

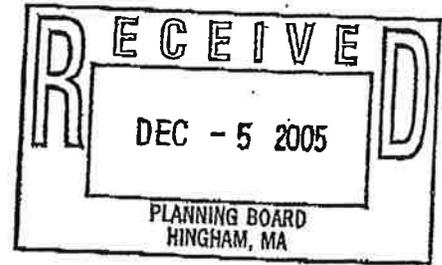
Exhibit L



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
 COMMUNITY DEVELOPMENT**
 Mitt Romney, Governor ♦ Kerry Healey, Lt. Governor ♦ Jane Wallis Gumble, Director

November 16, 2005

Charles J. Cristello
 Town Administrator
 Office of Selectmen
 Hingham Town Hall
 210 Central Street
 Hingham, MA 02043-2757



Dear Mr. Cristello:

Thank you for meeting with my staff on October 14, 2005 to discuss issues related to the current status of the build out of Linden Ponds, the counting of units at Linden Ponds on the Subsidized Housing Inventory (SHI), Hingham's intentions regarding the development of an affordable housing plan pursuant to 760 CMR 31.07(1)(i) and other c. 40B issues. I am sorry that my illness prevented me from attending the meeting. As you know, I also met with representatives from Erickson Retirement Communities on September 20, 2005. This letter will serve as the response to Erickson's request for a reiteration of how DHCD count the units at Linden Ponds on the Subsidized Housing Inventory and a summary of my understanding of the key issues that were discussed at the October 14 meeting.

Current status of build out

I understand that as of this writing, building permits for 648 units have been issued. Certificates of occupancy have been issued for 433 of those units.

Current count on the Subsidized Housing Inventory

Hingham has submitted three requests to add units to the SHI based on four building permits that have been issued. Based on our methodology for counting, 10% of the units in each building are counted upon issuance of the building permits, as follows:

Units Permitted	Date of Building Permit	SHI Units (10%)
118	10/1/2003	12
195	12/23/2003	20
118	9/20/2004	12
135	4/21/2005	14
566		58



Counting Methodology

As we have stated on prior occasions, Linden Ponds is the only Continuing Care Retirement Community that has been permitted using a c. 40B Comprehensive Permit. In 2001, when DHCD was asked how the affordable units at Linden Ponds would count on the SHI, we were concerned that the mandatory entrance deposit coupled with a monthly fee constituted a much greater expense than the affordability standard 30% of 80% of area median income. In addition, asset limits are not used to determine income eligibility. We felt that the combination of these factors would have the result of precluding many low or moderate income households from being able to afford the units. Furthermore, the \$5,600,000 made available by the developer to subsidize the entrance deposits would only assist a very small number of persons (39 persons lacking the entire entrance deposit). After further analysis and discussion with the Town and the developer, DHCD made the determination to count a minimum of 10% of the units upon issuance of building permits and up to 25% of the units that become occupied by income eligible households (as long as the entrance deposit subsidy is still available). Given that this housing model uses a less rigorous standard of affordability than many other affordable housing programs, we feel that this counting methodology is more than reasonable and provides the greatest benefit to the town and the developer.

This methodology was developed specifically for Linden Ponds as it was a unique model in the 40B context. Should any project sponsor seek a Comprehensive Permit for a CCRC in the future, this same counting methodology will not necessarily be applied. The Department is in the process of clarifying the circumstances under which Determinations of Project Eligibility will be issued, the definition of affordability and how CCRC units will count on the SHI.

760 CMR 31.04 establishes the basis for when low and moderate income units are counted on the SHI. Units are counted when a comprehensive permit becomes final, and units remain on the inventory unless a building permit is not issued within twelve months of when the comprehensive permit became final. Pursuant to our established methodology for counting units at Linden Ponds, DHCD has been counting 10% of the units for which building permits are issued, and was planning on counting up to 25% of the units upon a showing of evidence that the additional units are actually occupied by income eligible households, provided that the entrance deposit subsidy fund is still available.

Proposed Accelerated Methodology

Since there is sufficient evidence that the build out and occupancy by low and moderate income households at Linden Ponds is proceeding as expected, DHCD is willing to amend its counting methodology to count 25% of the units upon issuance of building permits. This counting methodology changes the point in time at which units will be added to the SHI and will result in the immediate addition of 84 units to the number of units currently credited to Hingham on the SHI, as follows:

Units Permitted	Date of Building Permit	SHI Units (25%)
118	10/1/2003	
195	12/23/2003	
118	9/20/2004	
135	4/21/2005	
566		142

We understand that at this time building permits for another 82 units (for a total of 648) have been issued beyond the number of units submitted for inclusion on the SHI to date. If the additional building permits are submitted, another 20 units will be added to the SHI pursuant to the accelerated counting methodology. The immediate effect on Hingham's attainment on the inventory would be as follows:

	Units Permitted	Date of Building Permit	SHI Units (25%)
	118	10/1/2003	
	195	12/23/2003	
	118	9/20/2004	
	135	4/21/2005	
Sub Total	566		142
Total All Units	648	To be provided	162

The combination of the accelerated counting and the addition of the newly permitted units adds 104 units (162-58) eligible for inclusion on the SHI and will have the effect of increasing Hingham's attainment on the SHI from 3.54% to 4.97%.

	Total Year Round Units	Existing non LP SHI Units	LP SHI Units	Total SHI Units	Percentage SHI Units
10% @ LP	7,307	201	58	259	3.54%
25% @ LP	7,307	201	142	343	4.69%
25% @ LP w/add'l units	7,307	201	162	363	4.97%

In accordance with the regulatory agreement, Erickson will submit the necessary documentation to the monitoring agent to verify the actual number of units that are occupied by income eligible households. The units will remain on the inventory as long as the units are occupied by income eligible and the Comprehensive Permit is being administered according to the terms of the regulatory agreement. The following highlights a number of the key terms related to insuring affordability:

- (a) That applicants will be chosen without regard to the amount of their assets in the order in which they appear on the waiting/reservation list;
- (b) That the availability of the entrance deposit subsidy fund will be intensively advertised in Eastern Massachusetts from time to time; the waiting/reservation list will be open to all income-eligible applicants on an equal basis;
- (c) That the subsidy fund will be administered as an interest-free grant program and any unused grant funds given a resident will be returned to the fund for reuse when that resident leaves the community;
- (d) That every resident who receives a subsidy from the fund will receive the same long term health care benefits and services accorded all other residents; and
- (e) That no resident of an affordable unit who receives a subsidy from the fund will be required to pay a higher monthly charge than a resident of a comparable affordable unit who does not receive a subsidy from the fund.

Charles J. Christello
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Advertising

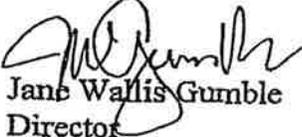
The availability of the entrance deposit subsidy is not included in all of the advertising of Linden Ponds, and only in certain publications. At our meeting, Mr. Kane said that he would discuss the matter of including a reference to the entrance deposit subsidy in all advertising with the Erickson marketing department. In prior conversations and correspondence to Erickson Retirement Communities, DHCD has requested that an applicant's eligibility for the entrance deposit subsidy fund is determined prior to the payment of the \$1000 reservation fee. I expect an update on whether this practice has been incorporated into the administration manual and adopted by all of the marketing and sales staff.

Planned Production

I was interested to learn that the Town of Hingham and the Hingham Housing Authority (HHA) are working on a number of development initiatives that will include affordable housing: 90 units at the Shipyard; 20-40 LIP ownership units; a senior condominium project (Hersey House) and 50 units of rental housing to be developed by the HHA. My staff stands ready to work with the Town of Hingham to develop a Planned Production Affordable Housing Plan pursuant to CMR 31.07(1)(i). Enclosed for your information are the newly-revised guidelines for Planned Production (760 CMR 31.00(1)(i)). The revisions to the Planned Production Guidelines clarify the requirements of the affordable housing plans and the steps to implement the plans under the regulation. Please contact Elisabeth Krautscheid at 617.573.1352 to assist you with the development of the plan.

Thank you for your continued efforts to address the diversity of housing needs in Hingham. Feel free to contact me or Sarah Young (617.573.1103) if you have any questions about information in this letter.

Sincerely,


Jane Wallis Gumble
Director

Cc: Adam Kane, Erickson Retirement Communities
Scott Hayward, Erickson Retirement Communities
Matt LeBretton, Dutko Worldwide
Todd Crockett, Governor's Office