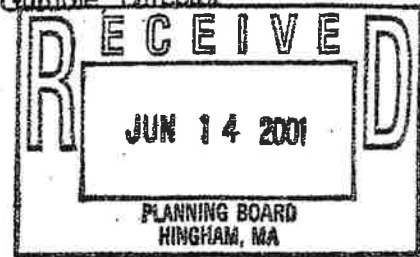


Exhibit I



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**
Jane Swift, Governor ♦ Jane Wallis Gumble, Director



June 14, 2001

Michael Jacobs
MHJ Associates
41 Coolidge Street
Brookline, MA 02446

RE: Erickson Retirement Community – Proposed Comprehensive Permit Project – Hingham

Dear Mr. Jacobs:

Thank you for your correspondence and your participation in several telephone discussions with Department staff regarding the Erickson Retirement Community project proposed for a site in Hingham. As described in your correspondence, the project will consist of 1750 independent apartments, 192 assisted living units, and a 324-bed skilled nursing facility. Financing will be provided by Fleet Bank through the Federal Home Loan Bank of Boston-New England Fund. The project requires a comprehensive permit, and it is our assumption that the Fleet, as a New England Fund member bank, has issued a site eligibility letter, which the project sponsor presumably has presented to the Hingham Zoning Board of Appeals as part of the comprehensive permit application.

The project sponsor intends to charge an entrance fee to all future residents. The fee will range from \$140,000 to \$325,000, averaging approximately \$200,000. Monthly rent and services fees also will be charged, ranging from \$1000 to at least \$1277 depending on the unit type. Of the 1750 independent apartments, 25% will be considered affordable. None of the 192 assisted living units currently are proposed as affordable. The nursing home is considered an "ancillary function".

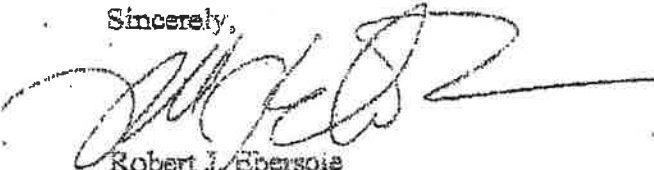
On behalf of the Hingham Zoning Board of Appeals, you have asked the Department to consider the proposed project while providing answers to four questions:

- 1) Does a project with an average entrance fee above affordable purchase price limits count as a subsidized program for 40b? The Department has had very little experience with such proposals, and no experience with proposed entrance fees as high as \$140,000. It is unlikely that the Department would include units in the state's Subsidized Housing Inventory if the units carry entrance fees which effectively may prevent low and/or moderate income renters from qualifying for the units.

- 2) Does a project with ~~separable~~ separable rent and service charges ~~exceed~~ ^{exceed} 30% of 80% of area median income count as a subsidized program for 40b? Very few Chapter 40b projects have included non-separable rent and service charges. To determine the affordability of the units – and thus their eligibility for inclusion in the state Subsidized Housing Inventory – the Department will evaluate the total rent and service charges to determine that they do not exceed 30% of 80% of area median income.
- 3) 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? All units in a rental project can be included in the state Subsidized Housing Inventory if the project meets the state's 40B requirements, which include but are not limited to the following: 25% of the total units affordable to low or moderate income households; use restrictions appropriate to the housing type; subsidy provided by an eligible agency; limitation on sponsor's annual dividends; etc. Based on the current description of Erickson Retirement Community, it is not clear that the project would meet the state's 40B requirements. If a rental project does not meet the state's requirements, none of the units will be included in the Subsidized Housing Inventory.
- 4) What must be considered part of the project for calculating the 25% affordable requirement? Based on the current project description, the Department assumes that the comprehensive permit would include the 1750 independent apartments as well as the 192 assisted living units. If the comprehensive permit covers all 1942 units, 25% of the units, or 486 units, must be affordable to low or moderate income individuals or households.

Again, thank you for providing us with information on the proposed Erickson Retirement Community. Please feel free to write or call again with any additional questions you may have.

Sincerely,



Robert J. Ebersole
Acting Director