



Massachusetts Housing Finance Agency  
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March 8, 2017

Thomas W. DiPlacido  
Abbyville Residential, LLC  
c/o DiPlacido Development Corp.  
850 Franklin Street, Suite 8  
Wrentham, MA 021093

**Re: Abbyville Commons  
Project Eligibility/Site Approval  
MassHousing ID #911**

Dear Mr. DiPlacido:

This letter is in response to the application 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 ("FHLBB").

DiPlacido Development Corp. has submitted an application on behalf of Abbyville Residential, LLC (the "Applicant") with MassHousing pursuant to Chapter 40B. The proposal is to build 48 rental units (the "Project") on approximately 8+/- acres of land, concurrent with a homeownership development known as The Preserve at Abbyville on approximately 195+/- acres of land, for a total of 203+/- acres of land located off Lawrence Street (the "Site") in Norfolk (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."

### **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 Norfolk Town Planner submitted comments regarding the Application on January 30, 2017, summarizing comments from municipal officials, staff and members of the public. The following concerns were identified in their comments:

- The Municipality is concerned that additional traffic generated from this development may impact the existing traffic patterns found in the adjacent neighborhood and has suggested that the bridge and road on Lawrence Street is widened accordingly and that a traffic study be prepared for consideration during the public hearing.
- The Municipality is concerned about the supply of adequate sources of water to the Site and would like to pursue opportunities to develop a municipal well on the property.

#### 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 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 Developer 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 site and design review, and in light of feedback received from the Municipality, the following issues should be addressed in the application to the Norfolk Zoning Board of Appeals, and the Applicant should be prepared to explore them more fully during the public hearing process:

- Development of this Site will require resolution of all environmental conditions per laws, regulations and standards applicable to existing conditions and to the proposed use, including but not limited to compliance with all applicable regulatory restrictions relating to floodplain management, the protection of wetlands (WPA), and wildlife habitats/conservation areas as well as local and state environmental protection requirements relating to the protection of the public water supply, storm water runoff and hazardous waste safety. The Applicant should provide evidence of such compliance prior to the issuance of a building permit for the project.
- The Applicant should provide a detailed traffic study assessing potential impacts of the Project on area roadways, including traffic volumes, crash rates, and the safety and level of service (LOS) of area intersections, and identifying appropriate traffic mitigation in compliance with all applicable state and local requirements governing site design.
- The Applicant should be prepared to discuss the potential for widening the road and bridge on Lawrence Street.
- The Applicant should be prepared to discuss an extension of the existing water lines that currently end at the intersection of Park Street and Lawrence Street, as well as the potential for providing the Municipality with land on an unused portion of the proposed

site for an additional public water source.

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 48 rental units under the terms of the Program, with not less than 12 of such units restricted as affordable homeownership units for low and moderate income persons or families as required under the terms of the Guidelines. It is not a commitment or guarantee of NEF financing and does not constitute a site plan or building design approval. Should the Applicant 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, the Applicant may be required to submit a new Site Approval application for review by MassHousing. Should the Applicant consider a change in tenure type or a change in building type or height, the Applicant may be required to submit a new Site Approval application for review by MassHousing.

For guidance on the Comprehensive Permit review process, the Applicant is advised to consult the Guidelines. Further, we urge the Applicant to review carefully with legal counsel the M.G.L. c.40B Comprehensive Permit Regulations and 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.

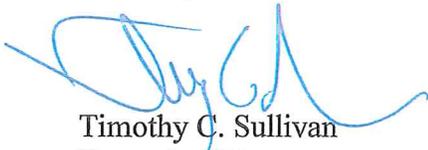
Please note that MassHousing may not issue Final Approval if the Comprehensive Permit contains any conditions that are inconsistent with the regulatory requirements of the New England Fund Program of the FHLBB, for which MassHousing serves as Subsidizing Agency, as reflected in the applicable regulatory documents. In the interest of providing for an efficient review process and in order 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

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Project Eligibility Letter

~~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 Jessica Malcolm at (617) 854-1201.

Sincerely,



Timothy C. Sullivan  
Executive Director

cc: Chrystal Kornegay, Undersecretary, DHCD  
Jeff Palumbo, Chairman, Board of Selectmen  
Ray Goff, Town Planner  
Michael Kulesza, Chairman, Zoning Board of Appeals

Attachment 1

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

Abbyville Commons

After the close of a 30-day review period MassHousing hereby makes the following findings, based upon its review of the application, and taking into account information received during the site visit and from written comments:

*(a) MassHousing finds 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 Norfolk is \$73,050. The Applicant has a letter of financial interest from Rockland Trust, a member bank of the FHLBB under the NEF Program.

*(b) MassHousing finds 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 MassHousing staff's site inspections, 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. The current zoning allows for residential use, and the proposed residential development would be consistent with local needs for housing.

Norfolk does not have a current Housing Production Plan on file with DHCD. Norfolk has 111 Subsidized Housing Inventory (SHI) units (3.6% of its housing inventory) and needs an additional 200 SHI units in order to meet the 10% SHI threshold. The need for affordable housing in Norfolk is further supported by the American Community Survey's 2010-2014, 5-Year Estimate, showing that 14.4% of households in Norfolk earn less than 50% AMI; 17.9% earn less than 60%, and 22.9% earn less than 80%.

*(c) MassHousing finds 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);*

#### **Relationship to Adjacent Building Typology**

The proposed rental development will consist of 48 rental units in 25, one and two-story duplex and single-family homes. Twenty-three buildings will have two units, and two buildings will be detached single-family units. The surrounding neighborhood consists of colonials, split levels and ranch style homes. The proposed building design is straightforward and will present a single-family residential character at the front portion of the development. The exterior veneers will have vinyl clapboard siding with accents such as brick or vinyl shakes to add visual interest. The door and window fenestration will be a take on New England vernacular, with raised panels in the doors and divided lite windows.

#### **Relationship to Adjacent Streets**

The Site is located in a residential neighborhood and approximately 2 miles from the closest MBTA commuter rail station. The relationship of the proposed Site access and egress to Lawrence Street does not present any discernable public safety impacts. There appears to be adequate lines of sight for vehicles entering and exiting the proposed Site. The proposed development is able to successfully integrate with existing development patterns.

#### **Density**

The Applicant proposes to build 48 homes on approximately 8.84 buildable acres. The resulting density is 5.4 units per buildable acre, which is acceptable given the proposed housing type and patterns of development within the region.

#### **Conceptual Site Plan**

The proposed rental development will consist of 48 rental units in 25, one and two story duplex and single-family homes on approximately 8.84 acres of land. Twenty-three buildings have two units and two buildings are detached single units. This site plan has been integrated into the site plan for another proposed 40B development, known as the Preserve at Abbyville, which will consist of 148 for-sale, single-family homes on 190+/- acres of surrounding land. There will be a main entry to the Site off of Lawrence Street, leading to a large central lawn area as part of the rental site. The rental site is defined by perimeter roadways and has two internal loop roads with the proposed townhouses arranged along the loops on raised footings/foundations. The loop roads minimize the through traffic in front of the units. A total of 88 surface parking spots are proposed in front of each group of townhouses. Since leveling the site will remove much of the existing tree cover, some modest plantings are proposed. There will be access to adjacent property that has over four miles of trails weaving through the forest, a large pond for recreational activities, and a river that bisects the undeveloped open space areas. The buildings will have easy access to walkways, trails, and water activities.

### **Topography**

The Site is characterized by undulating topography with the potential for ledge. The subject property is gently rolling with small hills and valleys where the man made pond and wetlands are located. The Site is heavily impacted by wetlands. The topographic features of the Site have been considered in relationship to the proposed Project plans and should not constitute an impediment to development of the Site. No significant adverse conditions are present and the Site's topography is not an impediment to the proposed development.

### **Environmental Resources**

The Site is comprised of 203+/- acres of land of which approximately one third will be developed with residential housing. The Site survey does not show any wetlands on the 8.84 acres reserved for the rental development. The remaining undeveloped property will be available for open space elements, including 4 miles of trails running through forest, a large pond for recreational activities and a scenic river. All of these proposed features of the Site will be protected in perpetuity with a conservation restriction.

***(d) MassHousing finds 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 Applicant proposes rental apartments to be financed under the NEF Program. There will be 36 market-rate units with proposed average rent levels of \$1,700 for the one-bedroom units; \$2,150 for the two-bedroom units; and \$2,400 for the three-bedroom units.

MassHousing's Appraisal and Marketing Department (A&M) reviewed market data for the area, and concluded that demand for the Project would be strong. They noted that despite a recent increase in supply in the submarket, vacancy rates have continued to drop, and occupancy levels have remained steady. A&M recommends that a full market study be conducted prior to Final Approval in order to determine the depth of the market for rental housing in this location at that time.

***(e) MassHousing finds 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;***

MassHousing has commissioned an as "As-Is" appraisal which indicates a land valuation of \$380,000. The Project pro forma includes a proposed investment of \$1,786,828 in private equity. A preliminary review of the pro forma indicates that the per-unit construction costs are within the normal range for similar multi-family developments. Based on estimated development costs, the Project appears to be financially feasible and within the limitations on profits and distributions.

*(f) MassHousing finds 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) MassHousing finds 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 203+/- acre Site under Purchase and Sale Agreement that expires on November 13, 2017.