



Massachusetts Housing Finance Agency  
One Beacon Street, Boston, MA 02108

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August 27, 2004

J. Michael Norton, Manager  
Green View Realty, LLC  
189 Hartford Avenue, Suite 2-1  
Bellingham, MA 02019

Re: Cedar Ridge Estates  
Holliston, MA  
PE-199  
Project Eligibility (Site Approval) Application

Dear Mr. Norton:

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 30-31 (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 200 townhouse condominiums homeownership units (the "Project") on approximately 52 acre(s) of land located at the intersection of Prentice and Marshall streets (the "Site") in Holliston (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 a Project Administrator (MassHousing) under the Guidelines for Housing Programs in Which Funding is Provided Through a Non-Governmental Entity issued by the Department of Housing and Community Development on February 14, 2003 (the "Guidelines").

MassHousing staff has performed an on-site inspection of the Site 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 proposed housing design and land use plan are generally

appropriate for the Site and Site location; (2) the proposed Project appears financially feasible within the housing market in which it will be situated (based on comparable sales figures); (3) an initial pro forma has been reviewed and the Project appears financially feasible on the basis of estimated development costs; (4) the proposed financing is reasonable and profit is properly limited; and (5) the developer is financially responsible and meets the general eligibility standards of the Programs. In addition, the applicant would be eligible to apply as a limited dividend organization in connection with an application for financing under the Programs.

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 developer must offer a minimum of 25% of the units as affordably priced housing units enabling families with a gross annual income of 80% of the area median income to qualify to purchase the unit under generally accepted mortgage loan underwriting standards. The most recent income limits as published by the U.S. Department of Housing and Urban Development (HUD) indicate that 80% of the current median family income for the Municipality is \$66,080.
2. The affordable units will be governed by a Deed Rider ensuring the units remain affordable to future buyers, for a minimum of 30 years.
3. The developer 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.
4. The developer must comply with MassHousing's Acquisition Value Policy, which is attached as Exhibit "A".
5. The developer must enter into a Regulatory Agreement with MassHousing and the Municipality stating specific requirements which must be met to comply with the Comprehensive Permit Rules and the Guidelines.
6. The developer must provide affordable units under the following parameters:
  - The affordable units must be dispersed throughout the entire development, include a variety of bedroom sizes and be included in all construction phases of the development.
  - In order to attract a sufficient number of qualified buyers for the affordable units, the developer must establish initial sales prices under the assumption that the buyers have a maximum household income of 70% of the HUD area median income.

Based on MassHousing's review and consideration of comments received from the Municipality, the following issues should be addressed in your application for a comprehensive permit to the local ZBA 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. The comprehensive permit must include a condition that the developer provide evidence of such compliance prior to 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. The comprehensive permit must include a condition that the developer provide evidence of such compliance prior to issuance of the building permit for the Project.
3. The Town is concerned that additional vehicular traffic generated from this development will have a negative impact on the neighborhood. A traffic impact study may be necessary to address these concerns.
4. The Town has questioned the acquisition cost of \$2,000,000 in the project proforma. While you have provided MassHousing with an appraisal supporting the as is value of the site under current zoning, you should share this appraisal with Town officials and be prepared to discuss the land value during the public hearing.
5. The Town raised several other concerns pertaining to: wetlands delineation; fire safety related issues; roadway widths; site layout; the project proforma and environmental issues that you should be prepared to fully discuss during the public hearing.
6. Because of past environmental problems associated with this site, the following conditions are specific to any additional environmental issues that may arise in the future:
  - A program of additional subsurface investigations and soil pre-classification must be undertaken to determine the volume of contaminated soils, if any, along with the estimated cost for removing and disposing of any contaminated soils.
  - You shall provide evidence that cost-cap overrun and third-party liability protection insurance is in place providing as much as \$3,000,000 in insurance coverage to protect the Town of Holliston, MassHousing and other parties as deemed necessary.
  - Completion of a Subsurface Investigation Report including previous subsurface investigations and incorporating the records of investigations as shown in DEP's records including a final copy of the RAO prepared by the IT Corporation.

- Confirmation of an agreement between the Conservation Commission and the developer on the boundaries of wetlands, vernal pools and bordering vegetated wetlands and a site plan depicting the boundaries.
- A copy of an environmental notification form (ENF) filed with the MEPA office of the Executive Office of Environmental Affairs should be shared with the Town.
- Progress reports and/or final plans for the sewage treatment plant and leaching fields, storm drainage system, traffic improvement plan and recreation opportunities should be shared with Town officials.
- A response to questions raised by citizens about environmental concerns or potential environmental consequences should be presented to Town officials during the public hearing.

This approval is expressly limited to the development of no more than 200 homeownership units under the terms of either of the Programs, with not less than 50 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 construction not commence within this period or should the effective period of this letter not be extended in writing by MassHousing, it 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 31.09) and the Guidelines (Section 9).

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If you have any questions concerning this letter, please contact Richard Herlihy at 617-854-1335 or Virginia Healy-Kenney at 617-854-1326.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas R. Gleason". The signature is written in a cursive style with a horizontal line underneath the first part of the name.

Thomas R. Gleason  
Executive Director

CC: Ms. Jane Wallis Gumble, Director, DHCD  
Carl F. Damigella, Chairman, Holliston Board of Selectmen

**Exhibit "A"**

**Acquisition Value Policy**

The maximum permissible acquisition value which can be included in the Development Budget for a Housing Starts Construction Loan application will be limited to the lesser of:

the "as is" appraised market value of the land and improvements, as estimated by the MassHousing Home Ownership Division at the time of loan commitment, and subject to confirmation by a MassHousing commissioned independent appraisal prior to loan closing;

Or,

the purchase price of the land and improvements in the last arm's length transaction, if any, within the last three years, plus (i) reasonable and verifiable costs of property improvements made subsequent to the above acquisition and/or (ii) reasonable and verifiable carrying costs related to the land and improvements, such as interest, taxes and insurance.

***Special Restrictions for Comprehensive Permit Developments***

In addition to the above-noted acquisition policy, developments which have received a comprehensive permit will be subject to the following restriction:

Economic benefits of the comprehensive permit shall accrue to the development and shall not be used to substantiate an acquisition cost that is unreasonably greater than the current appraised fair market value under existing zoning without a comprehensive permit in place.

This restriction will be applied regardless of ownership transfers which might take place during the development process.