MassHousing

Massachusetts Housing Finance Agency
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January 26, 2016

Thomas DiPlacido
Norfolk Holding, LLC
850 Frankilin Street, Suite 8
Wrentham, MA 02093

Re: The Enclave at Norfolk, Norfolk
Project Eligibility/Site Approval
Project #857

Dear Mr. DiPlacido:

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 ("FHLBB").

You have proposed to build 56 age-restricted homeownership units (the "Project") on 32.31 acres of land located between 16 & 18 Village Green (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."

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 Norfolk Town Planner submitted comments regarding the Application on September 7, 2016, summarizing comments from municipal officials, staff and members of the public. The following concerns were identified in their comments:

Charles D. Baker, *Governor* | Michael J. Dirrane, *Chairman* | Timothy C. Sullivan, *Executive Director*
Karyn E. Polito, *Lt. Governor* | Ping Yin Chai, *Vice Chair* | Karen E. Kelleher, *Deputy Director*

- The Municipality is concerned that additional traffic generated from this development may impact the existing traffic patterns found in the existing neighborhood and has suggested that a traffic study be prepared for consideration during the public hearing.

- The Municipality is concerned that the density proposed for this development is a dramatic variation from the intensity of lot utilization found in the adjacent neighborhood. In addition, the Municipality requests that a vegetative buffer be maintained between existing homes and the proposed homes.

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 your application to the Norfolk Zoning Board of Appeals, and you 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 respond to Municipal concerns relative to the overall density of the development and their request for additional screening possibilities between existing homes and the proposed homes.

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 fifty-six (56) homeownership units under the terms of the Program, with not less than fourteen (14) 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 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 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 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 J. Busby at (617) 854-1219.

Sincerely,

Timothy C. Sullivan
Executive Director

cc: Chrystal Kornegay, Undersecretary, Department of Housing and Community Development
Jeff Palumbo, Chairman, Town of Norfolk Board of Selectmen
Michael Kulesza, Chairman, Town of Norfolk Zoning Board of Appeals
Ray Goff, Planner, Town of Norfolk

Attachment 1.

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

The Enclave at Norfolk, Norfolk, MA #857

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) 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 submitted a letter of financial interest from Rockland Trust, a member bank of the FHLBB under the NEF Program.

(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);

Section IV-A (3) (a) of the Guidelines provide guidance to Subsidizing Agencies for evaluating a municipality's actions intended to meet affordable housing needs.

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 current zoning allows for residential use, and the proposed residential development would be compatible with surrounding uses.

(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 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 existing neighborhood consists of a mixture of housing types and architectural styles with varied roof elevations. The proposed development is similar in character to abutting properties and the general pattern of development adjacent to the Site. The proposed homes will be single story duplex style wood-framed with exteriors designed to represent the prevailing surrounding neighborhood context. The Developer's design approach proposes to maintain a consistent massing, scale and building typology to that of the existing adjacent neighborhood.

Relationship to Adjacent Streets
The subject property is located in a residential neighborhood and is enhanced by its close proximity to the MBTA commuter rail station. The relationship of the proposed Site access and egress to Village Green 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 56 homes on 32.31 acres, of which approximately 10.7 acres are buildable. The resulting density is 5.23 units per buildable acre, which is acceptable given the proposed housing type and patterns of development within the region.

Conceptual Site Plan
The Applicant proposes 56 duplex-style homes in 28 buildings. The Applicant's objective is to minimize impacts on the portion of the Site containing wetland resource areas and to preserve as much open space as possible.

Topography
The terrain rises gradually from the entrance on Village Green then levels off to rolling terrain. No significant adverse conditions are present and the site's topography is not an impediment to the proposed development.

Environmental Resources
The subject site is comprised of 32.31 acres of land of which 21+/- acres will remain open space. This plan will retain a significant amount of existing open space

Proposed Use
Based on MassHousing staff's site inspection, 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.

(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 for age restricted homes in the Town of Norfolk submitted by Berkshire Hathaway Homeservices of Medway, MA.

(e) that 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;*

The initial pro forma has been reviewed for the proposed residential use and the Project appears financially feasible with a projected profit margin of 12.24%. 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 $830,000.

(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 32.31 acre Site under a deed of ownership.