MASSHOUSING

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TOWN OF NORFOLK
ZONING BOARD OF APPEALS

June 1, 2016

Mr. Eoghan Kelly, President
Powerhead, LLC
32 Norfolk Avenue
Easton, MA 02375

Re: Boyde's Crossing - Final Approval
MassHousing ID No. 745

Dear Mr. Kelly:

This letter constitutes final approval under 760 CMR 56.04(7) ("Final Approval") of the project known as Boyde's Crossing following the issuance of a comprehensive permit pursuant to Massachusetts General Laws Chapter 40B, 760 CMR 56.00 and the Comprehensive Permit Guidelines issued by the Department of Housing and Community Development (DHCD) (the "Guidelines") (collectively, the "Comprehensive Permit Rules").

On September 21, 2015, MassHousing ("MassHousing" or "Subsidizing Agency"), issued a Project Eligibility letter to Powerhead, LLC ("the Applicant") for the Project under the New England Fund Program ("NEF") of the Federal Home Loan Bank of Boston ("FHLBB").

On September 16, 2015, the Applicant filed an application for a comprehensive permit from the Norfolk Zoning Board of Appeals (ZBA) to construct 40 single-family housing units ("the Project") on approximately nine (9) acres of land located at 106-108 Main Street in Norfolk, MA ("the Site"). By decision dated February 4, 2016, the ZBA issued a comprehensive permit ("the Comprehensive Permit") to allow construction of the Project.

Pursuant to 760 CMR 56.05 (12)(B), we hereby confirm that Powerhead, LLC, meets the requirements of 760 CMR 56.04 (l)(a) and (b). In accordance with the Comprehensive Permit Rules, prior to the issuance of any municipal permits for the Project, the Applicant must present Final Approval from the Subsidizing Agency. Accordingly, this letter constitutes Final Approval.

According to information presented by the Applicant the Project will receive construction financing under the NEF Program through Mechanics Co-operative Bank, a FHLBB Member Bank. Pursuant to the Comprehensive Permit and the Comprehensive Permit Rules, the Final Project will contain 10 affordable units of housing available for sale to persons or families earning not greater than eighty-percent (80%) of the area median income ("Income Requirement") in perpetuity ("Term Requirement"). The affordable units shall consist of 2 and 3

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bedroom single family residences. Profit to the developer shall be limited to no more than 20 percent of total development costs for the Project ("Limited Dividend Requirement").

In connection with our determination herein, we have reviewed (i) the Site Approval (prior to the issuance of which an on-site inspection was performed), (ii) the Comprehensive Permit, (iii) the revised, preliminary plans on which the Comprehensive Permit was based (the "Plans"), (iv) the form of regulatory agreement (including the form of deed rider and affordability and limited dividend monitoring services agreements attached thereto, (the "Regulatory Agreement") to be recorded with the land records in the registry district in which the Municipality is located, (v) an updated initial pro forma for the Final Project (the "Updated Pro Forma"), (vi) the terms of the financing to be used for the Final Project, including provisions for monitoring of the Project during construction (the "Financing"), (vii) if not set forth on the Plans, a unit locator plan showing the preliminary location of the affordable units (the "Unit Locator Plan"), and (viii) other pertinent information presented by the Applicant and others.

As a result of our review, we have made the findings required by 760 CMR 56.04(7)(a), as informed by 56.04(1) and (4). In addition, the affordable units, if located in general conformance with the Unit Locator Plan or the Plans, will be reasonably interspersed with the market rate units.

Further, as required by 760 CMR 56.04(7)(b) and (c), this Final Approval (i) confirms that the Regulatory Agreement (a copy of which is annexed hereto as Exhibit A), as the proposed Use Restriction, is in a form consistent with the Comprehensive Permit Rules, (ii) verifies that the cost examination requirements have been acknowledged and that a commitment has been made by the Applicant to comply with the cost examination requirements defined in 760 CMR 56.04(8), as evidenced by the Developer's executed Acknowledgment of Obligations (a copy of which is annexed hereto as Exhibit B), and (iii) verifies that adequate financial surety, as defined in the Comprehensive Permit Rules, has been secured and is sufficient to ensure completion of the cost examination and the distribution of excess funds, in the form of Cash Escrow. A Surety Escrow Agreement between the Applicant and MassHousing dated May 31, 2016 was received by MassHousing on May 26, 2016, and is held by MassHousing under the Comprehensive Permit Rules.

We note that the Comprehensive Permit as issued contains a local preference condition as. See requirements outlined in Section III (D) of the Guidelines. Such conditions are subject to the requirements of applicable state and federal fair housing laws. To the extent such conditions conflict with said laws, the provisions of the fair housing laws must govern.

Submission of an examined cost certification will be required upon completion of the development in order to determine that developer profits do not exceed 20% of total development costs. In accordance with the provisions of the Site Approval letter, the Developer must adhere to the Land Value Policy described in the Guidelines. The developer must adhere to the Land Value Policy described in the Guidelines. The land acquisition cost, for cost certification purposes, has been established at $950,000 based on the appraisal prepared for MassHousing by Bowler Real Estate Appraisal, plus reasonable carrying costs. Please note that while MassHousing has reviewed the Updated Pro Forma and determined that it appears

reasonable and consistent with the Comprehensive Permit Rules, this Final Approval is not an approval of the Updated Pro Forma's individual line items and all line items other than land acquisition cost will need to be properly supported when the Project's cost examination is submitted.

Please note that this Final Approval does not constitute site plan or building design approval. Also, please note that we have not reviewed nor approved the Plans for compliance with federal, state or local codes or other laws pertaining to construction since such approvals are within the jurisdiction of the local building official and zoning enforcement officer. Similarly, we are relying on the local building official and zoning enforcement officer to ensure that the final plans and specifications comply with the Comprehensive Permit prior to issuing a building permit. We view issuance of the building permit as evidence of such compliance.

This Final Approval is contingent upon recording of the Regulatory Agreement executed on behalf of Powerhead, LLC and dated as of June 1, 2016 in the form prescribed by MassHousing and delivery to MassHousing of an executed construction monitoring certification from the construction lender in the form prescribed by MassHousing. Furthermore, this Final Approval will be effective for a period of the earlier of (a) six months following the date of this letter, or (b) the expiration date of the construction loan commitment submitted as part of the Final Approval application. Should the Applicant not apply for building permits for the Project within this period or should MassHousing not extend the effective period of this letter in writing, the letter shall be considered to have expired and no longer be in effect. In addition, we are requiring that MassHousing be notified at the time of the issuance of the building permits for the Project.

Please note that the maximum initial sales prices to be inserted on Exhibit B of the Regulatory Agreement are determined by reference to the area median income for the appropriately sized household for the affordable units. In accordance with DHCD's formula, the appropriately sized household for the unit is the number of bedrooms in the unit plus one.

If you have any questions concerning this letter, please contact Jessica L. Malcolm, at (617) 854-1201.

Sincerely,

Gregory P. Watson
Manager, Comprehensive Permit Programs

Attachments:
Exhibit A: Regulatory Agreement
Exhibit B: Developer's Acknowledgement of Obligations and Surety

cc: Chrystal Kornegay, Undersecretary, DHCD
Jim Lehan, Chairman, Norfolk Board of Selectmen
Michael Kulesza, Chairman, Norfolk Zoning Board of Appeals
Ray Goff, Norfolk Town Administrator