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February 27, 2018

MassHousing
One Beacon Street
Boston, Massachusetts 02108

Attention: Michael Busby, 40B Specialist

Re: Surfside Crossing LLC, Applicant
Surfside Crossing Project
3, 5, 7 and 9 South Shore Road,
Nantucket, Massachusetts

Dear Mr. Busby:

This office is co-counsel to the Applicant in connection with the proposed Surfside Crossing 40B Project, for which an application for Project Eligibility approval is pending at MassHousing.

We appreciate the opportunity to share more detailed information regarding the Project. Our focus in developing the plans submitted to MassHousing was two-fold: increasing the supply of affordable/subsidized housing stock (consistent with MassHousing standards) on Nantucket and creating additional home-ownership opportunities for year round residents at a price point that is currently extremely limited on Nantucket. We value Nantucket's open spaces and understand the importance of creating new projects in a way that protects environmentally sensitive areas of our community. The parcel designated for this project was identified by our team as one of the few remaining opportunities to cluster homes on land that is developable and adjacent to other similar neighborhoods. The overall project design and density was created as a way to maximize affordability while maintaining local character. We are confident that this project is consistent with the MassHousing goals and requirements, and would be enormously beneficial for this community.

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By this letter, we are responding to the statements and comments made by the Nantucket Board of Selectmen ("BOS") in their letter to you dated February 14, 2018. In regards to the very specific concerns identified by the BOS in their recent response, the following provides a detailed response. In some instances, the Board has misread or misunderstood our plans, so we provide greater detail and clarification. In others, our team has a different perspective on the impact this project would have on existing community infrastructure. The critical point we want to underscore is our willingness to work collaboratively with the town to better understand and address its concerns. The application to MassHousing for the Project Eligibility Letter reflects our best thinking around a plan for this site that maximizes both affordability and new opportunity for year round residents. However, we are eager to work collaboratively with the Town during the design review process to assure that we move forward in a way that works for the whole community. We can be flexible in thinking about a number of issues and look forward to that discussion.

1. Project Design and Fire Safety.

It is not true that there is only one means of access to the condominium portion of the project. There is an additional access at the rear, at the proposed subdivision roadway. Our civil engineer, Donald Bracken, P.E., has prepared a vehicle turning analysis which addresses the fire truck maneuverability concern, which will be shown upon the plans submitted with the Comprehensive Permit application to the Nantucket ZBA. As to density issues, we note that the density is similar to other developed areas of Nantucket, including the downtown area.

2. Infrastructure Issues.

A. Sewer Issues

i. Town's Sewer Easement

No buildings are proposed within the sewer easement, which contains an underground sewer main. The BOS letter misstates the relevant law with regard to the easement. As a matter of property law, the landowner may use the land within the easement

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area for any purpose that is not inconsistent with the rights of the easement holder. Surface uses including plantings and paving are not inconsistent with the use of the easement for an underground sewer line. Nothing in the document which created the easement places any limitations upon the rights of the landowner. With no structures being placed in the easement area, the Town will have adequate access, and in fact the subdivision roadways and condominium driveway will actually enhance the Town's access to the sewer line. The easement location, and location of proposed structures, will all be marked by a Professional Land Surveyor prior to construction.

ii. Sewer Capacity Issues

As the BOS letter notes, there is sufficient sewer capacity available for the Project. All of the other issues that are raised are matters to be reviewed at the ZBA hearing.

B. Water Capacity Issues

We believe that there is adequate water service capacity, and this will be reviewed at the ZBA hearing.

C. Traffic, Parking and Public Transportation

i. Traffic

We have commissioned a traffic study from a qualified professional, and traffic issues will be reviewed at the ZBA hearing.

ii. Parking

We believe that parking is adequate, and in any event this will be a subject for review at the ZBA hearing.

ii. Public Transportation

The BOS comment appears to suggest that the Town's failure to provide public transportation would excuse the provision of affordable housing. We disagree.

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3. Cultural and Environmental Sensibility.

A. Archeological/Cultural Importance

We will of course follow all applicable state law and perform all required studies.

B. Environmental Sensibility

Again, we will comply with all applicable provisions of state law; and our engineers will of course address stormwater at the ZBA hearing.

C. "Overcrowding of the Property and the Neighborhood"

We are attempting to provide as much, greatly needed, affordable housing as practical. All appropriate issues will be reviewed at the ZBA hearing. Assessing the economic feasibility of the Project is a matter for MassHousing. The layout of the project and provision of open space will be considered by the ZBA in the light of its jurisdiction and the need for affordable housing.

4. Project Ownership/Management Issues

The development of the Project will be undertaken by one entity, the Applicant. This will be entirely an ownership project. We anticipate that there will be a lot owners association to deal with common area matters. The condominium will be on a separate lot. Upon construction of the condominium portion of the project, the Applicant will declare a condominium as to that lot. The condominium will be a member of the lot owners association, with voting rights appropriately weighted. As required by law, there will also be a condominium unit owners association, which will deal with issues unique to the condominium. We will address all appropriate matters raised in this section of the BOS letter at the ZBA hearing.

5. "Questionable Practices by 40B Developer".

All of this material relates to a different project and is accordingly immaterial. Although the developer in that project does not believe that it utilized any questionable practices,

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nonetheless that developer is working cooperatively with the affected homeowners and the ZBA. Any appropriate provisions and restrictions to be applied to the Project are to be developed through the permitting process.

6. Energy Issues.

The applicant will consult with the energy provider and obtain all necessary service.

7. School Impact.

Impact on schools is not a proper subject matter to be reviewed under c. 40B. That said, it is not anticipated that the Project will have any significant impact on school population, as most if not all of the school age occupants will come from residents already living in Nantucket.

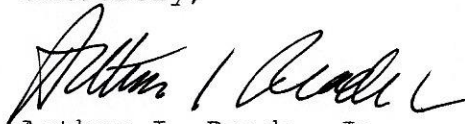
8. Affordability Options

Affordability levels is a subject solely within the domain of MassHousing. That said, we will review affordability levels to the extent feasible.

CONCLUSION

Naturally, we disagree with the BOS conclusion. Many non-relevant matters were cited. As we stated above, we will be happy to address all appropriate matters with the ZBA at the hearing.

Sincerely,



Arthur I. Reade, Jr.

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AIR/irv