



Massachusetts Housing Finance Agency
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July 2, 2019

Northeast Classic Builders
c/o James Morin
P.O. Box 155
Bolton, MA 01740

**RE: Mallard Lane–Bolton, MA
Project Eligibility/Site Approval
MassHousing ID No. 1031**

Dear Mr. Morin:

This letter is in response to your application as “Applicant” for a determination of Project Eligibility (“Site Approval”) pursuant to Massachusetts General Laws Chapter 40B (“Chapter 40B”), 760 CMR 56.00 (the “Regulations”) and the Comprehensive Permit Guidelines issued by the Department of Housing and Community Development (“DHCD”) (the “Guidelines” and, collectively with Chapter 40B and the Regulations, the “Comprehensive Permit Rules”), under the New England Fund (“NEF”) Program (“the Program”) of the Federal Home Loan Bank of Boston (“FHLBank Boston”).

You have proposed to build eleven (11) age-restricted single-family homes, including three (3) affordable homes (the “Project”) on approximately 4.29 acres of land located on South Bolton Road (the “Site”) in Bolton, MA (the “Municipality”).

In accordance with the Comprehensive Permit Rules, this letter is intended to be a written determination of Project Eligibility (“Site Approval”) by MassHousing acting as Subsidizing Agency under the Guidelines, including Part V thereof, “Housing Programs in Which Funding Is Provided by Other Than a State Agency.”

MassHousing has performed an on-site inspection of the Site, which local boards and officials were invited to attend, and has reviewed the pertinent information for the Project submitted by the Applicant, the Municipality and others in accordance with the Comprehensive Permit Rules.

Municipal Comments

Pursuant to the Regulations, the Municipality was given a thirty (30) day period in which to review the Site Approval application and submit comments to MassHousing. The Town Administrator submitted a letter on May 2, 2019, summarizing comments from municipal officials and staff.

The following concerns were identified in their comments:

- The Municipality recommends that the Applicant apply for design review through Bolton's Design Review Board. The intention of the design review is to encourage development that aligns with Bolton's historical and rural character. The Planning Board believes that the additional design review will enhance the Project and benefit both the Applicant and the Town.
- The Municipality expressed concern about the Project's impact on area wetlands, surface water, groundwater and existing environmental conditions. In addition, the Municipality expressed concern with the excavation work planned for the Project and how it will impact the surrounding area.
- The Fire Department requested that the Applicant install and maintain a cistern or install a residential sprinkler system in each home.

MassHousing Determination and Recommendations

MassHousing staff has determined that the Project appears generally eligible under the requirements of the Program, subject to final review of eligibility and to Final Approval. As a result of our review, we have made the findings as required for a determination of eligibility pursuant to 760 CMR 56.04(1) and (4). Each such finding, with supporting reasoning, is set forth in further detail on Attachment 1 hereto. It is important to note that Comprehensive Permit Rules limit MassHousing to these specific findings in order to determine Project Eligibility. If, as here, MassHousing issues a determination of Project Eligibility, the Applicant may apply to the Zoning Board of Appeals of the Municipality for a Comprehensive Permit. At that time local boards, officials and members of the public are provided the opportunity to further review the Project to ensure compliance with applicable state and local standards and regulations.

Based on MassHousing's consideration of comments received from the Municipality, and its site and design review, the following issues should be addressed in your application to the local Zoning Board of Appeals ("ZBA") for a Comprehensive Permit and fully explored in the public hearing process prior to submission of your application for Final Approval under the Program:

- Development of this Site will require compliance with all state and federal environmental laws, regulations and standards applicable to existing conditions and to the proposed use related to building construction, stormwater management, wastewater collection and treatment, and hazardous waste safety. The Applicant should expect that the Municipality will require evidence of such compliance prior to the issuance of a building permit for the Project.
- The Applicant should continue to engage with municipal officials in a good-faith discussion regarding design review matters and other Site related concerns raised by local boards and officials.
- The Applicant should be prepared to discuss their plans to install residential sprinkler systems in each home.

MassHousing has also reviewed the application for compliance within the requirements of 760 CMR 56.04(2) relative to Application requirements and has determined that the material provided by the Applicant is sufficient to show compliance.

This approval is expressly limited to the development of no more than eleven (11) homeownership units under the terms of the Program, of which not less than three (3) of such units shall be restricted as affordable for low-or moderate-income persons or families as required under the terms of the Guidelines. It is not a commitment or guarantee of financing and does not constitute a site plan or building design approval. Should you consider, prior to obtaining a Comprehensive Permit, the use of any other housing subsidy program, the construction of additional units or a reduction in the size of the Site, you may be required to submit a new Site Approval application for review by MassHousing. Should you consider a change in tenure type or a change in building type or height, you may be required to submit a new Site Approval application for review by MassHousing.

For guidance on the Comprehensive Permit review process, you are advised to consult the Guidelines. Further, we urge you to review carefully with legal counsel the M.G.L. c.40B Comprehensive Permit Regulations at 760 CMR 56.00.

This approval will be effective for a period of two years from the date of this letter. Should the Applicant not apply for a Comprehensive Permit within this period or should MassHousing not extend the effective period of this letter in writing, this letter shall be considered to have expired and no longer be in effect. In addition, the Applicant is required to notify MassHousing at the following times throughout this two-year period: (1) when the Applicant applies to the local ZBA for a Comprehensive Permit, (2) when the ZBA issues a decision and (3) if applicable, when any appeals are filed.

Should a Comprehensive Permit be issued, please note that prior to (i) commencement of construction of the Project or (ii) issuance of a building permit, the Applicant is required to submit to MassHousing a request for Final Approval of the Project (as it may have been amended) in accordance with the Comprehensive Permit Rules (see especially 760 CMR 56.04(07) and the Guidelines including, without limitation, Part III thereof concerning Affirmative Fair Housing Marketing and Resident Selection). Final Approval will not be issued unless MassHousing is able to make the same findings at the time of issuing Final Approval as required at Site Approval.

Please note that MassHousing may not issue Final Approval if the Comprehensive Permit contains any conditions that are inconsistent with the regulatory requirements of the New England Fund Program of the FHLBank Boston, for which MassHousing serves as Subsidizing Agency, as reflected in the applicable regulatory documents. In the interest of providing for an efficient review process and to avoid the potential lapse of certain appeal rights, the Applicant may wish to submit a "final draft" of the Comprehensive Permit to MassHousing for review. Applicants who avail themselves of this opportunity may avoid significant procedural delays that can result from the need to seek modification of the Comprehensive Permit after its initial issuance.

If you have any questions concerning this letter, please contact Michael Busby at (617) 854-1219.

Sincerely,



Chrystal Kornegay
Executive Director

cc: Janelle Chan, Undersecretary, DHCD
The Honorable Dean A. Tran
The Honorable Kate Hogan
Stanley Wysocki, Chairman, Board of Selectmen
Gerard Ahearn, Chairman, Zoning Board of Appeals

Attachment 1

760 CMR 56.04 Project Eligibility: Other Responsibilities of Subsidizing Agency
Section (4) Findings and Determinations

Mallard Lane, Bolton, MH ID No. 1031

MassHousing hereby makes the following findings, based upon its review of the application, and in consideration of information received during the site visit and from written comments:

(a) that the proposed Project appears generally eligible under the requirements of the housing subsidy program, subject to final approval under 760 CMR 56.04(7);

The Project is eligible under the NEF housing subsidy program and at least 25% of the units will be available to households earning at or below 80% of the Area Median Income, adjusted for household size, as published by the U.S. Department of Housing and Urban Development ("HUD"). The most recent HUD income limits indicate that 80% of the current median income for a four-person household in Bolton is \$73,200.

A letter of interest regarding project financing was provided by Clinton Savings Bank, a member bank of the FHLBank Boston.

(b) that the site of the proposed Project is generally appropriate for residential development, taking into consideration information provided by the Municipality or other parties regarding municipal actions previously taken to meet affordable housing needs, such as inclusionary zoning, multifamily districts adopted under c.40A, and overlay districts adopted under c.40R, (such finding, with supporting reasoning, to be set forth in reasonable detail);

Based on a site inspection by MassHousing staff, internal discussions, and a thorough review of the application, MassHousing finds that the Site is suitable for residential use and development and that such use would be compatible with surrounding uses and would directly address the local need for housing.

The Town of Bolton does not have a DHCD-approved Housing Production Plan. According to DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through June 26, 2019, Bolton has 62 Subsidized Housing Inventory (SHI) units (3.59% of its housing inventory). An additional 111 units would be required for the Town to achieve the 10% threshold of 173 units.

(c) that the conceptual project design is generally appropriate for the site on which it is located, taking into consideration factors that may include proposed use, conceptual site plan and building massing, topography, environmental resources, and integration into existing development patterns (such finding, with supporting reasoning, to be set forth in reasonable detail);

In summary, based on an evaluation of the site plan using the following criteria, MassHousing finds that the proposed conceptual Project design is generally appropriate for the Site. The following plan review findings are made in response to the conceptual plan, submitted to MassHousing:

Relationship to Adjacent Building Typology (including building massing, site arrangement, and architectural details):

The Site is located in an area that consists of single-family homes ranging from 3 to 5 bedrooms on two-acre lots. The proposed residential structures will reflect a New England vernacular featuring eleven (11) single story two-bedroom homes that would allow residents to age in place. The proposed architectural elements include varied rooflines, façade details and overhangs, all of which contribute to lessening the overall perception of the building's height and impact of the Project's massing.

Relationship to Adjacent Streets

The Site is located in the southeast quadrant of Bolton close to the Hudson and Berlin town lines. The surrounding area is a rural setting encompassed by woodlands within one mile of the interchange of Routes 495 and 62 and the sprawling Highland Commons retail development. The relationship of the proposed Site access and egress to South Bolton Road does not present any discernable public safety impacts. There appear to be adequate lines of sight for vehicles entering and exiting the proposed Site. The view into the Site from South Bolton Road establishes a relationship that is appropriate to that of other similar developments found in the Municipality.

Density

The Applicant proposes to build eleven (11) homes on approximately 4.29-acres, all buildable. The resulting density is 2.56 units per buildable acre, which is acceptable given the proposed housing type and similar uses found in the surrounding context.

Conceptual Site Plan

The proposed main access to the Site will be a road extending approximately 500 feet from South Bolton Road to a cul-de-sac at the rear of the Site. The units will average 2,000 sq. ft. and will have exclusive use driveway parking. The interior roadway is appropriately designed to meet the vehicular needs of the proposed development. A key design approach was to site 2 single-family homes at the front portion of the Site to maintain the existing streetscape and place the remaining 9 homes around the cul-de-sac.

Environmental Resources

The subject property is not located within any significant defined resource area and does not include any unique environmental features that enhance or restrict the proposed use.

Topography

The subject property elevates gently from South Bolton Road frontage to the rear of the property which is impacted by steep sloping. The existing topography is proposed to be shaped in a manner that will assist the Applicant in utilizing the Site efficiently, but careful attention must be taken in reworking the existing slope. The topographic features of the Site have been considered in relationship to the proposed development plans and do not constitute an impediment to development of the Site.

(d) that the proposed Project appears financially feasible within the housing market in which it will be situated (based on comparable rentals or sales figures);

The Project appears financially feasible based on a comparison of sales submitted by the Applicant.

(e) that an initial pro forma has been reviewed, including a land valuation determination consistent with the Department's Guidelines, and the Project appears financially feasible and consistent with the Department's Guidelines for Cost Examination and Limitations on Profits and Distributions (if applicable) on the basis of estimated development costs;

The initial pro-forma has been reviewed for the proposed residential use and the Project appears financially feasible with a projected profit margin of 10.62%. In addition, a third-party appraisal commissioned by MassHousing has determined that the "As-Is" land value for the Site of the Proposed Project is \$355,000.

(f) that the Applicant is a public agency, a non-profit organization, or a Limited Dividend Organization, and it meets the general eligibility standards of the housing program; and

The Applicant must be organized as a Limited Dividend Organization prior to applying for Final Approval. MassHousing sees no reason this requirement could not be met given information reviewed to date. The Applicant meets the general eligibility standards of the NEF housing subsidy program and has executed an Acknowledgment of Obligations to restrict their profits in accordance with the applicable limited dividend provisions.

(g) that the Applicant controls the site, based on evidence that the Applicant or a related entity owns the site, or holds an option or contract to acquire such interest in the site, or has such other interest in the site as is deemed by the Subsidizing Agency to be sufficient to control the site.

The Applicant controls the entire 4.29-acre Site under a deed of ownership.