

Hingham, MA 02043

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SPECIAL TOWN MEETING: October 27, 2008

COMMONWEALTH OF MASSACHUSETTS

Plymouth, ss.

To the Constable of the Town of Hingham in the County of Plymouth,

Greetings:

In the name of the Commonwealth of Massachusetts you are hereby directed to notify and warn the inhabitants of the Town of Hingham qualified to vote in Town affairs, to meet in the HIGH SCHOOL, 17 Union Street, in said Hingham, MONDAY, the TWENTY-SEVENTH day of OCTOBER, 2008 at SEVEN o'clock in the evening, then and there to act on the following Article:

ARTICLE 1. Will the Town (1) authorize, but not require, the Board of Selectmen to acquire the property shown as Lot 111 on Assessors' Map 71, known as the Lincoln School Apartments, pursuant to the terms of a right of first refusal reserved to the Town in a deed dated January 2, 1980 from the Town of Hingham to Lincoln School Apartments, Inc; (2) appropriate a sum of money for the purpose of such acquisition, and to meet said appropriation, authorize the transfer of funds and/or the borrowing of funds under the Community Preservation Act or any other enabling authority; (3) authorize the Board of Selectmen to transfer said property or any interest therein to some other entity for the purpose of providing affordable housing; and (4) authorize the Board of Selectmen to take such other action and enter into such agreements and other arrangements as they may deem necessary or advisable to cause said property to continue to be used to provide affordable housing; or act on anything relating thereto?

COMMENT: The Hingham Affordable Housing Trust (HAHT) proposes the purchase of the Lincoln School Apartments property by the Town from Glastonbury Abbey, using a General Obligation bond in the amount of \$7,000,000 for the primary purpose of maintaining all of the property's 60 units as affordable. A specially-created Limited Liability Corporation (LLC) representing the HAHT would lease the property from the Town and make loan payments to the Town from its Federally subsidized, tenant-rental-payment revenue. In turn, the Town would use those LLC payments to make principal and interest payments to its bondholders. Operationally, the LLC would retain a professional property management company which would be overseen by a five-member board appointed by the Town Moderator, Board of Selectmen, and HAHT.

In 1979, Annual Town Meeting voted to sell the property to the Abbey for elderly and handicapped housing, but retained a right of first refusal ("the ROFR") with respect to any future sale of the property. In May 2008, the Abbey entered into a Purchase & Sale Agreement to sell the property for \$6,500,000 to John M. Corcoran and Company. The P&S Agreement triggered the Town's ROFR. Were the Town to exercise its ROFR, the negotiated purchase price would be \$6,377,500; the remainder of the bond proceeds (\$622,500) would be necessary to reimburse the Town's closing costs and to fund the LLC's capital replacement reserve. The Town must exercise its ROFR by mid-November of 2008, which

is why a Special Town Meeting is necessary now.

There are pros and cons associated with either: (1) the proposed Town purchase of the property, or (2) waiver of the Town's ROFR, resulting in the likely purchase of the property by Corcoran. Conservative financial projections of the property's revenues, operating expenses, and capital replacement costs through 2028 show a consistently positive annual net cash flow, enabling continued high-quality maintenance of the property's structure and grounds. Proponents of purchase by the Town argue that the likelihood of continued 100% affordability is enhanced through Town acquisition and that the Town would be acquiring a centrally located asset likely to increase in value over time. Opponents of the Town's acquisition argue that the Town should not be the owner of affordable housing—especially when there are adequate deed and permit constraints on any private buyer sufficient to ensure a comparable level of affordability—and that such a private purchase would remove any potential liability or continuing Town financial obligation.

The Board of Selectmen, Community Preservation Committee, and Planning Board have each voted in favor of the proposed acquisition.

RECOMMENDED: The Advisory Committee will make its recommendation at Town Meeting.

And you are directed to serve this warrant by causing an attested copy thereof to be posted in the Town Hall fourteen days at least before the day appointed for said meeting.

Hereof fail not and make due return of this warrant with your doings thereon to the Town Clerk on or before the tenth day of October 2008.

Given under our hands at Hingham this seventh day of October in the year of our Lord two thousand eight.

John A. Riley
Laura A. Burns
L. Bruce Rabuffo

A True Copy
Attest:

Kathleen A Peloquin
Constable of Hingham
October 8, 2008

By virtue of the within warrant I hereby certify that I have noticed and warned the inhabitants of the Town of Hingham, qualified to vote in town affairs to meet at the time and place indicated in the above warrant, by causing an attested copy thereof to be published in The Hingham Journal, fourteen days at least before the day appointed for said meeting. It was presented to and posted by the Town Clerk in the Town Hall on this date.

Kathleen A. Peloquin
Constable of Hingham
October 9, 2008