 80% of the Area Median Income. The maximum local eligibility allowed by the Commonwealth will be proposed. As a rental community, all 96 units will count towards Harwich’s SHI.

The development will not by itself solve the problem, but it will go a long way towards making a significant improvement for the community and the residents of the property.

6. Introduction of Developer Partner

The owners of the property have partnered with a strong developer who has decades of experience in the rental housing industry. Heritage Properties and its affiliates (<https://www.bushwatson.com/>) own and/or manage more than 2,600 rental housing apartments. Of these, ninety-six percent (96%) are located in New England -- 850 in Massachusetts, 1,450 in Maine, 100 in New Hampshire, and 100 in Rhode Island. And additional 150 are located in North Carolina.

While this will be the developer's first project on Cape Cod and although being a local company is not a legal requirement to build affordable housing on Cape, the Bush family has a long history of involvement on Cape Cod. Brian Bush's great-grandfather bought a house in Harwich in 1926. That house remained in the family until about twenty years ago. Many of the family members still have homes on Cape Cod. Mr. Bush and his wife have previously lived year-round on Cape for many years. In fact, during the summer of 1985, he was an employee of the Town of Harwich as the Marina Manager at Saquatucket Harbor. His son, Jeff, was born at Cape Cod Hospital and worked at the Latham Centers in Brewster for two years after college.

7. Issues to address through public hearing process with Harwich Board of Appeals if LIP moves forward to preparation of studies and formal review

One of the benefits of outreach by an applicant and a LIP by the Town is that there is more opportunity for listening and sharing of comments and questions. In fact, in endorsing the concept of affordable housing on the land, the Board of Selectmen would not only be authorizing formal review of the proposal through a public hearing process, but the Board can also flag issues that it would like addressed during such public hearing review.

In this case, we have already identified traffic as an area of focus as indicated by the neighbors and Town and have engaged VHB Transportation to conduct a traffic review if the project proceeds under the LIP. In addition, the Applicant team will be focusing additional efforts on wastewater, stormwater, landscaping, screening, lighting, architectural design, bus stop, and crosswalk. In addition, there is an open-space restriction with the Massachusetts Endangered Species Program that will need to be independently amended in order for the proposal to proceed if approved by the Board of Appeals. Preliminary talks with the MA Natural Heritage and Endangered Species Program indicate that an amendment is potentially possible through a subsequent review process.

Conclusion

The legal standard reviewed by the Board of Appeals under Chapter 40B is whether a proposal is consistent with local needs and economic as ultimately conditioned. This usually requires a balancing between competing issue areas. Affordable housing engenders passions on both sides. It will never be possible to satisfy every constituency. That is why the review of 40B proposals involves such a balancing test.

In this case, the proponents of the Chloe's Path Apartments respectfully submit that this is a great site for affordable housing, that it is well centered near the Village Center and public safety and Town buildings, that it is well screened from view, and that it is well positioned for future sewer connection.

We are asking the Board of Selectmen to support the Local Initiative Program for Chloe's Path Apartments, to issue a written endorsement of the concept of affordable housing on this land and to sign the LIP Application. In this way, the project can proceed to formal review during a public hearing process with the Board of Appeals, studies can be completed, plans and design debated, questions raised and answered, and hopefully ultimately approved with agreed-upon conditions.

Thank you.

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Myer R. Singer (1938-2020)

November 9, 2021

Via Email

Harwich Select Board
732 Main Street
Harwich, MA 02645

Re: Chloe's Path, Harwich

Dear Members of the Board:

In connection with the proposed Local Initiative Program (LIP) Affordable Housing Community at the above property, I am writing in advance of our next meeting with the Board on November 15, 2021, with responses to comments discussed by the Board at its meeting on November 1, 2021.

The Applicant appreciates the Board's continued due diligence in reviewing this proposal over several meetings. As has the Board, the Applicant has attempted to be transparent in all of its dealings with the Town and the community. This has included several meetings with Town Staff and the Select Board as well as an open meeting held with members of the community and follow-up meetings and conversations with several individual neighbors. Whether this proposal continues as a LIP or not, the Applicant will remain available to speak with interested community members throughout the Board of Appeals Comprehensive Permit process.

As with any negotiated agreement, if one is reached, neither side will be able to achieve all of its initial desires. Compromise is the nature of such an Agreement. At the same time, the nature of M.G.L. Chapter 40B is that zoning laws in the Commonwealth of Massachusetts have historically constricted and prohibited the ability to construct needed affordable housing. As such, density is the principal driver for successfully increasing affordable housing stock in our communities. This is so because it is the market rate units in a development that subsidize the construction and operation of the deed-restricted units. Projects proposed by nonprofit organizations and public agencies can often provide increased affordability and more flexibility on size because the proponents have the ability to access grants and low-interest loans, which are subsidized by State and Federal Governments. By way of contrast, private parties proposing affordable housing through M.G.L. Chapter 40B must be able to commercially finance a project and make it economically feasible on their own. The economics of such proposals are fundamentally different.

As for the permitting order of such a development itself, we respectfully ask the Board members to recognize that a project has to start somewhere. This is inherent in the development process, and there is nothing nefarious about it. The requirements of each regulatory agency that has jurisdiction must be complied or a project does not get built. This means that if every regulator approves a project save one, the project does not get built. The approval of any one regulatory agency does not bind or prejudice any other body.

The following issue areas will be discussed herein in greater detail, per the concerns outlined by the Select Board members at their meeting of November 1, 2021:

1. Density, Affordability, Rents, and Local Preference;
2. Building Height;
3. Screening, Sidewalks, and Lighting;
4. Occupancy and Buildings;
5. Wastewater and DEP;
6. Wetland Protection, MESA, and Open Space; and
7. Traffic Study.

1. Density, Affordability, Rents, and Local Preference

While we recognize the desires of several to significantly reduce the scope of the proposal, the proposed ninety-six (96) units are needed in order to make this affordable housing development economically feasible. However, in addition to the twenty-four (24) deed-restricted 80% AMI units, **the Applicant is able and willing to commit to further restrict an additional eight (8) units as so-called workforce housing limited to households earning no more than 120% of AMI.** This will result in a new total of thirty-two (32), or one-third (33%), of the new housing units, being deed restricted as part of this proposal. This compromise to provide restricted affordability in excess of that required by M.G.L. Chapter 40B is in response to concerns raised while still enabling the project to remain viable.

As previously testified, there is also a strong demand for market rate rentals on Cape Cod generally and Harwich specifically. The proposed combination of 80% AMI units, 120% AMI units, and market rate units will help meet all of these demands. This development will benefit Harwich and Lower Cape residents.

The Applicant agrees to a condition that the development will remain rental housing and will not be converted to condominium form of ownership for individual unit sales.

The Applicant agrees to a condition that there will be a maximum 70% local preference for Harwich residents at the time of initial lease-up as allowed by State law.

There were several critical comments about the proposal being too luxury for Harwich. The provision of underground parking, on-site amenities, and a leasing office should be welcome for the quality of housing it will provide for all residents. This is not a short-term rental facility. By law, the deed-restricted units are limited to year-round housing. **The Applicant agrees to a condition that the remaining units will be limited to ten-to-twelve-month leases and further that there shall be no short-term, furnished rentals that would be similar in nature to Vacation Rentals By Owner (VRBO) or AirBNB rentals.**

The Commonwealth of Massachusetts is designated as the reviewer and approver of appraisals and the pro forma for Comprehensive Permit proposals. This is not within the jurisdiction of the Town. Notwithstanding this, the Applicant voluntarily shared its private market feasibility analysis with the Board and public. Market rents are market rents. No one knows what they will be in two-three years when this development will be operational. They might be higher. They might be lower. But in any event, they will be what the market will bear. This is axiomatic. Attached hereto is a Memorandum from Brian Bush further discussing rental philosophy.

From the very beginning, the Applicant decided to propose this development because they feel it responds to an urgent need. No one gets wealthy building affordable housing. Not only are profits capped by the Commonwealth of Massachusetts, but even approaching such maximum cap would be welcome news to most affordable housing developers. This development is an investment in the

future of Harwich and Cape Cod. It is compliant with the laws surrounding such developments and will be a win-win for all.

2. Building Height

The height of the buildings (three residential stories on top of the parking level and 42 ft. 10 in. at the main entrance/53 ft. 10 in. at the rear walkout) is compatible and comparable with the immediate neighborhood not only because the buildings will be set at a lower topography, surrounded by woods, and almost 100% screened from public ways as demonstrated by the perspective renderings, but also because they will be similar in height and massing with the adjacent Fire and Police Station complex (40 ft. and 39.3 ft., respectively, at their main entrances and taller at the rear walkouts) as well as the Elementary School (44 ft.) and Cultural Center (45.1 ft.) located directly across the street. In addition, by way of further reference in Harwich, if the property was located in the RH-3 Zoning District, which allows up to four stories and fifty feet of height, building height as calculated in the Harwich Zoning By-Law would be conforming. In this instance, a waiver for building height is warranted to be granted by the Board of Appeals as part of the Comprehensive Permit review.

3. Screening, Sidewalks, and Lighting

The Applicant is willing to construct a fence and/or plantings along the rear boundaries of the five abutting house lots on Sisson Road, if the owners so desire.

The Applicant is willing to make a reasonable contribution to the Harwich Sidewalk Fund. However, it is not reasonable for one applicant to reconstruct an ADA-compliant sidewalk along the entire, approximately 1.3-mile distance from Route 28 to Main Street in Harwich Center.

The Applicant will comply with all lighting requirements of the Town of Harwich, including shielded, down-lit, dark-sky-compliant fixtures with no light glare off site.

4. Occupancy and Buildings

The proposal is for a total of 144 bedrooms. Per MA regulations, this could result in a maximum occupancy on site of 288 people. This number, however, is never likely to be met, in part because most of the fifty-eight (58) one-bedroom units will likely have one person, not two, most of the time.

There has been a revolution in electric heat. It is no longer the money-sink that it used to be. In fact, many housing developments are now proposing electric heat because it is cost efficient and more environmentally friendly. Electric heat-pump technology is some of the most efficient heating available in single family homes and apartments. All energy types (coal, gas, oil, hydro, solar, wind) can be converted by power suppliers to electricity. Heating systems that rely on gas (propane or natural gas) and oil are fossil fuels that can only heat with those fuels which limit flexibility in energy sources and pollute more than clean energy technologies such as wind and solar. Electric heat is the responsible choice for heating of this type of building, and the Applicant is committed to this decision. In addition, the Applicant plans to incorporate roof-based solar equipment to take care of some of the building electricity needs.

The buildings will be sprinkled. The Fire Department owns equipment that can service the buildings as designed. There will be a hardened surface around the buildings providing 360-degree fire safety vehicle access.

5. Wastewater and DEP

This proposal will better protect the water quality of the Saquatucket Estuary than the permitted by-right development of seven homes on the property. This may seem counter-intuitive, but it is not. By

right, thirty (30) bedrooms can be built on the property with absolutely no requirement to treat for nitrogen. The seven homes would be served by conventional Title 5 septic systems. By contrast, this development requires approval of a Groundwater Discharge Permit from the MA DEP. MA DEP requires that there be no net new introduction of nitrogen in the estuary by the development. Thus, where the by-right development would result in fifty-three and a third (53.3) additional pounds of nitrogen annually entering the estuary, the proposed development will result in zero (0) additional pounds of nitrogen annually entering the estuary.

As required by law, **the Applicant will comply with all requirements of MA DEP.** Attached is a Memorandum from J.M. O'Reilly & Associates discussing this topic in more detail.

In addition and as previously testified, **the Applicant supports connecting to the future sewer on Sisson Road and will design the wastewater treatment facility to be easily connected up when available.**

6. Wetland Protection, MESA, and Open Space

Wetlands will be protected, and the on-site open space is proposed to create wildlife corridor space nearest the wetlands. As previously discussed, Lot 8 between the development and Forest Road was deeded to the Town of Harwich and is now conservation land.

The Applicant will comply with all requirements of MESA. The Applicant has been in conversation with MESA about a potential amendment to the conservation area as authorized by the prior restriction document. However, this process cannot be formally completed first because the Applicant is caught in a Catch-22. They cannot give up their current rights before knowing that they will have a replacement development. This is why conditional approvals are sought. Ironically, if the Applicant were to build the seven homes and seven septic systems on the property and then go back to MESA and DEP to change to the current proposal, they would receive a benefit in not having to improve wastewater to the level proposed.

7. Traffic Study

The Applicant will conduct a complete traffic study, including seasonal adjustments.

The Applicant respectfully submits that the Chloe's Path Housing proposal will be a positive development that will meet an urgent, unmet need for rental housing and that the proposal can be conditioned appropriately to address concerns raised. The Applicant appreciates your continued time and consideration and requests that the Board vote to support the LIP proposal.

Thank you.

Very truly yours,
Andrew L. Singer
Andrew L. Singer

ALS/a
Attachments

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IF YOU HAVE ANY QUESTIONS OR PROBLEMS WITH RECEPTION, PLEASE CALL (508) 398-2221.

Brian C. Bush
Heritage Properties
100 Merrimack Street #401
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978-458-0001 x 101
bbush@heritageprop.net

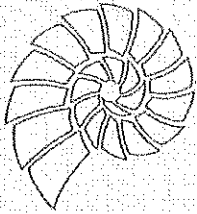
To: Harwich Select Board
From: Brian Bush
RE: Chloe's Path
Date: November 5, 2021

I am writing to clarify two issues that were voiced at the Board's meeting on November 1, 2021: 1. The sale of Matrix, Heritage Properties's 40b project in Hudson, MA, and 2. Market rents at a proposed 40b project in Brewster, as well as market rents in the mid and lower-Cape region.

1. Though not specifically relevant to this proposed development, the question was asked why we sold Matrix, our Hudson 40b project, and how long it took to develop. The project took 4 years to re-permit, build, and lease up. We sold the project in July 2018. Matrix was comprised of 176 apartment units, a leasing office, a community room, outdoor recreation space, and an indoor storage building. The principals in the project were myself, a developer I know who wanted to retire, and an investor. The investor and other developer had the right to force a sale in the event the investor could not be paid off within a certain time frame. The three of us originally intended to refinance the project to return some, or all, of the investor's capital, but bank interest rates were rising significantly during the winter of 2018, while capitalization rates remained stable. As a result, there was more value in a sale at that time than in a refinance. The other two principals opted for a sale and that's what happened. It was a good investment for all of us, though I had wished to keep the project if I had my choice. The Chloe's Path project will be different because it will be under my control and my intention is to own and manage it for a long time. As I've mentioned, that is our typical strategy, evidenced by ownership of the first apartment complex purchased by our company in 1978.
2. At a previous meeting, Chairman Michael MacAskill asked why there is disparity in proposed market rents for the Eastward Homes project in Brewster compared to our project at Chloe's Path. I reached out to the principal at Eastward Homes and I was provided some information. As Mr. MacAskill mentioned in the November 1st meeting, he and I did speak about what I found out about this proposed project in Brewster. In summary, the appraisal report indicates an extreme need for apartment housing due to a significant lack of housing availability on Cape Cod. The appraiser examined eight comparable properties, most of which were 28 to 48 units in size, all of them on the Cape, and most of them are well over 20 years old. Most of the projects had no amenities and none had under-building parking. The appraiser also frequently referenced the "lack of competitive supply on Cape Cod" and expressed the likely need to look off-Cape, particularly Plymouth, to get good market comparable product, especially for three-bedroom units, but the appraiser did not use that product to develop comparable rents. In short, the comparable properties used by Eastward's appraiser are not comparable to our

proposed project: they have no covered parking, no on-site management, little or no amenity space, and they're old.

As far as market rents go, we ultimately get what the market will bear, but in all cases, we need to rent the units. Our rent projections are based on our research of the market, as well as that of our consultant, Tracy Cross Associates. The projections are backed up by data, not "feelings" about affordability. Comparable rental properties are listed in the Tracy Cross report. At all of our apartments, we screen for income, credit-worthiness and criminal record. Rent can never be above 35% of a household's income, and the applicant needs to have good credit and a clean background. Our data indicates that there is a significant need for the housing we propose and, if you do the math, the hourly wage of people who can afford our market-rate units is between \$33.32 to \$54.52 per hour for single-earner households and \$16.67 to \$27.26 for two-earner households. These are not outrageously high wages. Our projections, based on actual data by the Federal government's Department of Housing and Urban Development, is that our market-rate units will be affordable to people making 111% to 153% of Area Median Income. This is not preposterous, it is attainable. If it is not attainable, we will lower the rents. It's that simple. I would not risk the capital cost of this project if I did not believe the project to be feasible.



J.M. O'REILLY & ASSOCIATES, INC.

PROFESSIONAL ENGINEERING, LAND SURVEYING & ENVIRONMENTAL SERVICES

Site Development • Property Line • Subdivision • Sanitary • Land Court • Environmental Permitting

MEMORANDUM

JMO-3812A

Date: November 4, 2021

RE: Wastewater
Chloe's Path – Affordable Housing
Harwich, MA

From: John O'Reilly, P.E., P.L.S.
J.M. O'REILLY & ASSOCIATES, INC.

J.M. O'REILLY & ASSOCIATES, INC. offers the following narrative of the status of the wastewater for the proposed affordable housing complex on Sisson Road, known as Chloe's Path. The proposed project calls for 144 bedrooms for a total wastewater flow of 15,840 gpd (110 gpd per bedroom).

The wastewater flow of 15,840 gpd triggers the requirement of a Groundwater Discharge Permit (GWDP) application to the Massachusetts Department of Environmental Protection (MADEP). The typical Title 5 Sanitary Regulations are not applicable to the project, once the wastewater exceeds 10,000 gpd.

The majority of the parcel is mapped to be within the Saquatucket Harbor Embayment. The remaining portion of the parcel, adjacent to Sisson Road, is mapped to be within the Herring River Estuary. Both the Saquatucket embayment and the Herring River embayment are identified as impaired embayments (excessive Nitrogen Load), as outlined in their respective Massachusetts Estuary Project Report.

In accordance with Massachusetts Regulation 314 CMR 4.00: Massachusetts Surface Water Quality Standard; if an embayment is identified as an impaired waterbody, the issuance of a Groundwater Discharge Permit (314 CMR 5.00) can only be completed if the proposed project does not add any nitrogen to the impaired embayments. In order for the Project to receive a GWDP, the MADEP is going to require the proposed project demonstrate that there is a Zero-Net Nitrogen load to either embayment.

The first step in developing an application for a GWDP is to prepare a Hydrological Report of the parcel in which the characteristics of the groundwater is determined. The flow direction, groundwater elevations and quality are all determined during the Hydrological Report process. The installation of groundwater monitoring well network will be used to determine the groundwater characteristics as well as the location of the divide between the two embayments. Once the applicable embayment is determined, the project will need to offset the proposed nitrogen load within that specific embayment.

Once the Hydrological Report is completed and approved by MADEP, the applicable embayment will have been identified. At that point in the application process, the Applicant can then begin to determine how best to seek the Zero-Net Nitrogen can be accomplished. One approach the Applicant could take would be to seek to work with other property owners, within the applicable embayment, and remediate (treat) the wastewater being generated by the respective parcel, on such parcel.

In conclusion, for Chloe's Path to obtain the required GWDP, the project must demonstrate that the impaired embayment will NOT receive ANY additional nitrogen as a result of the wastewater from the project.

Thank you