MASSHOUSING

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January 6, 2016

Mr. Mounir M. Tayara, Manager
Timber Crest, LLC
400 Foxborough Boulevard, Unit 8306
Foxborough, MA 02035

Re: Timber Crest, Medway
Project Eligibility/Site Approval
Project #746

Dear Mr. Tayara:

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 188 homeownership units (the "Project") on 163.1 acres of land located at 102 Winthrop Street (the "Site") in Medway, MA (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 Town of Medway Board of Selectmen submitted comments to MassHousing regarding the Application on June 9, 2015 and responded with additional comments based on additional information provided

by the applicant on September 8, 2015, summarizing comments from municipal officials, staff and members of the public. The following concerns were identified in their comments:

- The Municipality expressed concern regarding public safety vehicles having difficulty maneuvering around on-street visitor parking in the event of an emergency.

- The Municipality is concerned that additional traffic generated from this development may impact the existing neighborhood.

- The Municipality is concerned that the existing public sewer system may not have the capacity to handle the additional flows generated from your development.

- The Municipality believes the site plan lacks adequate information to determine whether sidewalks will be included throughout the development.

- The Municipality acknowledges that most of the proposed housing is located a reasonable distance from adjacent homeowners. However, the Board of Selectmen recommend that the dwellings closest to existing homes on Winthrop Street, Fern Path, Fairway Lane and Ohlson Circle be eliminated to offer additional landscape and/or screening opportunities for existing homeowners.

Community Comments

MassHousing received several letters and signed petitions from area residents, all of which expressed opposition to the proposed development. While letters from members of the community basically echoed the concerns identified by the local officials, the letters received are summarized below:

- Area residents expressed concern about potentially negative environmental impacts of the Project. They noted that portions of the Site have historically experienced flooding, and expressed concern that Project grading could result in erosion and flooding impacts on adjacent properties. In addition, they are concerned that the site supports a large and diverse wildlife population and that the proposed development may result in harm to wildlife and its associated habitat.

- Area residents believe the municipal sewer system cannot handle the additional sewer capacity required to develop this Site.

Comments Outside of the Finding

While Comprehensive Permit Rules require MassHousing, acting as Subsidizing Agency under the Guidelines, to "accept written comments from Local Boards and other interested parties" and to "consider any such comments prior to issuing a determination of Project Eligibility, " they also limit MassHousing to specific findings outlined in 760 CMR 56.04(1) and (4). MassHousing identified issues that are not within the scope of our review including possible impacts on classroom size, and on the quality of the Medway Public Schools.

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 and members of the community, the following issues should be addressed in your application to the Medway 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), river 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, wastewater treatment, 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 traffic study or other professional peer review process should address proposed on-site circulation and parking to ensure compliance with public safety standards and good design practice relative to drive-aisle widths, turning radii and sight distances along the site drive and the parking areas through which it passes. The Applicant should be prepared to address concerns about provisions for safe pedestrian access and pedestrian/vehicular separation within the Site; sufficiency of resident and guest parking, and plans for snow storage.

- The Applicant should be prepared to address Municipal concerns regarding the proposed site plan and the Board's recommendation to eliminate some homes in order to create additional landscaping and/or screening opportunities for existing homeowners.

- The Applicant should be prepared to provide detailed information relative to proposed water and sewer use, potential impacts on existing capacity, and appropriate mitigation.

- A landscape plan should be provided to address Municipal concerns, including a detailed

planting plan as well as paving, lighting, and signage details and the location of outdoor dumpsters or other waste receptacles.

- In the event that public sewer is not an option, you must comply with Title V regulations regarding the design and construction of individual wells, septic systems and wastewater treatment plants. The Applicant should provide evidence of such compliance prior to the issuance of a building permit for the project.

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 one hundred eighty-eight (188) homeownership units under the terms of the Program, with not less than forty-seven (47) 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,

Thomas R. Gleason
Executive Director

cc: Chrystal Kornegay, Undersecretary, Department of Housing and Community Development
John Foresto, Chairman, Medway Board of Selectmen
David Cole, Chairman, Medway Zoning Board of Appeals

Attachment 1.

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

Timber Crest, Medway, MA #746

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) 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 Medway is $65,800. The Applicant has a letter of financial interest from Mechanics Cooperative Bank, 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);

Medway does not have a current Housing Production Plan approved by DHCD. Medway has 111 Subsidized Housing Inventory (SHI) units (3.6% of its housing inventory) which is 200 SHI units shy of the 10% SHI threshold. The current zoning allows for either agriculture or residential use, and the residential use 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 surrounding area consists of existing single family housing on large lots. 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 wood-framed with exteriors requiring minimal maintenance and designed to maximize the aesthetic characteristics of the development. The project consists of 188 housing units, including 72 single-family homes on the west portion of the site and 116 condominiums (56 duplex buildings and 4 detached single-family units) on the east portion of the site. The architectural designs and building scale are compatible with the style of homes found in the nearby neighborhood. The proposed homes will be a maximum of two stories high which is similar in height to housing found throughout the area.

Relationship to Adjacent Streets
The Site is bordered by residential areas along Winthrop Street to the west, Fairway Lane to the north, Holliston Street to the east and Fern Path to the south. 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 188 homes on 163.1 acres, approximately 50 plus buildable acres. The resulting density is 3.76 units per buildable acre, which is acceptable given the proposed housing type.

Conceptual Site Plan
The Developer has taken into consideration the site constraints, wetlands and topographical features of the site design to provide safe access and egress for future residents. The Site consists of approximately 163.1 acres of land, 50 plus acres buildable and 89 acres of designated wetlands. In order to buffer the adjacent neighborhood the roadway will extend well into the Site before any homes are visible. The homes will be clustered together in several areas to create a village-style community and allow for the use of a proposed shared sewage disposal system.

Topography
The subject property is gently rolling with small hills and valleys where the wetlands are located. The Site is heavily impacted by wetlands, overhead utility lines and underground gas lines. The topographic features of the Site have been considered in relationship to the proposed Project plans and do not constitute an impediment to development of the Site.

Environmental Resources
The subject property is a large parcel with extensive natural resources and undisturbed wetland areas. Extensive wetlands throughout the Site will limit the development to upland areas identified by the Developer. Development of the Site will require careful attention to current Best Management Practices to avoid any adverse impacts to the protected wetland resource areas. These resource areas will ultimately serve to break down the perceived massing of the Site and provide visual screening and surround the residential portions of the Site with natural features.

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 comparable sales letter submitted by realtor Ralph Costello of William Raveis Real Estate of Medfield, 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 16.8%. 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 $1,350,000.

(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 163.1 acre Site under multiple purchase and sales agreements with no expiration date.