



Massachusetts  
Housing  
Partnership

July 8, 2010

Kelley Cronin  
Executive Director  
Acton Housing Authority  
68 Windsor Avenue  
Acton, MA 01072

160 Federal Street  
Boston, Massachusetts 02110  
Tel: 617-330-9955  
Fax: 617-330-1919

Re: McCarthy Village II, Acton (the "Project") - Determination of Project Eligibility Under Permanent Rental Financing Program

462 Main Street  
Amherst, Massachusetts 01002  
Tel: 413-253-7379  
Fax: 413-253-3002

Dear Ms. Cronin:

This letter is in response to your request for a determination of Project Eligibility under the provisions of the Commonwealth of Massachusetts comprehensive permit process (M.G.L. Chapter 40B, 760 C.M.R. 56, and the Massachusetts Department of Housing and Community Development's Comprehensive Permit Guidelines) (collectively, the "Comprehensive Permit Rules") for the above-referenced Project. The Project, as proposed in your application, shall consist of twelve (12) rental housing units, consisting of nine (9) two-bedroom units and three (3) three-bedroom units located in six (6) duplex townhouse buildings on Sachem Way in Acton, Massachusetts on 2.5 acres of undeveloped wooded land.

www.mhp.net

In connection with your request, and in accordance with the Comprehensive Permit Rules, MHP has performed an on-site inspection of the Project, and has reviewed initial pro forma and other pertinent information submitted by the Acton Housing Authority (the "Applicant" or "AHA"), and has considered comments received from the Town of Acton.

Based upon our review, we find the following:

- (i) The Project, as proposed, appears generally eligible under the requirements of MHP's Permanent Rental Financing Program (the "Program"), certain terms of which are set forth on Exhibit A, attached hereto, subject to final approval.
- (ii) The proposed site is an appropriate location for the Project. Specifically, the proposed development is directly adjacent to the existing AHA property, McCarthy Village I, where existing family units, developed by the AHA in the mid 1980's, are located. Sachem Way has most of the existing utility infrastructure in place, due to the existing housing at the site. The site, though not immediately in the town's Housing Production Plan designated area for development, is located in very close proximity to this area, such that the Town Planner indicated that the proposed site is appropriate for such development.
- (iii) The proposed conceptual design for the Project is generally appropriate for the site. Specifically, the building massing will be very similar to the existing housing adjacent to the site; however the proposed development will be slightly less dense, as it will serve as a transition from more dense residential development to conservation land. The new street is designed as a continuation of the existing street, so the new housing will be seamlessly connected to the existing housing.

In their June 9, 2010 letter in response to MHP's 30-Day Notice Letter, the Town indicated support for the Project and its design, but recommend a vegetated buffer between the Project and the abutting neighbors. MHP expects that the Applicant will give the Town's recommendations full consideration.

- (iv) Based upon comparable rentals and potential competition from other projects, the proposed Project appears financially feasible within the Acton market, particularly in that the Project is expected to be supported by a Project Based Section 8 contract for all of the units for 15 years.
- (v) The Project appears financially feasible on the basis of estimated development and operating costs set forth in the initial pro forma provided by the Applicant. In addition, the Project budgets are consistent with the Comprehensive Permit Rules relative to cost examination and limitations on profit and distributions.
- (vi) The Applicant is a public agency and will not be subject to MHP's limited dividend requirements. The Applicant meets the general eligibility standards of the Program; and
- (vii) The Applicant controls the site.

This letter is intended to be a written preliminary determination of Project Eligibility under the Comprehensive Permit Rules, establishing fundability by a subsidizing agency under a low and moderate income housing subsidy program, which qualifies the Project for consideration for a Comprehensive Permit under M.G.L. Chapter 40B.

This preliminary determination of eligibility is subject to final review of eligibility and final approval by MHP, and is expressly limited to the specific Project proposed in the request for determination of Project Eligibility submitted to MHP and subject to the minimum affordability and additional requirements set forth in Exhibit A hereto. The requirements of the Comprehensive Permit must not result in a loan to value ratio exceeding MHP requirements. Changes to the proposed Project, including without limitation, alterations in unit mix, proposed rents, development team, unit design, development costs and/or income restrictions may affect eligibility and final approval. Accordingly, you are encouraged to keep MHP informed of the status and progress of your application for a Comprehensive Permit and any changes to the Project that may affect program eligibility and/or financial projections. In addition, MHP requires that it be notified (1) when the applicant applies to the local ZBA for a comprehensive permit; (2) when the ZBA issues a decision; and (3) when any appeals are filed.

Please note that this preliminary determination of Project Eligibility is not a commitment or guarantee of or by MHP for financing, either expressed or implied, and, in the event that you determine not to apply to MHP for permanent financing and/or in the event that your application for permanent financing with MHP is denied, this letter shall be of no further force and effect. Also, please note that this letter shall be of no force or effect if the applicant has not filed for a Comprehensive Permit within two years of the date of this letter.

Final review and approval under the Comprehensive Permit Rules will be undertaken by MHP only in conjunction with an application to MHP for permanent mortgage financing for the Project. After the ZBA's issuance of a Comprehensive Permit for the Project, MHP would be pleased to entertain a request for permanent mortgage financing pursuant to and in accordance with MHP's standard underwriting process. At that time, MHP shall require a complete loan application, a copy of the decision of the ZBA and any amendments thereto, a copy of the decision, if any, by the Housing Appeals Committee and revised preliminary plans and designs, if applicable, as well as such additional documents and information as is required as part of the loan underwriting process.

Should you have any comments or questions concerning this letter, please do not hesitate to call me at 617-330-9944 x269.

Sincerely,



Megan Mulcahy  
Senior Loan Officer

cc: Deborah Goddard, Chief Counsel, Department of Housing and Community Development  
Lauren Rosenzweig-Morton, Chair, Town of Acton Board of Selectmen  
Kenneth Kozik, Chair, Zoning Board of Appeals, Town of Acton

EXHIBIT A

**Affordability  
Requirements:**

At least ten (10) of the units must be affordable to households earning up to sixty percent (60%) of the median area income. Such units shall include a mix of bedroom sizes satisfactory to MHP. The affordability requirements will be documented through an affordable housing agreement that will be recorded prior to the mortgage and shall create covenants running with the Property for a minimum period of thirty (30) years.