

# Exhibit H

**MHJ**

**MHJ Associates**

**FAX**

Sept 27, 2000

To: Kate Racer  
At: DHCD  
FAX #: 727-0532  
From: Mike Jacobs

cc: Ann Houston, MHP Fund  
FAX #: 338-8274

cc: MJ Schultz, Town of Hingham  
FAX#: 781-740-0239

RE: 40B Clarification

COMMENT: I am transmitting a clarification letter for the Erickson Retirement  
Communities comprehensive permit in Hingham.

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No. of pages including cover sheet: 3

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The logo for MHJ Associates, consisting of the letters 'MHJ' in a bold, white, sans-serif font on a black rectangular background.

**MHJ Associates**  
41 Coolidge Street  
Brookline, MA 02446

March 19, 2001

Ms. Catherine Racer, Deputy Director for Private Housing  
Department of Housing & Community Development  
One Congress Street  
Boston, MA 02114

Re: Proposed Erickson Retirement Community  
Hingham, MA

Dear Kate:

I am writing on behalf of the Town of Hingham Zoning Board of Appeals for a clarification concerning whether and how a proposed comprehensive permit project will be counted in the town's subsidized housing inventory. I will provide an initial summary that can be further supplemented by materials prepared by the developer.

Erickson Retirement Communities is proposing a continuing care retirement community (CCRC) near the Hingham-Weymouth line consisting of 1750 independent apartments, 192 assisted living units, and a 324-bed skilled nursing facility. It is to be financed by Fleet Bank through the FHLBB New England Fund.

There are some unique aspects of the project which have led the ZBA to request a clarification concerning general eligibility under 40B as well as the method in which units would be counted as affordable.

As an NEF project, 25% of the affordable units must charge a rent equal to no more than 30% of 80% of area median income. There are certain components of the project that muddle this picture:

- According to supplemental materials, the developer intends to charge an entrance fee that will average \$200,000 (between \$140,000-\$325,000). We are being asked to consider treating this as "pre-paid rent." This fee is to cover the capital cost of both the residential and service buildings, serve as a "security deposit" if Erickson cannot re-rent a particular unit, and provide guaranteed care in an on-site skilled nursing facility if required. The nursing home is presently being designed as a 100% private-pay facility.
- The occupancy charges (rent and services) will be priced from \$1000-\$1093 and up for a studio to \$1100-\$1277 and up for a one bedroom apartment. Since certain basic services are integral to the development concept (one meal per day, use of the campus

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- shuttle, social services, emergency medical response teams, wellness programs, etc.), services must be purchased as part of the package. The developer is requesting that we assign a portion of the occupancy charge and entrance fee to the real estate and apply that percentage to the monthly fee to determine whether a unit's charge meets the 30% of 80% test.
- The developer's initial proposal is to have 25% of the 1750 independent apartments considered affordable. There is currently no plan for an affordable component of the 192 assisted living apartments or the 325-bed skilled nursing facility. The developer's representative is willing to consider applying the 25% affordable requirement to the assisted living. The skilled nursing facility is being treated as an ancillary function.

The ZBA would like clarification of the following items:

- Does a project with an average entrance fee above affordable purchase price limits count as a subsidized program for 40B?
- Does a project with non-separable rent and service charges above 30% of 80% of AMI count as a subsidized program for 40B?
- Will a project with an entrance fee count as a rental project in which all of the units would be included in the town's Subsidized Housing Inventory?
- What must be considered part of the project for calculating the 25% affordable requirement?

Thank you for your consideration of these issues.

Cordially,

Michael Jacobs  
MHJ Associates

Cc: MJ Schultz, Hingham ZBA  
Ann Houston, MHP Fund