



Massachusetts Housing Finance Agency
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SUDBURY, MA

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Bd.
Kathy
Beth

February 3, 2011

Landham Crossing, LLC
30 Turnpike Road, Suite 8
Southborough, MA 01772
Attention: Mr. Benjamin T. Stevens

Re: Landham Crossing
Sudbury, MA
PE-507
Project Eligibility (Site Approval) Application

Dear Mr. Stevens:

This letter is in response to your application for a determination of Project Eligibility (Site Approval) pursuant to Massachusetts General Laws Chapter 40B and 760 CMR 56 (the "Comprehensive Permit Rules") under the following programs (collectively, the "Programs"):

- Housing Starts Program of the Massachusetts Housing Finance Agency ("MassHousing")
- New England Fund Program ("NEF") of the Federal Home Loan Bank of Boston.

The proposal is to build 32 homeownership units (the "Project") on approximately 8.52 acres of land located at 192 Boston Post Road (the "Site") in Sudbury (the "Municipality").

This letter is intended to be a written determination of Project Eligibility (Site Approval) in accordance with the Comprehensive Permit Rules, establishing fundability by a subsidizing agency under a low- and moderate-income housing subsidy program. To the extent that Project funding is provided by a non-governmental entity (NEF), this letter is also intended to be a determination of Project Eligibility ("Site Approval") by MassHousing acting as Subsidizing Agency (formerly, "Project Administrator") under the Guidelines.

MassHousing staff has performed an on-site inspection of the Site, which local officials were invited to attend, and reviewed the pertinent information for the Project submitted by the applicant, the Municipality and others in accordance with the Comprehensive Permit Rules and the Guidelines. As a result of our review, we have made the following findings: (1) the site of the proposed Project is generally appropriate for residential development, taking into consideration information provided by the Municipality regarding actions previously taken to meet affordable housing needs; (2) the conceptual project design is generally appropriate for the

site on which it is located; (3) the proposed Project appears financially feasible within the housing market in which it will be situated (based on comparable sales figures); (4) an initial pro forma, including a land valuation consistent with DHCD guidelines, has been reviewed and the Project appears financially feasible on the basis of estimated development costs; (5) the applicant would be eligible to apply as a limited dividend organization in connection with an application for financing under the Programs, and meets the general eligibility standards of the Programs; (6) the applicant controls the site. Each such finding, with supporting reasoning, is set forth in further detail on Attachment 1 hereto.

Staff has also determined that the Project appears generally eligible under the requirements of the Programs, subject to final review of eligibility and to final approval. These requirements include the following:

1. The applicant must offer a minimum of 25% of the units for sale to households earning no more than 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 family income for a 4-person household for the Municipality is \$64,400. Note, however, that in order to attract a sufficient number of qualified buyers for the affordable units, the initial maximum sales price for the affordable units will be calculated by MassHousing to enable a household earning not more than 70% of area median income of an appropriate size household (appropriate size equals number of bedrooms in the unit plus one) to qualify to purchase the unit under generally accepted mortgage loan underwriting standards.
2. An Affordable Housing Restriction ensuring the units remain affordable to future buyers in perpetuity will govern the affordable units.
3. The applicant must be a limited dividend organization and agree to limit the profit on the development to not more than 20% of the project's total development costs as determined by MassHousing.
4. The applicant must comply with the Land Value Policy, described in section IV(B)(1) of the Guidelines.
5. The applicant must enter into a Regulatory Agreement with MassHousing stating specific requirements, which must be met to comply with the applicable Program, the Comprehensive Permit Rules.
6. In order to satisfy the Program requirements, financing for the Project must originate from a subsidizing lender such as MassHousing or a bank that is a member of the Federal Home Loan Bank of Boston (FHLBB). Should you choose to finance the Project through a member bank of the FHLBB, a minimum of 25 percent of the construction financing

must be obtained from the NEF program. Evidence of financing for the Project must be provided during your request to MassHousing for Final Approval. The Regulatory Agreement shall provide that any transfer of all or a portion of the NEF lender's interest (including participations or sale of servicing rights) during the entire term of the construction financing shall be subject to the approval of the Project Administrator.

7. The Project must comply with the Commonwealth's Sustainable Development Principles (formerly implemented by MassHousing by its use of the Smart Growth Criteria).

Based on MassHousing's site and design review, and its review and consideration of comments received from the Municipality, the following issues should be addressed in your application to the Zoning Board of Appeals ("ZBA") for a comprehensive permit and fully explored in the public hearing process:

1. Compliance with all statutory and regulatory restrictions and conditions relating to protection of drainage, wetlands, vernal pools and wildlife habitats and nearby conservation areas, if applicable to this Site. You should provide evidence of such compliance prior to the issuance of the building permit for the Project.
2. Compliance with Title V regulations regarding the design and construction of individual wells, septic systems and wastewater treatment plants, if applicable to this site, except to the extent waived pursuant to Title V. You should provide evidence of such compliance prior to the issuance of the building permit for the Project.
3. Due to the existence of wetlands on two sides of the property, the Municipality requires you to seek Conservation Commission approval. Further, the Municipality encourages you to seek approval of the project under both the State Wetlands Protection Act and the local Wetlands Administration Bylaw. You have indicated in your written response that wetlands have been confirmed on site and you have filed with the Sudbury Conservation Commission. Please be prepared to discuss this issue with Municipal officials during the public hearing.
4. The Municipality would like to explore the possibility of the Sudbury Housing Trust buying some of the units in order to increase the stock of affordable housing. You have indicated in your written response that you would be willing to discuss this during the public hearing.
5. The proposed development will require a new curb cut permit from MassHighway. Please be prepared to discuss this issue with the Municipality during the public hearing.
6. The Municipality requests that you be prepared to address traffic impacts to Boston Post Road and the Landham Road intersection from the proposed development. You have

indicated that a comprehensive traffic study will be completed and presented to the Municipality prior to the opening of the public hearing.

7. The Municipality requests that you work with the Department of Public Works and MassHighway on any needed drainage improvements along the developments frontage on Boston Post Road. You have agreed to do this. Please be prepared to discuss with Municipal officials during the public hearing.
8. The Municipality would like you to utilize a varied architectural design style for the units along Boston Post Road. The units along Boston Post Road should appear as fronts from the roadway and massing should be minimized to avoid the appearance of a high density development. In addition, the Municipality requests appropriate screening and landscaping to make the frontage of the development as attractive as possible. You have indicated that you will address the concerns of the Sudbury Design Review Board and work with them for an agreement on street views and unit design styles.
9. The Municipality requests that setbacks to direct abutters be in accordance with Sudbury's 40B Guidelines (2.5 times the underlying zoning, or 50 feet side yard, 75 feet year yard), particularly the closest homes along Boston Post Road. Please be prepared to discuss with Municipal officials during the public hearing.
10. The Municipality encourages you to work with local preference for the affordable units. You have indicated that you are in full agreement on this issue and will be prepared to discuss with Municipal officials during the public hearing.
11. The Board of Selectmen notes that Sudbury has recently adopted the Stretch Energy Code, which your development will be subject to. The Municipality requests that you submit a new pro-forma incorporating the additional energy costs into your project. You have indicated that you will work within the guidelines of the Stretch Energy Code established by the town of Sudbury.
12. The Municipality is pleased with your willingness to work with local boards and strongly encourages you to continue working collaboratively with Municipal officials as plans are brought before the Sudbury Zoning Board of Appeals.
13. The Municipality encourages you to meet with abutting property owners to address any outstanding issues with the development of the property as proposed. You have indicated that you have made contact with and will meet with 4 to 5 direct abutters prior to the public hearing. Please be prepared to discuss any of the issues raised by the property owners at the public meeting.

This approval is expressly limited to the development of no more than 32 homeownership units under the terms of either of the Programs, with not less than 8 of such units restricted as affordable homeownership units for low- and moderate-income persons or families as required under the terms of the Housing Starts Program or the Guidelines, as applicable. It is not a commitment or guarantee of MassHousing or NEF financing and does not constitute a site plan or building design approval. Should you consider the use of any other housing subsidy programs or the construction of additional units, you will be required to submit a new Project Eligibility (Site Approval) application for review by MassHousing.

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, 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 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 if applicable, (3) when any appeals are filed.

Please note that, should a comprehensive permit be issued, prior to construction the developer shall submit to MassHousing a request for Final Approval of the Project, as it may have been amended, in accordance with the Comprehensive Permit Rules (760 CMR 56.04(7)). Final Approval will not be issued unless MassHousing is able to make the same findings as required at site approval at the time of issuing Final Approval.

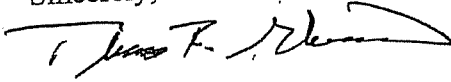
Further Opportunities for Assistance from MassHousing: Please note that MassHousing is not able to issue Final Approval if the comprehensive permit contains any conditions that are inconsistent with the regulatory requirements of the applicable housing subsidy program (MassHousing's Housing Starts Program or the New England Fund of the FHLBB, for which MassHousing serves as Project Administrator), as reflected in the applicable regulatory documents (see www.masshousing.com for forms). Without limitation, we note that if the Comprehensive Permit will contain any local preference conditions, the Guidelines require that the community demonstrate that a local preference is needed and can be implemented in a way that will not have a disparate impact on protected classes. 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.

Notice Regarding Monitoring Agent: Under current procedures, MassHousing intends to delegate responsibility for monitoring compliance with the minimum affordability requirement to an entity MassHousing deems qualified to perform the services required. Please contact MassHousing to discuss the selection of a Monitoring Agent

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If you have any questions concerning this letter, please contact Michael Busby at 617-854-1219
or Greg Watson at 617-854-1880.

Sincerely,



Thomas R. Gleason
Executive Director

cc: Ms. Tina Brooks, Undersecretary, Department of Housing and Community Development
Mr. John C. Drobinski, Chairman, Sudbury Board of Selectmen
Ms. Maureen G. Valente, Sudbury Town Manager
Ms. Elizabeth Quirk, Chair, Sudbury Zoning Board of Appeals

Attachment 1.

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

Landham Crossing, Sudbury, MA PE-507

After the close of a 30-day review period and extension, if any, 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 provides 25% of low-income units for households earning at or below 80% of the Area Median Income.

(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);

Sudbury does not have a DHCD Certified Housing Production Plan. Sudbury has 266 Subsidized Housing Inventory (SHI) units (4.8% of its housing inventory) and needs an additional 290 SHI units to meet the 10% SHI threshold for 40B developments.

(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 majority of homes built nearby are older single family homes on large lots. The units that are proposed are identical to the Developer's other 40B townhouse development approximately ½ mile away in Sudbury.

Building Massing

The developer has proposed 32 units of townhouse condominiums in 12 buildings. The massing of the units will enable the developer to avoid the wetlands area. The height, bulk and scale are generally compatible with the style and character of other homes in the neighborhood. The massing of the units set back from the frontage will create the appearance of a low density development.

Relationship to adjacent streets/Integration into existing development patterns

There is a mix of single family homes and small commercial properties within the vicinity of this site. The property has direct access to Route 20 and the site is within $\frac{3}{4}$ a mile to the main shopping areas. It has sidewalks from the proposed site to the shopping center on Route 20.

Density

The applicant proposes to build 32 homes on 8.52 acres, 6.48 buildable acres. The resulting density is 4.93 units per buildable acre. This is within the range deemed acceptable by the published guidelines.

Site Plan

The developer proposes to build 32 townhouse units in 12 buildings. The units will average 2,500 square feet of living space including two bedrooms and one or two car garages. The building layout is designed around a common grass area for the residents with the inclusion of a small mail house. The developer created a site plan that will allow appropriate screening and landscaping along the frontage of Boston Post Road.

Environmental resources

This project will be served by public water and private septic and a private well for landscape irrigation.

Topography

The parcel is best described as level to gently rolling field and woodland. Wetlands are identified in the northwest corner of the property.

Proposed use

Based on MassHousing staff's site inspection, discussions, and application review, I find that the site is suitable for residential use and development.

(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 Project appears financially feasible based on a comparable sales letter submitted by Realtor Scott Adamson of Coldwell Banker Residential Brokerage in Sudbury.

(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;

The initial pro forma has been reviewed for the proposed residential use and the Project appears financially feasible with a projected profit margin of 9%. 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 \$720,000.

(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 will be organized as a Limited Dividend Organization and it will meet the general eligibility standards of the NEF housing program.

(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 8.52 acre site under a fully executed purchase and sale agreement.