



# Town of Sudbury

## Sudbury Housing Trust

Flynn Building  
278 Old Sudbury Rd  
Sudbury, MA 01776  
978-639-3387

<http://www.sudbury.ma.us>  
[Housing@town.sudbury.ma.us](mailto:Housing@town.sudbury.ma.us)

## Sudbury Housing Trust

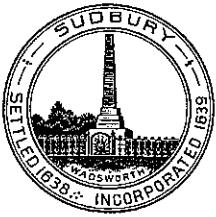
### Agenda

March 05 2008, 8:00 AM  
Silva Conference Room  
Flynn Building, 278 Old Sudbury Rd

#### Announcements

1. Topic: Meetings, Agenda, Minutes  
8:05 – 8:15 a. VOTE: Approve Regular Minutes of 2/5/08
2. Legislation and Trust  
9:15 – 9:25 a. Town Meeting article: Discuss publicity, outreach and presentation plan  
b. Policy updates: (CORI, Veterans) Good discussion at Roundtable
3. Finances, Funding and Grants  
9:00 – 9:15 a. VOTE: Ratify Finances as presented for February  
b. Review CPC finances
4. Active Projects  
8:30 – 9:00 a. Dutton Parcel – 3/11 BoS meeting (sent neighbor letters), site plan attached  
b. 4 Longfellow – Closed 2/21. Helpful to have an agreement for Town funds.  
c. Washbrook Rd – Update from Concomm meeting, and discussion on next steps.  
d. Melone Update – Update, 40R zoning summary  
e. Small Grants Program – Sent to Town Manager for comments, will distribute in March  
8:15 – 8:30 f. Down Payment Assistance – Review Consortium program guidelines  
g. 40B Updates
  - Snowberry – 7 of 8 units sold.
  - Old County Rd – Subsidy layering analysis required for CPC and HOME funds for buy-down. Attached.
  - Village on rt20 – No activity
  - Commons – Decision voted, additional affordable buy-down unit
5. Outreach, other, reference  
a. Selectmen – 3/11  
b. Town Meeting – 4/7

#### Other business



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## Sudbury Housing Trust

### Minutes

February 5 2008, 8:00 AM  
Silva Conference Room  
Flynn Building, 278 Old Sudbury Rd

Present: Trustees: Peter Crowe, Michael Fee, Lydia Pastuszek, Andrew Kaye (late), Amy Lepak, Larry O'Brien

Staff: Jody Kablack, Beth Rust

Absent:

The meeting commenced at 8:10am and adjourned at 9:35.

### Minutes

*Motion duly made and seconded, it was unanimously (5-0):*

*VOTED: To approve the minutes of regular session on January 08, 2008, and the Executive Session of January 16, 2008*

### Housing Policy

A housing policy process was reviewed, discussed and approved by the Trust. It is now on the website. It includes a vehicle for gathering ideas, channeling them through discussion with stakeholders, presenting them to the Board of Selectmen for approval, and finally documenting the results in the Housing Plan.

*Motion duly made and seconded, it was unanimously (6-0):*

*VOTED: To adopt the housing policy process (as amended)*

The Trust had a review and thorough discussion of the question of implementing criminal background checks (CORI) for winners of homeownership opportunities, evaluating the privacy and risk issues. At least one Trustee disagreed with recommending CORI checks. In alignment with the newly adopted housing policy process, the Trust agreed to bring the concept of a CORI background check for homeownership to the Sudbury Housing Roundtable for discussion.

*Motion duly made and seconded, it was unanimously (6-0):*

*VOTED: To bring the question of CORI background checks for homeownership to the Sudbury Housing Roundtable for further discussion and input.*

### Finances

*Motion duly made and seconded, it was unanimously (6-0):*

*VOTED: To ratify the finances and transactions for December and January as presented.*

### Projects

The Trust reviewed the building and elevation plans as given by the Habitat for Humanity architect for the Dutton Road parcel. Minor questions and comments were given, and general support for the design was voiced.

*Motion duly made and seconded, it was unanimously (6-0):*

*VOTED: To endorse the structural plan as presented and to overlay the floor plan to the site plan.*

The Trust reviewed the draft application package for the small grants program, and offered changes. A final version will be distributed for approval.

# WestMetro HOME Consortium

## **Guidelines**

### **Downpayment Assistance Funded by HOME (ADDI)**

**and**

### **Administered by the WestMetro HOME Consortium**

February 14, 2008

The American Dream Downpayment Initiative (ADDI) is a component of the HOME program for the purpose of making down payment assistance available to income eligible households who qualify as first-time homebuyers. The Consortium (acting through the City of Newton Housing Office) will administer the ADDI loans as part of the HOME program on behalf of those Consortium communities that do not have a down payment assistance program of their own.

Applicants may receive a maximum of \$10,000.00 per eligible homebuyer household. The assistance is provided as a 0% five-year loan with recapture provisions, as detailed below. The loan is forgiven after five years if the terms of the loan are met. The amount of the loan will be determined based on the household's ability to pay based on a maximum 33% ratio of all housing debt to income (front end ratio). All sources of funds, income, gifts, and mortgage products (such as MHP Soft Second) are calculated to determine funding assistance. Eligible buyers must be first-time homebuyers and meet income and asset maximum limits and must agree to live in the property as their principal residence.

Funds are secured by a mortgage and note written by the Member Community. The Member must record the mortgage (or UCC-1) as an encumbrance against the property. The Member shall advise the eligible homebuyer and the closing attorney of the costs of recording the mortgage and the eligible homebuyer will pay these recording costs as a portion of the closing costs incurred with the purchase.

The City of Newton, although administering the ADDI Program on behalf Consortium Members, is unable to hold the mortgage for properties outside of its boundaries. ADDI documents, including the loan agreement, mortgage (or UCC-1 lien) and note, will be provided by Newton, but must be reviewed and executed by the Member

Community. Repayments of ADDI loan funds will be paid to the City of Newton, on behalf of the Consortium, and credited to the Consortium's ADDI account. The HOME Program calls these repayments "recaptures."

Units purchased with ADDI-assistance may or may not be otherwise deed restricted through other affordable housing programs such as those programs run by DHCD or MassHousing or by a local program such as Inclusionary Zoning. Member communities must use one of the two HOME Program defined Recapture alternatives for ADDI applications for assistance within that community, depending on whether a unit is otherwise deed restricted or not.

***ADDI Program Recapture Alternatives*** (Based on a 5 year loan – the minimum affordability period required by HOME):

The HOME Program allows for different alternatives under the Recapture model. The Consortium ADDI program allows two of the alternatives: one for use with a Non-Deed Restricted unit and one for a unit that has a deed restriction from another program. HOME Program regulations for any of the Recapture alternative state that if there are no net proceeds (defined as proceeds of the sale remaining after superior debt to the HOME Loan has been paid off) from the resale of the property, the loan shall not be repaid and the member community shall not be required to repay the Consortium. In either alternative, the loan is forgiven after five years if the terms of the loan are met.

**Non-Deed Restricted Unit**

- **Shared Equity** – Owner and Consortium share in the appreciated net proceeds of the resale of the property, based on the percentage investment by the owner vs. the ADDI Loan. *For example, the owner and Consortium each put in \$5,000 at the original purchase. At resale the total net proceeds equal \$25,000. The net proceeds are split evenly between the seller-owner and Consortium and each receives \$12,500.*

**Deed Restricted Unit**

- **Reduction During Affordability Period** – The ADDI loan is reduced by one-fifth (20%) each year during the five year

affordability period and the seller-owner must repay the unforgiven portion of the loan during that period, if there are sufficient net proceeds from the sale of the property. So the borrower of say, \$10,000, would have to repay \$8,000 after one year, \$6,000 after two years, etc.

### **Terms of the ADDI Loan**

- Household income may not exceed 80% of Area Median Income as defined by HUD.
- 0% Interest, five-year loan; forgiven at the end of the term. If the property does not have a price-affordability deed restriction, the unit may be sold at an open-market price.
- An eligible homebuyer will only qualify for the amount of funds necessary to approximate a 33% front end ratio. The front end ratio equals principal plus interest plus property taxes plus insurance, plus condo fees, if applicable (also known as "PITI").
- The asset maximum is \$50,000 as set by the State and includes all forms of financial assets, including retirement accounts.
- The eligible homebuyer must have both funds sufficient to pay closing costs and funds that satisfy the primary lender's requirement of reserves.
- Borrowers must complete a CHAPA-certified Homebuyer 101 education program prior to closing and a post purchase class within six months of closing;
- The purchase price must not exceed the HOME Purchase Price limit [based on the FHA 203(B) Single Family Mortgage limit for the Boston area]. Note that some high-cost Consortium member communities have obtained a waiver that allows the purchase price to increase to 95% of the median sale price within that community.
- Homebuyers are encouraged to compare terms and costs of primary mortgages and to obtain a fixed rate mortgage where affordable. An adjustable rate primary mortgage (3/1 or 5/1 only)

is permitted only if it is the lender's First Time Homebuyer product or it is a MassHousing mortgage product. In no event are "interest only" loan products permitted. High cost loans and sub-prime loan products will also be denied.

### **Processing Time**

Applications must be received by the Newton Housing Office at least six weeks prior to any anticipated closing. The Newton Housing Office will not act on an ADDI application until it is complete and all required documentation has been submitted. Closing should not be scheduled until ADDI approval has been given and the closing must be scheduled at least three weeks after approval has been given.

### **Administration Fee**

The Consortium will receive \$300.00 per case processed. This is an eligible HOME activity delivery cost.

### **Consortium Member Responsibilities**

Consortium Member should direct potential ADDI applicants to the Newton Housing Office: 617-796-1150 or [jmcaneny@newtonma.gov](mailto:jmcaneny@newtonma.gov).

Most of the responsibility for administering this program falls to the Newton Housing Office. However, Member Communities must agree to review and sign the ADDI loan documents. Any legal fees needed to review the ADDI documents on the part of the Member Community's attorney may be paid for from the Member's administrative account.

The ADDI loan documents will be prepared by the Newton Housing Office. At the conclusion of the loan term, the Member Community must sign off on the discharge of the lien (form provided through the Newton Housing Office).

WestMetro HOME Consortium

**ADDI Status**

Year	Available	Used	Balance
FY04	\$72,680.00	\$72,680.00	\$0.00
FY05	\$85,765.00	\$85,765.00	\$0.00
FY06	\$48,905.00	\$48,905.00	\$0.00
FY07	\$35,196.00	\$25,690.14	\$9,505.86
FY08	\$35,196.00	\$0.00	\$35,196.00
	<b>\$277,742.00</b>	<b>\$233,040.14</b>	<b>\$44,701.86</b>

Average \$55,548.40

Member	# of Cases	Total \$ Used	Max. Period	Balance
Bedford	2	\$7,119	\$69,435.50	\$62,316.50
Belmont	1	\$10,000	\$69,435.50	\$59,435.50
Brookline	7	\$69,436	\$69,435.50	\$0.00
Framingham		\$0	\$69,435.50	\$69,435.50
Lexington		\$0	\$69,435.50	\$69,435.50
Lincoln		\$0	\$69,435.50	\$69,435.50
Natick		\$0	\$69,435.50	\$69,435.50
Needham		\$0	\$69,435.50	\$69,435.50
Newton	7	\$52,050	\$69,435.50	\$17,385.36
Sudbury		\$0	\$69,435.50	\$69,435.50
Waltham	7	\$69,436	\$69,435.50	\$0.00
Watertown	3	\$25,000	\$69,435.50	\$44,435.50
	<b>27</b>	<b>\$233,040</b>		

**Maximum Per Community at 25% of Total ADDI**

Max. 04-08	\$69,435.50
Max. 04-07	\$60,636.50
Max. 04-06	\$51,837.50
Max. 04-05	\$39,611.25

## Riverfront Alternatives Analysis Washbrook Road

The Sudbury Housing Trust has performed extensive analysis and testing on the property on Washbrook Road, (parcel j08-315) and presents this alternatives analysis on the results.

### **Background**

Overall, Sudbury has made a commitment to increasing affordable housing during this Town build-out period. All plans hope to increase affordable housing at a minimal rate compared to the large scale house development. This small parcel development approach delivers scattered site housing across Town, which is a proven strategy.

Sudbury has 4.6% affordable housing in terms of the 40B inventory, and as such, is subject to developer bypass of local zoning. There is also a demonstrated need to offer housing at a lower price to Sudbury residents and Town employees, as shown by the applicants in two recent (11/06, 12/07) affordable housing lotteries. In both these occasions, half of the applicants had Sudbury connections and were qualified to the local preference.

The objective of this report and the riverfront alternatives analysis is to demonstrate that there are no practicable and substantially equivalent economic alternative to the proposed project and to demonstrate that there is no adverse impact with the proposed project. Per the regulatory guidance, an alternative is deemed to be practicable and substantially equivalent economically if it is available and capable of being done, meaning that the alternative is obtainable and feasible.

This report provides the results of the extensive testing and analysis that has been performed, and reviews those results through the alternatives analysis, and the consideration of costs, existing technology, proposed use, and logistics.

### **Scope of Alternatives**

The scope of the alternative analysis is commensurate with the type and size of the project, and is proscribed by regulation. The area under consideration for practicable alternatives is limited to the lot for activities associated with the construction or expansion of a single family house on a lot recorded on or before August 1, 1996. This lot was recorded in 1974 and therefore the area under consideration for a single family house is limited to this particular lot.

However, there have been two notable and significant analyses performed and studies undertaken to investigate feasible sites for the development of affordable housing on municipal land and small parcels of land.

First, a comprehensive analysis of other municipal-owned land was completed in 2003 under the review of the Blue Ribbon Housing Site Selection Committee authorized by the Board of Selectmen. The committee reviewed 194 Town-owned parcels, and brought three forward to Town Meeting for potential development. This lengthy and detailed process yielded NOT ONE parcel to be used for affordable housing. Many parcels are restricted or contain wetlands, are in use currently, or are otherwise inappropriate.

Second, a study comprised of only small parcels (less than minimum zoning requirement) was completed in 2006, and this site was identified through that process. It was a large initiative by the Community Housing Committee to review small lots in Town, unbuildable to the current owners due to density restrictions, with the objective of developing them for affordable housing. All parcel maps were reviewed, over 100 parcels identified and reviewed by Town staff. Letters were sent to the owners of the resulting 20 parcels, and the Sudbury Water District responded to that letter.



### **Costs**

Developing and creating affordable housing is expensive and always requires subsidy. The costs always outweigh any sales proceeds that can be realized. In 40B developments, the 75% of market rate units both subsidize the 25% affordable units, as well as yield a profit for the developer. Projects that are completely constructed of affordable housing will operate at a deficit and must be subsidized. This is primarily due to the fact that the sales prices of affordable houses are regulated by the State, and are set by formula to ensure that a family making 70% of the area median income does not spend more than 30% of their gross income on housing related expenses (principal, interest, insurance, real estate taxes). Generally these sales prices range from \$150,000 to \$200,000 depending on the number of bedrooms.

In Sudbury, land is valued at a premium. Buildable land, with by-right zoning, sells for at least \$250,000 an acre, and in most cases more. The high cost of land in Sudbury prohibits the development of affordable housing.

This parcel on Washbrook Road has been deemed surplus land by the Sudbury Water District and will be transferred to the Housing Trust at no cost for affordable housing. This article was approved at the Sudbury Water District annual meeting in May 2007, which gave the commissioners the authority to transfer the property to the Sudbury Housing Trust.

### **Existing Technology**

Soil testing was completed on the property on August 8, 2007 and witnessed by the Board of Health. Test results indicate that the soil is all sands and gravel with 2 min/inch perc, which indicates no soil concerns with development.

The proposal includes a basic septic system designed to accommodate four bedrooms, generating 110 GPD each, for a total capacity of 440 GPD of flow. A primary and reserve system is included in the site design which complies with Title V.

The design places the primary trenches six feet apart with the expansion area between the primary trenches, and proposes a retaining wall for the septic system due to the slope of the property. While in compliance with state regulations, these design elements do not accommodate the local Board of Health regulations.

The proposed dwelling is a single family home for a first time homeowner. It will require state and local subsidy to develop the dwelling, and cost efficiency is paramount. The project budget cannot absorb sophisticated or expensive technology to install or operate. Therefore only a basic system was been designed or contemplated.

### **Proposed Use**

This particular site can accommodate a 1,600 square foot 4-bedroom house, with a 32x24 footprint and one-car garage in compliance with regulations. It would build a modest size house, small driveway and adequate septic.

The project proposes only a single family house. Designs for a duplex dwelling were rejected due to constraints of the parcel. The proposed dwelling has been located as far away from the riverfront as the parcel allows, and was successful to design the project completely outside the 100 foot riverfront buffer zone.

### **Logistics**

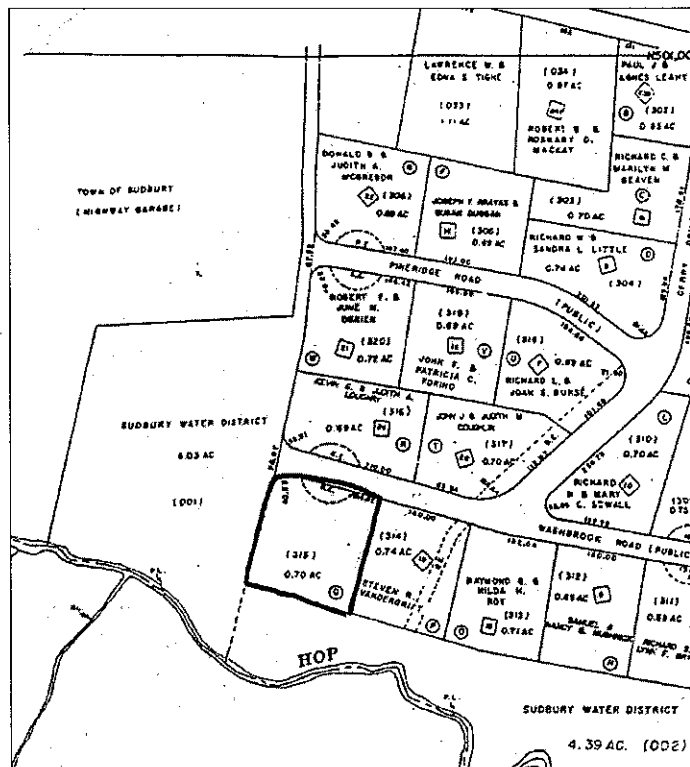
The physical characteristics of the site have greatly influenced the plan and design. The property is not within a Zone II of a public drinking water supply well.

The site borders Hop Brook to the south. The edge of the riverfront was established and from there, the 100 foot and 200 foot buffer zones were plotted. The proposed plan projects a work area equal to the 5,000 SF limit within the 200 foot offset to the riverfront, with no disturbance within the 100 foot boundary.

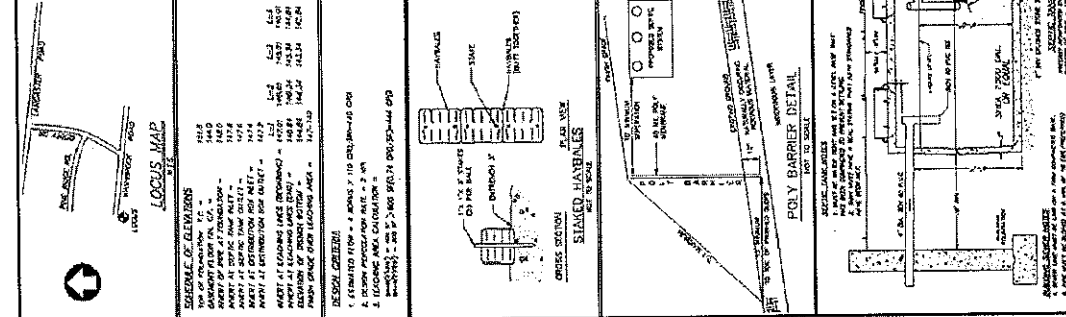
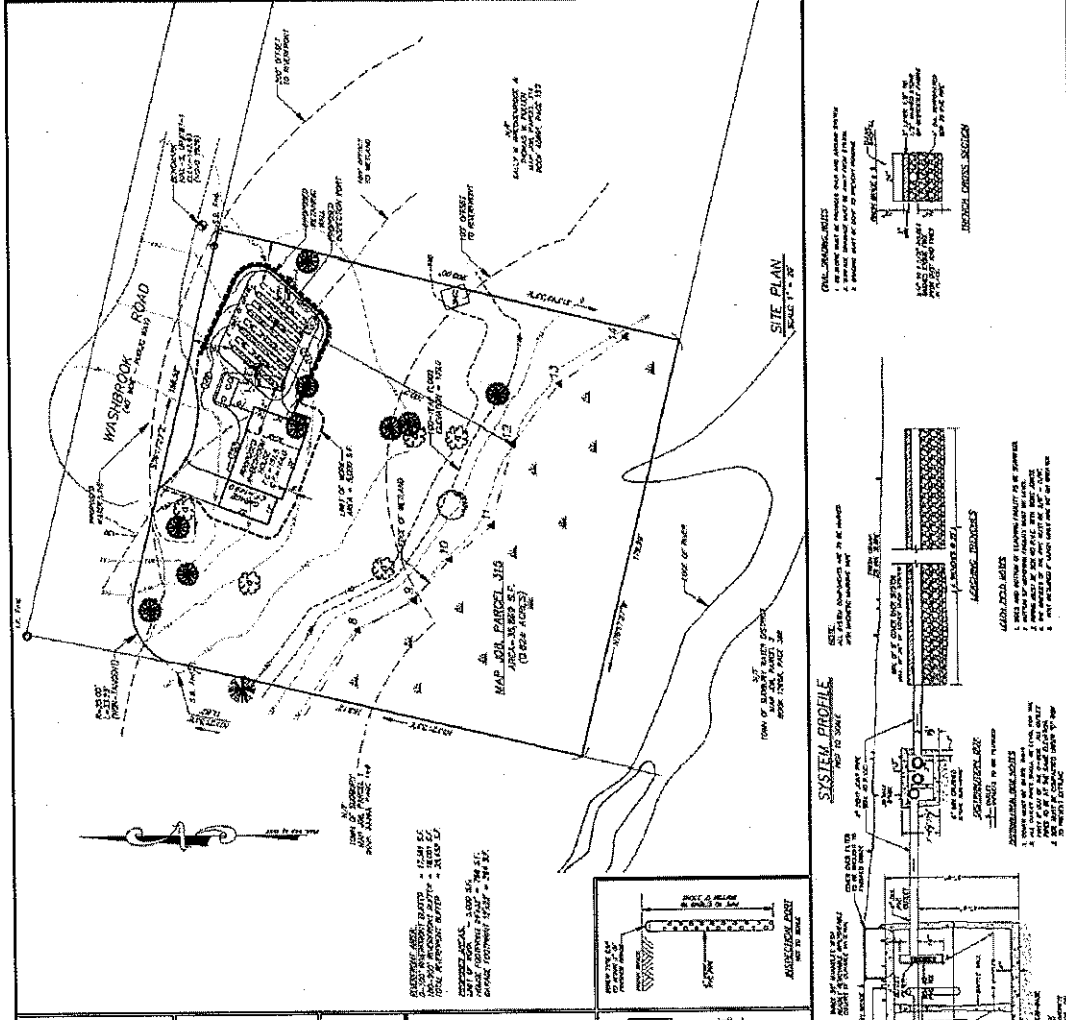
The regulations allow that within 200 foot riverfront areas, the issuing authority may allow the alteration of up to 5,000 square feet or 10% of the riverfront area within the lot, whichever is greater, on a lot recorded on or before October 6, 1997. Because we are less than 5,000 square feet of disturbance, the presumption is that there are no impacts. The project protects a 100 foot wide area of undisturbed vegetation, as extended from the mean annual high-water along the river.

The flood plain was mapped to the 100-year flood elevation of 139 feet, and traverses the property though not the proposed disturbance or dwelling.

The site will require zoning relief from the front yard setback, frontage and lot area requirements in the form of a comprehensive permit. The parcel size is 35,800 SF, versus the 40,000 SF required in the Zoning Bylaw, and has a frontage of 156 ft, versus the 180 ft requirement. The proposed plan sites a dwelling within the 40 foot front yard set back requirement.



<p><b>REVISIONS</b></p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DESCRIPTION</th> <th>DATE</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>AS SHOWN</td> <td>11/28/82</td> </tr> </tbody> </table>			NO.	DESCRIPTION	DATE	1	AS SHOWN	11/28/82	<p><b>PROJECT INFORMATION</b></p> <p>PROJECT NO. 82-001</p> <p>SHEET NO. 1 OF 1</p>
NO.	DESCRIPTION	DATE							
1	AS SHOWN	11/28/82							
<p><b>CLIENT INFORMATION</b></p> <p>NAME: [REDACTED]</p> <p>ADDRESS: [REDACTED]</p>									
<p><b>DESIGNER INFORMATION</b></p> <p>NAME: [REDACTED]</p> <p>ADDRESS: [REDACTED]</p>			<p><b>APPROVED</b></p> <p>DATE: 11/28/82</p>						
<p><b>NOTES</b></p> <p>1. ALL DIMENSIONS ARE IN FEET AND INCHES UNLESS OTHERWISE NOTED.</p> <p>2. ALL MATERIALS ARE TO BE AS SHOWN UNLESS OTHERWISE NOTED.</p> <p>3. ALL FINISHES ARE TO BE AS SHOWN UNLESS OTHERWISE NOTED.</p>									



<p><b>LEGEND</b></p> <ul style="list-style-type: none"> <li>1. ELIMATED FROM - 8 DIMS 7, 116 DIMS 10-18 DIMS</li> <li>2. EXISTING PROPERTY LINE - 2" THICK</li> <li>3. NEW PROPERTY LINE - 2" THICK</li> <li>4. EXISTING ROAD - 1" THICK</li> <li>5. NEW ROAD - 1" THICK</li> </ul>	<p><b>SCHEDULE OF ELEVATIONS</b></p> <table border="1"> <thead> <tr> <th>NO.</th> <th>DESCRIPTION</th> <th>ELEVATION</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>FINISH GRADE AT INTERSECTION</td> <td>110.00</td> </tr> <tr> <td>2</td> <td>FINISH GRADE AT TYPICAL POINT</td> <td>110.00</td> </tr> <tr> <td>3</td> <td>FINISH GRADE AT TYPICAL POINT</td> <td>110.00</td> </tr> <tr> <td>4</td> <td>FINISH GRADE AT TYPICAL POINT</td> <td>110.00</td> </tr> <tr> <td>5</td> <td>FINISH GRADE AT TYPICAL POINT</td> <td>110.00</td> </tr> <tr> <td>6</td> <td>FINISH GRADE AT TYPICAL POINT</td> <td>110.00</td> </tr> </tbody> </table>	NO.	DESCRIPTION	ELEVATION	1	FINISH GRADE AT INTERSECTION	110.00	2	FINISH GRADE AT TYPICAL POINT	110.00	3	FINISH GRADE AT TYPICAL POINT	110.00	4	FINISH GRADE AT TYPICAL POINT	110.00	5	FINISH GRADE AT TYPICAL POINT	110.00	6	FINISH GRADE AT TYPICAL POINT	110.00
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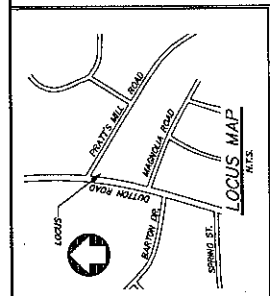
Sudbury Housing Trust  
Functional Financial View

	FY 2007 (7/06 - 6/07)	Actual	FY 2008 (7/07-6/08) Remaining	Total	FY 2009 (7/08-6/09)	FY 2010 (7/09-6/10)	FY 2011 (7/10-6/11)	Total	Comments
<b>Balance Forward</b>	\$0	\$158,864	\$158,864	\$387,217	\$917,650	\$955,178			
<b>Trust Account</b>									
<b>Sudbury 40B Income</b>									
Meadows: 8 (2) units	\$24,598	\$0	(\$3,000)	(\$3,000)	\$0	\$0	\$0	\$21,598	Unrestricted
CPA	\$0	\$0	(\$3,000)	(\$3,000)	\$0	\$0	\$0	(\$3,000)	
VOGR: 37 (10) units	\$7,000	\$1,905	(\$1,000)	\$905	\$33,400	(\$3,000)	\$0	\$38,305	
Lottery Fee	\$0	\$4,000	\$0	\$4,000	\$27,900	\$0	\$0	\$37,900	
Advertising	\$0	(\$2,095)	\$0	(\$2,095)	\$0	\$0	\$0	(\$4,095)	
Monitoring Fee	\$7,000	\$0	\$0	\$0	\$8,000	\$0	\$0	\$15,000	
Third Party Oversight	\$0	\$0	(\$1,000)	(\$1,000)	(\$500)	\$0	\$0	(\$1,500)	
CPA	\$0	\$0	\$0	\$0	\$0	(\$3,000)	\$0	(\$3,000)	
Sudbury Villages (RT20): 73 (19) units	\$0	\$0	\$8,700	\$8,700	\$35,000	\$12,800	\$12,000	\$68,500	Negotiated
Villages Lottery	\$0	\$0	\$3,200	\$3,200	\$32,000	\$12,800	\$6,500	\$54,500	\$3200/per
Villages Monitoring	\$0	\$0	\$5,500	\$5,500	\$0	\$0	\$5,500	\$11,000	\$11k total
Sudbury Commons 20 (5) units	\$0	\$0	\$3,000	\$3,000	\$3,000	\$0	\$0	\$6,000	Monitoring only
Resales (1/yr@ 2.5%)	\$0	\$0	\$0	\$0	\$4,000	\$4,000	\$4,000	\$12,000	1 resales per/yr @ 2.5%
Sudbury 40B Sub-total	\$31,598	\$1,905	\$7,700	\$9,605	\$75,400	\$13,800	\$16,000	\$146,403	
<b>CPA funds in the Trust</b>									
10% Housing Appropriation	\$135,000	\$250,000	\$0	\$250,000	\$750,000	\$250,000	\$250,000	\$1,635,000	Restricted to 100% AMI
CPA Sub-total	\$135,000	\$250,000	\$0	\$250,000	\$750,000	\$250,000	\$250,000	\$1,635,000	
<b>Projects</b>									
Development and Feasibility	(\$7,941)	(\$14,497)	(\$37,075)	(\$51,572)	\$0	\$0	\$0	(\$59,513)	
Duffton	(\$7,941)	(\$2,531)	(\$10,000)	(\$12,531)	\$0	\$0	\$0	(\$20,472)	
Washbrook	\$0	(\$7,052)	(\$1,500)	(\$8,552)	\$0	\$0	\$0	(\$8,552)	
Young	\$0	(\$3,799)	\$0	(\$3,799)	\$0	\$0	\$0	(\$3,799)	
Longfellow	\$0	(\$815)	(\$25,075)	(\$25,890)	\$0	\$0	\$0	(\$25,890)	
Other	\$0	(\$300)	(\$500)	(\$800)	\$0	\$0	\$0	(\$800)	
Frost Farm Income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
External Fees (net)	\$0	\$4,000	\$5,500	\$9,500	\$25,000	\$30,000	\$385,000	\$385,000	
Concord	\$0	\$4,000	\$3,000	\$7,000	\$0	\$0	\$0	\$99,500	
Boxborough	\$0	\$0	\$1,500	\$1,500	\$0	\$0	\$0	\$7,000	
Other	\$0	\$0	\$1,000	\$1,000	\$0	\$0	\$0	\$1,500	
House Grant Program	\$0	\$0	(\$5,000)	(\$5,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$35,000)	
Buy-Down Program	\$0	\$0	\$0	\$0	(\$300,000)	(\$200,000)	(\$500,000)	(\$500,000)	
Projects Sub-total	(\$7,941)	(\$10,497)	(\$36,575)	(\$47,072)	(\$285,000)	(\$180,000)	\$410,000	(\$110,013)	
<b>Administrative</b>									
HOME Admin Funds	\$1,738	\$1,728	\$0	\$1,728	\$1,728	\$1,728	\$1,728	\$8,650	
Interest	\$506	9,953,40	10,046.60	\$20,000	\$20,000	\$20,000	\$20,000	\$80,506	5% on \$400K
Salaries	(\$1,523)	(\$1,928)	(\$3,800)	(\$5,728)	(\$31,695)	(\$68,000)	(\$75,000)	(\$181,946)	decreasing CPC funding
Home funded	\$0	\$0	(\$1,728)	(\$1,728)	\$0	\$0	\$0	(\$4,000)	
Concord funded	\$0	(\$1,928)	(\$2,072)	(\$4,000)	\$0	\$0	\$0	(\$6,994)	
Trust admin expenses	(\$514)	(\$180)	\$0	(\$180)	(\$9,967)	(\$46,272)	(\$53,272)	(\$93,484)	
Admin Expenses Sub-total	\$207	\$9,574	\$6,246	\$15,820	(\$9,967)	(\$46,272)	(\$53,272)	(\$93,484)	
<b>Total Trust Funds</b>	<b>\$158,864</b>	<b>\$409,845</b>	<b>-\$22,629</b>	<b>\$387,217</b>	<b>\$917,650</b>	<b>\$955,178</b>	<b>\$1,577,906</b>	<b>\$1,577,906</b>	

**Sudbury CPA Funds Analysis**

Actuals based on June 30, 2007

	Actual FY03	Actual FY04	Actual FY05	Actual FY06	Approp/Est FY07	Approp/Est FY08	Approp/Est FY09	TOTAL
<b>Revenue Sources</b>								
<b>Opening Balance</b>	0	1,023,427	2,826,214	4,023,956	3,947,986	5,271,603	6,711,924	
<b>Actual Revenue</b>								
CPA 3% Tax Surcharge	1,019,875	1,085,238	1,108,053	1,235,961	1,304,321	1,350,000	1,400,000	8,503,448
State Matching Funds		1,030,840	1,090,772	1,105,972	1,248,806	1,304,321	945,000	6,725,711
Interest	3,552	13,755	74,624	222,218	219,616	260,000	275,000	1,068,765
<b>Annual Revenue</b>	<b>1,023,427</b>	<b>2,129,833</b>	<b>2,273,449</b>	<b>2,564,151</b>	<b>2,772,743</b>	<b>2,914,321</b>	<b>2,620,000</b>	<b>16,297,924</b>
<b>Annual Expenditures</b>								
Community Housing	0	0	320,000	500,000	65,000	385,000	1,350,000	2,620,000
Historic Preservation	0	258,342	32,162	222,999	291,446	35,000	89,681	929,630
Open Space	0	61,141	526,462	775,676	812,757	804,000	1,290,000	4,270,036
Recreational Use	0	0	158,300	1,132,548	184,923	155,000	200,000	1,830,771
Administrative Costs	0	7,563	38,783	8,898	95,000	95,000	95,000	340,244
<b>Total Expenditures</b>	<b>0</b>	<b>327,046</b>	<b>1,075,707</b>	<b>2,640,121</b>	<b>1,449,126</b>	<b>1,474,000</b>	<b>3,024,681</b>	<b>9,990,681</b>
<b>Ending Balance</b>	<b>1,023,427</b>	<b>2,826,214</b>	<b>4,023,956</b>	<b>3,947,986</b>	<b>5,271,603</b>	<b>6,711,924</b>	<b>6,307,243</b>	<b>6,307,243</b>
<b>Percentage of CPA "FY" Funds by Use</b>								
Community Housing		0%	14%	19%	2%	13%		16.1%
Historic Preservation		12%	1%	9%	11%	1%		5.7%
Open Space		3%	23%	30%	29%	28%		26.2%
Recreation Use		0%	7%	44%	7%	5%		11.2%
Administrative		0%	2%	0%	3%	3%		2.1%
<b>Total % CPA "FY" Funds Used</b>		<b>15%</b>	<b>47%</b>	<b>103%</b>	<b>52%</b>	<b>51%</b>		<b>61%</b>
<b>Project Details(Includes Debt Service)</b>								
<b>Community Housing/10% mNimum</b>								
SHA/Rental Housing(extnd/wthdrn)			320,000					
Housing Buy-down program				500,000			500,000	
Mahoney/Malone Study					25,000			
SHA Affordable Rental Housing Trust					40,000		600,000	
						385,000	250,000	
<b>Total Community Housing</b>	<b>0</b>	<b>320,000</b>	<b>500,000</b>	<b>65,000</b>	<b>385,000</b>	<b>1,350,000</b>	<b>2,620,000</b>	
<b>Historic Preservation/10% Minimum</b>								
Dickson Debt Service		34,392	32,162	14,299	13,978			
Revolutionary War Cemetery		172,350						
Historic Property Survey 1								
Hosmer House Restoration 1		51,600						
Historic Property Survey 2				9,800				
Hosmer House Restoration 2				198,900				
Loring Parsonage					74,281			
Cemetery Iron Works					136,305			
Hearse House					24,022			
Wayside Inn					42,860			
Town Center						25,000		
Carding						10,000		
<b>FY09 Projects</b>							89,681	
<b>Total Historic Preservation</b>	<b>258,342</b>	<b>32,162</b>	<b>222,999</b>	<b>291,446</b>	<b>35,000</b>	<b>89,681</b>	<b>89,681</b>	<b>929,630</b>
<b>Open Space/10% Minimum</b>								
Dickson Debt Service		61,141	54,762	21,450	20,968	794,000	690,000	
Cutting Debt Service			471,700	515,382	484,835			
Libby Debt Service				238,844	232,094			
Hop Brook					32,000			
Wayside Inn					42,860			
Town Center						10,000		
Nobscot							550,000 (debt)	
CSX							50,000 (debt)	
<b>Total Open Space</b>	<b>61,141</b>	<b>526,462</b>	<b>775,676</b>	<b>812,757</b>	<b>804,000</b>	<b>1,290,000</b>	<b>4,270,036</b>	
<b>Recreation</b>								
Walkways			100,000		100,000		200,000	
Cutting Debt Service			58,300	61,298	59,923			
Cutting Shortfall				80,250				
Rail Trail Study				25,000				
Mahoney/Malone Study					25,000			
Willis Pond Dock				6,000				
LS Community Field				960,000				
Rail Trail Title						15,000		
Rail Trail Wildlife						25,000		
Rail Trail Map						105,000		
Town Center						10,000		
<b>Total Recreation</b>	<b>0</b>	<b>158,300</b>	<b>1,132,548</b>	<b>184,923</b>	<b>155,000</b>	<b>200,000</b>	<b>1,830,771</b>	
<b>Administrative Budget to Actual /5% Maxin</b>								
Admin. Amount Appropriated		45,000	45,000	60,000	75,000			
Admin. Amount Expended		7,563	38,783	8,898	95,000	95,000	95,000	
		37,437	6,217	51,102	(20,000)		(95,000)	(20,244)

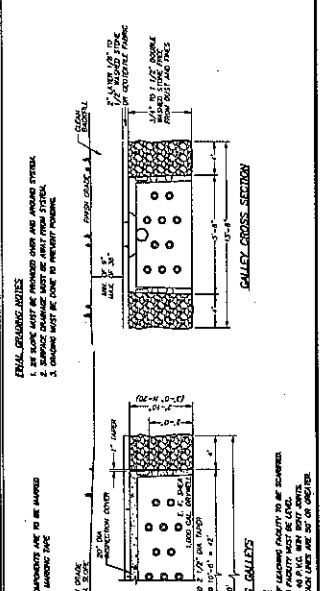
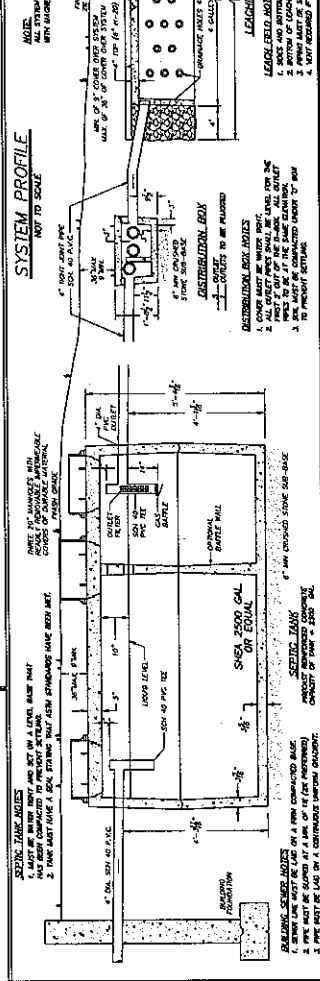
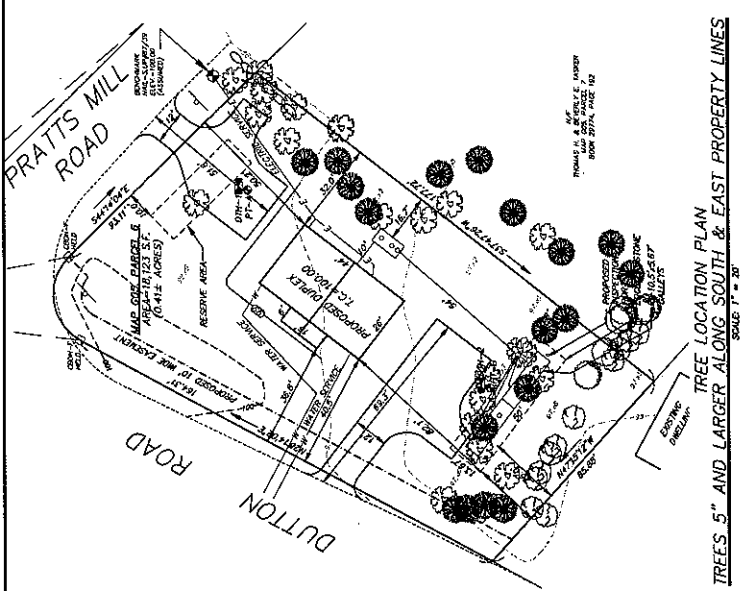
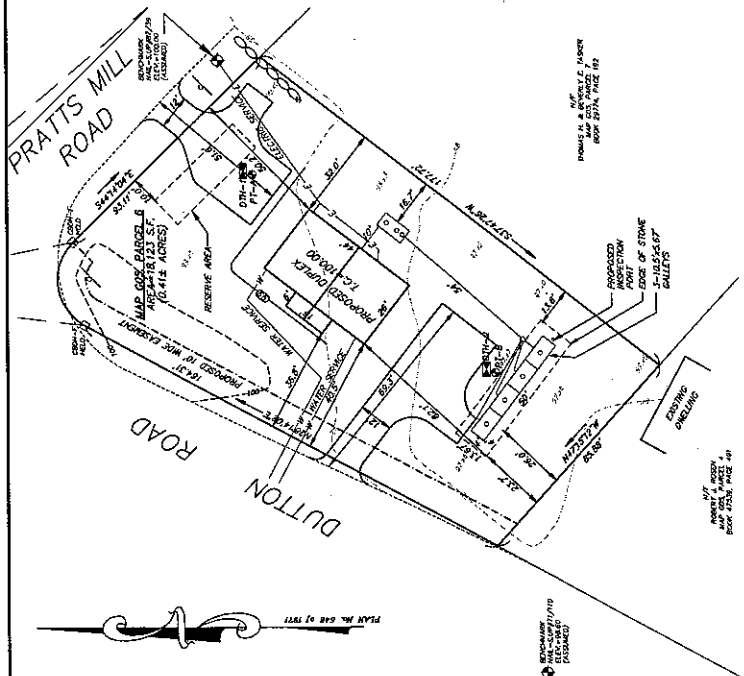
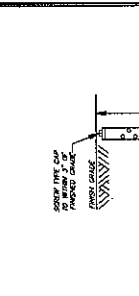


**DESIGN CRITERIA**

- ESTIMATED FLOW = 4 BRONIE X 110 GPD/BR-550 GPD
- DESIGN INFLUENCE FACTOR = 1.25
- DESIGN PERCOLATION RATE = 2 MPH
- LEACHING AREA CALCULATION =  $110 \times 110 = 12100 \text{ S.F.}$
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- DESIGN LEACHING AREA = 12100 S.F.



**GENERAL NOTES**

- CONTRACTOR SHALL VERIFY ALL DIMENSIONS AND LOCATIONS OF EXISTING UTILITIES PRIOR TO CONSTRUCTION.
- ALL CONSTRUCTION SHALL BE IN ACCORDANCE WITH THE LATEST EDITIONS OF THE INTERNATIONAL BUILDING CODES AND THE NATIONAL ELECTRICAL CODE.
- ALL MATERIALS AND WORKMANSHIP SHALL BE SUBJECT TO INSPECTION AND APPROVAL BY THE LOCAL HEALTH DEPARTMENT.
- PROVIDE ADEQUATE PROTECTION FOR ALL EXISTING UTILITIES AND STRUCTURES.
- MAINTAIN ACCESS TO ALL ADJACENT PROPERTIES AT ALL TIMES.
- PROTECT ALL TREES AND LANDSCAPE FEATURES TO REMAIN.
- INSTALL ALL SYSTEMS TO PERFORM AS INTENDED UNDER NORMAL OPERATING CONDITIONS.
- PROVIDE ADEQUATE DRAINAGE TO PREVENT FLOODING AND EROSION.
- USE HIGH QUALITY MATERIALS AND WORKMANSHIP THROUGHOUT.
- PROVIDE ADEQUATE VENTILATION FOR ALL MECHANICAL SYSTEMS.
- INSTALL ALL SYSTEMS TO BE TESTED AND COMMISSIONED PRIOR TO FINAL ACCEPTANCE.
- PROVIDE ADEQUATE RECORD DRAWINGS AND AS-BUILT DOCUMENTATION.
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**APPLICANT:** MRS. SULLIVAN  
**LOCATION:** MAP 000 PARCELS 5 DUTTON ROAD, DUTTON, NH  
**DATE:** 11/6/87  
**PROJECT:** PROPOSED SEWAGE DISPOSAL SYSTEM  
**SCALE:** 1\"/>

## 40R Zoning for Melone

The Melone property is located in a Research District, which prohibits single family housing (as well as retail commercial use); any housing development will require zoning relief.

Chapter 40R was enacted in 2005, as a way for municipalities to zone ahead of projects, and receive incentive funding. Chapter 40S is the school funding companion. There are more requirements, and since it is zoning, requires a Town Meeting vote. The land transfer also requires a TM vote, and there may be a TM vote for CPC funding as well. Other option is town-sponsored 40B.

The parcel is 20 acres, and is in zone 2 water protection district. Testing has shown that perhaps 50 bedrooms could be accommodated, and even that would require building a wastewater treatment facility.

Chapter 40R has the following minimum zoning requirements:

1. The proposed district must be determined an "eligible location" (near town center, transportation, or other).
2. The zoning ordinance must provide for residential use to permit a mix of housing such as for families, individuals, persons with special needs, or the elderly.
3. Housing density allowed in the developable land area of a proposed district must be at least:
  - 20 units per acre for multi-family housing, 8 units per acre for single-family homes, and 12 units per acre for 2 and 3 family buildings.

Upon approval of the district, municipalities are entitled to zoning incentive payments for housing creation. Based on number of units of new construction projected in the smart growth zoning district, payments will range from:

- \$10,000 for up to 20 units; **\$75,000 for 21-100 units**; \$200,000 for 101-200 units; \$350,000 for 201-500 units; to \$600,000 for 501 or more units of housing.

Additionally, a one-time density bonus of \$3,000 for each unit of new construction will be awarded upon issuance of a building permit.

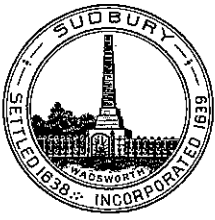
Additional benefits include priority when awarding discretionary funds. The department and the executive offices of environmental affairs, transportation, and administration and finance will use a methodology that favors municipalities with approved smart growth zoning district, or other zoning policies that encourage affordable housing production.

The Chapter 40S payments are provided after pupils are counted, and specific community costs are estimated. There have been funding issues with 40S in the past, but there is renewed commitment.

Potential Project: 50 BR = 25 units (mix of 1, 2 and 3BR) = \$75,000 plus \$75,000 as permits are issued = \$150,000 development assistance.

This is above the 40S or School Cost Insurance Supplement which would cover and net education costs incurred by Sudbury for public school students living in the 40R district. This is an annual supplement to Chapter 70 payments based on actual pupils, and actual data.





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[Housing@Sudbury.ma.us](mailto:Housing@Sudbury.ma.us)

Date: February 11, 2008  
To: WestMetro HOME Consortium administration  
From: Beth Rust, Community Housing Specialist  
RE: Villages at Old County Road – Subsidy Layering Review

### Purpose of Subsidy Layering Review

The purpose of subsidy layering review is to ensure that the Town is not investing more HOME funds than necessary in a project. More specifically, total proposed funding should not exceed total development costs; costs must be customary and reasonable considering the specific project and industry standards; returns to the developer will be reasonable and the developer will not be receiving excessive profits or windfalls; and finally, the project should be feasible over the term of the affordability restriction. [Note: all amounts in this analysis have been rounded to the nearest thousand for clarity purposes, except for the HOME funds to be invested.]

### Project Description

The Villages at Old County Rd project is being constructed at 6 Old County Rd, on 6.02 acres of land in Sudbury and consists of new construction of clusters of 3 and 4 attached townhouses. It has been permitted to build 37 new condominiums under the State's Chapter 40B regulations. The project received its Comprehensive Permit on July 18, 2006 and its Final Approval letter from MassHousing on January 29, 2007.

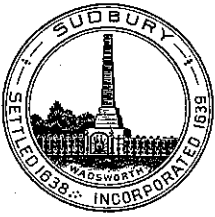
There are 10 affordable units planned in this project, 25% or 9 units per the Chapter 40B program and an additional 'buy-down' affordable unit which the Town has agreed to subsidize in the amount of \$100,000. The affordable units will be conveyed with affordable housing universal deed rider, as required by MassHousing, which describes the affordability constraints, including a period of affordability to perpetuity. The eligibility criteria for the affordable units include first-time homebuyer, asset limit of \$50,000 and the HUD income limits, which vary by household size, to a household earning less than 80% of the Area Median Income.

The buy-down unit is designated as unit #23 developed as one of the affordable (local) units in Phase 1, ready for occupancy late summer 2008. The unit was offered via lottery (held 12/10/2007) for \$158,000 (sales price set by MassHousing) along with one other 2BR affordable unit. The remaining affordable units will be offered in a second lottery. The buy-down subsidy will be composed of HOME funds and CPA funds. The CPA funds have been appropriated in the Sudbury 2005 Town Meeting article 42. The project has received approval to expend the HOME funds from HUD on December 3, 2007 after a Finding of No Significant Impact was completed. The HOME funds will be structured as developer subsidy direct to the project with an executed HOME agreement between the Town of Sudbury and the Developer. The funds will be made available upon closing of unit #23.

The project proforma, submitted to MassHousing for Final Approval, and as updated through the comprehensive permit hearings, estimates a total project budget of \$15,998,000 with a per-unit cost of \$387,000. Under the State Chapter 40B and MassHousing Housing Starts Programs, Developer profits are limited to 20% as certified by MassHousing as Monitoring Agent at project completion, as documented in the Regulatory Agreement.

The project will be constructed in phases, and seven (7) units will be constructed in this first phase (units 1, 2, 3, 22, 23, 24 and 25). Middlesex Bank provided the financing of \$3,434,000 for the property purchase as well as site preparation and infrastructure. Additionally a line-of-credit of \$2,500,000 has been granted for the construction financing for the first phase. There is no current funding commitment for building the remaining units.

The only public subsidy or funding is the \$100,000 buy-down amount for the subsidy, composed of HOME funds of \$66,020 (FY08 funds of \$44,559 and anticipated FY09 funds of \$21,461) and CPA (Community



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Preservation Act) funds of \$33,980. In the event that the FY09 HOME funds are less than the \$21,461 estimated (a 3% reduction from FY08) greater CPA funds will be used (no additional appropriation required).

### Documentation

In the project file and attached are the supporting documents referred to in this analysis:

- Comprehensive Permit
- MassHousing Final Approval
- Executed Regulatory Agreement, Monitoring Agreement, with form of deed rider
- Finding of No Impact, HUD approval
- Project proforma, and proforma scenarios including realtor opinion on square footage sales proceeds
- Financing commitment letter and Line of Credit allowances
- Affordability calculation of sales price by MassHousing, Condominium budget
- Appraisal, Purchase and Sale agreement, Assessors property card

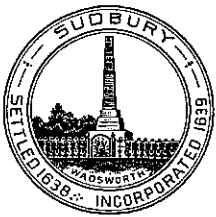
### Findings

#### 1. Proposed funding does not exceed total development costs.

- The proposed funding is less than 1% of the total development costs. The funding between the two public sources is \$100,000 of a total development budget of ~\$16,000,000, or 0.625% of the total project budget.

#### 2. Costs are customary for the specific project.

- The overall project costs are reasonable. The project proforma went through multiple levels of review including MassHousing approval, who found that the project was financially feasible, that the profit is properly limited to under 20% per regulation and that the financing is reasonable. An independent review by a qualified expert for the Town of Sudbury on development financing was completed during the Zoning Board hearings as a component of overall services, and no concerns were noted.
- With regard to the site acquisition (highest cost item), a purchase price of \$2,000,000 was negotiated in 2004 (see Purchase and Sale executed on July 22, 2004). An independent appraisal was carried out in January 2006, and reviewed by MassHousing, finding the market value of the property to be \$1,650,000 using the Highest and Best-Use method, for a 5-Lot residential subdivision which 'as of right' zoning would permit. Due to the discrepancy between the appraisal and purchase price, the developer and MassHousing performed different proforma scenarios in May 2006 to review the impact on profit using the appraisal or the purchase price as well as varying the sales proceeds assumptions. In all cases the developer profit was under the 20% standard, varying from 4% to 14%. The project proforma, as finally approved by MassHousing, used the appraisal value of \$1,650,000.
- The residential construction costs (the second highest cost item) compare reasonably to other Sudbury projects. This project proforma uses a \$205/square foot cost, including all hard and soft costs. This compares to a comparable \$306/square foot analysis recently (September 2007) performed for the Town for a proposed project (804 Boston Post Road). Comparing these two projects for a cost per square foot for construction only, again the Villages at Old County Road is less than the more recent Sudbury project (\$95 compared to \$125). The Middlesex Line of Credit imposes a \$250,000 per unit budget, broken out into 37 line items, this correlates to the per unit construction cost in the proforma.



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- The marketing and commissions costs (the third largest cost item) include estimated costs for all units in the project – the market rate units and affordable alike. The affordable units will be marketed and offered via lottery. The marketing and lottery agent fee for the affordable units has been negotiated at 2.5% of estimated total selling price of the affordable units, or \$ 32,000. The lottery for this particular unit has been held, and the lottery fee of \$4,000 will be paid upon closing.

### 3. The developer is not receiving windfall profits.

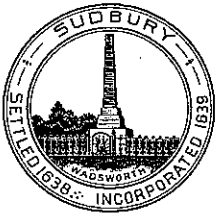
- With respect to the buy-down unit, the developer is operating at a loss. The proforma estimates a per-unit cost of \$387,000, which would represent a \$129,000 loss given the \$258,000 proceeds that Trask Development will receive (\$100,000 subsidy, and the sales price of \$158,000).

It is noted that the project proforma, as submitted by the developer to MassHousing and subsequently approved by MassHousing, does not include a per unit cost of Acquisition Brokerage, Builder Overhead, Builder Profit, Builder General Requirements, or Soft Cost Contingency. These amounts *ARE* included in the Total Development Costs. If the proforma was adjusted to include those line items, the cost per unit increases by ~\$46,000 to \$433,000, representing higher costs to the developer. It should be noted that these are large units (each unit is over 2,000 square feet) and the units will be finished with significant expense.

- The developer is not receiving windfall profits in the first phase of the project. This initial phase constructs seven units – two 2BR affordable units, three 2BR market rate units, and two 3BR market rate units, yielding an estimated ~\$3,500,000 of sales revenue using the sales estimates of the project proforma. This is confirmed by an expert opinion from a realtor with local perspective on square foot market value rates.

There is no phasing project proforma to formally document the costs by phase, however reasonable assumptions can be made to conclude that there is minimal profit in this first phase. The purchase price of \$2,000,000 has been paid, \$40,000 of project mitigation has been received by the Town, and the construction cost of seven units can be estimated at a cost of \$1,423,457 (using a per-unit residential construction cost of \$203,000 as per the proforma for the seven units). This totals \$3,463,000 of cost. This same first phase may yield \$3,476,000 of sales proceeds (two 3BR units, three 2BR units, 2 affordable 2BR units).

- At project completion, a cost certification is mandated which will require repayment of excess revenue, if any, as indicated in the executed Regulatory Agreement and Monitoring Agreement. Additionally, as conditioned in the Comprehensive Permit, the Town will hire an independent accounting firm to review the revenue and costs of the project to determine if the profits from the development exceed 20% of approved costs, which review shall be consistent with MassHousing standards for similar projects, in scope and cost. In these standards, for cost certification purposes, General Conditions, Builder's General Overhead, and Builders Profit as well as any other work done by related parties must have pricing consistent with Local 40B Review and Decision Guidelines, published by Massachusetts Housing Partnership, dated November 2005, and any other standards and procedures required by MassHousing cost certification.
- The mandated cost certification, conditioned in the recorded Regulatory and Monitoring Agreements, following completion of construction and sales, requires repayment of excess revenue, if any, to the Town.



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#### **4. The project should be economically feasible over the term of the affordability restrictions.**

- The Regulatory Agreement and the form of deed rider (attached) as recorded contain provisions which insure compliance with the Income Requirements, Term Requirement and Limited Dividend Requirement.
- The sales price for the affordable units being constructed in the first phase has been calculated by MassHousing for \$158,000. The calculation computes a sales price so that a household of three making 70% of the median income in the Boston Metropolitan Statistical Area does not spend more than 30% of their gross income on housing related costs (principal (assuming 5% down), interest (on a 6.4% 30-year fixed), real estate taxes (\$13.12), PMI and \$93 condo fee.

[Note: the potential purchaser for this unit has already been selected through lottery and seems eligible for the MassHousing Soft Second loan program which carries no PMI, and a below-market interest rate. This provides for greater affordability of the unit to this initial purchaser.]

- The resale price calculation is regulated, and provided by DHCD based on current factors at the time of the resale. As the unit is new, there are no anticipated capital improvements that will impact the resale price.