



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

TEL: 617.854.1000 | FAX: 617.854.1091
VP: 866.758.1435 | www.masshousing.com

February 12, 2016

J. Patrick Duffy, Manager
269 North Ave, LLC
590 Main Street, Suite 500
Watertown, MA 02472

**RE: Kendal Village—Weston, MA
MH ID No. 795
Project Eligibility/Site Approval**

Dear Mr. Duffy:

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”).

269 North Ave, LLC has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build 16 units of rental housing (the “Project”) on a 1.46 acres property located at 269 North Avenue (the “Site”) in Weston, 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 submitted by the Applicant, the Municipality and others in accordance with the Comprehensive Permit Rules.

Municipal Review and Comments

The Municipality was given a 30-day period in which to review the Site Approval application and submit comments and recommendations to MassHousing. At the request of the Town Manager, this period was extended by 5 days for a total of 35 days. The Municipality submitted a letter summarizing the following comments from municipal officials and staff, and identifying specific concerns with the proposed Project:

Municipal Comments

- The Municipality is concerned that the proposed design does not mimic surrounding historical elements and is inconsistent with the principles described in “Preserving Weston’s Rural Character.”
- The Municipality states that North Avenue is designated by the town as a “scenic road” pursuant to MGL c. 40, Section 15C.
- The Municipality is concerned that the Site will be stripped of existing vegetation.
- The Municipality is concerned that proposed changes in the elevation of the property, coupled with the removal of trees may adversely impact drainage to adjacent properties with in the neighborhood.
- The project design features building heights and density levels significantly higher than those found at other properties on North Avenue. They expressed concern that the proposed site grading would require significant amounts of cut and fill that would alter the natural drainage patterns, resulting in potential stormwater damage to abutting properties.
- The Municipality expressed concern that the proposed retaining wall’s effects on stormwater management will have potential negative impacts on abutting properties. Further, the Municipality believes that the retaining wall would be “impossible to build without encroaching on the neighboring property” and the height of the wall could be a safety hazard.
- The Municipality has expressed concern about the potentially difficult emergency access to the rear townhome units.
- The Municipality requests that the Applicant comply with the Town’s minimum setback requirements, particularly related to matching the neighboring dwellings’ setback from the street and increasing side yard setbacks to avoid negative impact on immediate abutters.
- The Municipality is concerned that construction will result in degradation to the integrity of the stone wall delineating the lot lines and that existing mature trees may not survive.
- The Municipality is concerned with the lack of proposed guest parking.
- The Municipality is concerned that the proposed snow storage locations are suggested to be located directly on the area designed for the leach fields on the proposed Site plan.
- The Municipality has concerns regarding the proposed development’s impact on existing traffic.
- The Municipality agrees that there is a need for rental housing and agrees that positive elements include preferred location along a major roadway corridor and close proximity to a commuter rail station.

Community Response

In addition to the comments from Town Officials, MassHousing received feedback from a number of individual area residents. Of particular note was a petition in opposition to the Project, submitted by "Concerned Weston Neighbors and Abutters of 269 North Avenue" which included 50+ signatures. Community input regarding the Project echoed concerns set forth by Town officials, focusing on environmental and traffic impacts, fire safety, and erosion of community character.

MassHousing Determination

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 in 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 abutters, the following issues should be addressed in your application to the Weston Zoning Board of Appeals, and you should be prepared to explore them more fully in the public hearing process:

- Development of this Site will require compliance with all state and federal environmental laws, regulations and standards applicable to existing conditions and to the proposed use related to building construction, stormwater management, wastewater collection and treatment, and hazardous waste safety. The Applicant should expect that the Municipality will require evidence of such compliance prior to the issuance of a building permit for the Project.
- The Applicant should be prepared to address Municipal and abutter concerns relative to the size, scale and architectural style of the proposed multi-family building and its impact on the character of the surrounding neighborhood, and to fully describe proposed measures to address and mitigate these concerns.
- The Applicant should be prepared to provide sufficient data to assess potential traffic impacts on area roadways and intersections, including the safety of proposed site access and egress, and to respond to reasonable requests for mitigation.
- The Applicant should be prepared to provide detailed information relative to proposed water use and septic systems and potential impacts on existing capacity, and to provide required mitigation.

- The Applicant should be prepared to discuss North Avenue's designation as a "scenic road" pursuant to MGL c. 40, Section 15C.
- In response to Municipal and abutter concerns relative to potentially negative visual and noise impacts, the Applicant should provide specific information about proposed mitigation measures including the preservation of existing vegetation and the introduction of new landscaping and structural and vegetative screening.
- The Applicant should be prepared to verify that the site plan is fully compliant with public safety standards relative to emergency access and provisions for fire suppression.
- The Applicant should provide a detailed stormwater management plan to be reviewed by the Municipality to ensure proper drainage on the Site and the protection of abutting properties.
- The Applicant should be prepared to discuss proposed setbacks and potential compliance with the Town's minimum setback requirements.
- The Applicant should be prepared to provide information relative to snow storage, mail delivery, trash pick-up and Site lighting.
- The Applicant should be prepared to discuss proposed leach fields.
- The Applicant should consider incorporating opportunities for enhancing pedestrian access around the site.

This Site Approval is expressly limited to the development of no more than 16 rental units under the terms of the Program, of which not less than 4 of such units shall be restricted as affordable for low or 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, a reduction in the size of the Site, a change in tenure type or a substantial change to the overall Site Plan, 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 at 760 CMR 56.00.

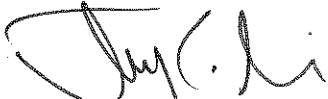
This approval will be effective for a period of two years from the date of this letter. Should the Applicant not apply for a comprehensive permit within this period this letter shall be considered to be expired and no longer in effect unless MassHousing extends the effective period of this letter in writing. In addition, the Applicant is required to notify MassHousing of the following: (1) the Applicant applies to the local ZBA for a Comprehensive Permit, (2) the ZBA issues a decision and (3) 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 Jessica Malcolm at (617) 854-1201.

Sincerely,



Timothy C. Sullivan
Executive Director

cc: Chrystal Kornegay, Undersecretary, Department of Housing and Community
Development
Michael H. Harrity, Chair, Weston Board of Selectmen
Winifred I. Li, Chair, Weston Zoning Board of Appeals

Attachment 1

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

Kendal Village, Weston, MA # 795

After the close of the review period and extension, 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 Weston is \$69,700.

Proposed affordable rent levels of \$1,181 for a one-bedroom, \$1,410 for a two-bedroom, and \$1,616 for a three-bedroom unit, less proposed utility allowances (to be paid by the tenant) as shown on the table below accurately reflect current gross affordable rent levels for the Boston-Cambridge-Quincy HMFA under the NEF Program as follows:

	Project Rent	Project Utilities	Gross Tenant Costs	HUD Affordable Rent
One Bedroom	\$1181	\$126	\$1307	\$1307
Two Bedroom	\$1410	\$158	\$1568	\$1568
Three Bedroom	\$1616	\$196	\$1812	\$1812

A letter of interest to provide financing under the NEF Program was provided by Bank of Canton, a member bank of the FHLBB.

(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);

Based on a site inspection by MassHousing staff, 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, and would directly address the local need for affordable housing. The location will attract interest given its proximity to area commuter routes and services.

Section IV-A (3) (a) of the Guidelines provide guidance to Subsidizing Agencies for evaluating a municipality's actions intended to meet affordable housing needs.

MassHousing carefully reviewed the information provided by the Weston Board of Selectmen describing previous municipal actions intended to provide affordable housing. Specific examples cited by the Selectmen include:

- Approval of \$2,688,500 in Community Preservation Act (CPA) funds to renovate three buildings owned by the Town of Weston, creating seven (7) affordable family units; and
- Approval of a \$1,188,100 grant to Affordable Housing Foundation, Inc., to produce two (2) affordable family units through the renovation of a two-family house.

The Town of Weston does not have a DHCD Certified Housing Production Plan, but plans to present a Housing Production Plan to the Community and DHCD in 2016. According to DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through December, 2014, Weston has 142 SHI units out of a total of 3,952 housing units (3.6% of its housing inventory). An additional 254 units would be required for the Town to achieve the 10% threshold of 395.

The need for additional affordable housing is further supported by U.S. Census data from the 2009-2013 American Community Survey, which indicates that 15.7% households in the Town of Weston earn less than 50% of the 2015 AMI (\$98,500), approximately 20.4% earn less than 80% AMI.

(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);

Relationship to Adjacent Building Typology (including building massing, site arrangement, and architectural details):

The proposed design includes a pair of two-story wood frame apartment buildings that are rendered in a New England Colonial Style that is found in many neighborhoods in the Town of Weston. In keeping with the surrounding residences, the two-story apartment buildings are sited with limited setbacks from the street and from the adjacent property lines. The building placement will contribute to mitigating the impact of the building's massing on adjacent properties. The main roof lines are set parallel to the street in the same fashion as most of the neighboring homes and is accented by smaller intersecting gables. The overall size and scale of the proposed apartment buildings is similar to many homes found in Weston. One 2 ½ story, 8-unit townhouse building is sited on the rise at the rear of the Site.

Relationship to adjacent streets/Integration into existing development patterns

The Site is located on North Avenue (Route 117) which is characterized by a mix of single-family homes, multifamily residences, and small retail shops. The relationship of the proposed site access and egress to North Avenue does not appear to present any discernable public safety impacts. There appears to be adequate lines of sight for vehicles entering and exiting the proposed Site. The proposed development is similar in height and scale to many subdivisions built in Weston

and surrounding towns and compatible to their relationship to existing streets. The proposed development is able to successfully integrate with existing development patterns.

Density

The Project is situated on a 1.46-acre parcel with an overall density of 11 units per acre. The proposed Project density is appropriate for multi-family development.

Conceptual Site Plan

The Site Plan places two, four-unit apartment buildings on North Avenue. The two-story apartment buildings are sited with limited setbacks from the street and from the adjacent property lines. Sixteen (16) parking spaces are provided on surface lots for the eight apartments and four additional guest parking spaces. One, 2 ½-story, eight unit townhouse building is sited on the rise at the rear of the Site. Each townhome is provided a driveway and a one-car garage. The site design intentionally places the two more moderately sized structures along the street right of way and locates the larger structure well removed from the road toward the rear of the property. Access to the Site is via one road located between the two apartment buildings at North Avenue. The Site road continues up the rise to the townhouses.

Environmental Resources

This project will be served by public water from the town of Weston. The soil is sandy and is capable of supporting the development of the on-site septic system in conformance with the Weston Board of Health Regulations and Title V requirements. There are no delineated jurisdictionally protected resources on Site that would affect development potential.

Topography

The Site is elongated and, commencing at the established road grade, rises upward along the northern boundary where the Site climbs a portion of Cat Rock Hill. The total slope is about 1/3 of the Site and exceeds 10% in places. Excavation will be required for construction of retaining walls for the proposed townhouse building at the rear of the Site. Materials removed from the retaining wall areas will be placed on the Site in the low lying areas that require fill.

(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 Applicant proposes the construction of 16 apartments to be financed under the NEF Program. There will be 12 market-rate units with proposed average rent levels of \$2,575 for one-bedroom units, \$3,067 for the two-bedroom units, \$4,200 for the three-bedroom units. According to A&M, the proposed market rents for the one, two, and three-bedroom apartments are within the range of adjusted comparable market rents.

A&M's review indicate that between 2010 and 2015 the inventory of rental housing in the West/North West suburban Submarket expanded by 1.3% per year on average. As the area's supply of rental units continues to grow, REIS, Inc. data indicates that the submarket's vacancy rate will grow as well, increasing from 5.6% to 7.9%. However this increase in supply (and vacancy level) does not appear to have slowed growth in the effective rents, as they have increased from \$1,505 in 2010 to \$1763 (17%) in 2015, and are projected to continue to rise, albeit more modestly, to \$1897 (7.6%) by 2019. In general occupancy levels in the area have

remained stable, with an average occupancy rate of 3.78%.

A&M estimated that the location will attract interest given its proximity to area commuter routes and services. A&M noted further, however, that the proposal does not include many of the site amenities found at comparable high-end properties, and recommended a more in depth market study prior to financing and Final Approval.

(e) 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;

MassHousing has commissioned an as "As-Is" appraisal which indicates a land valuation of \$600,000. Based on a proposed investment of \$1,399,199 in private equity, the pro forma appears to be financially feasible and within the limitations on profits and distributions.

(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. 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 Site through a Deed from Polymath Development, LLC to 269 North Ave, LLC dated December 22, 2015.

Middlesex South Registry of Deeds
Electronically Recorded Document

This is the first page of the document - Do not remove

Recording Information

Document Number : 220185
Document Type : DEED
Recorded Date : December 29, 2015
Recorded Time : 09:41:59 AM

Recorded Book and Page : 66597 / 144
Number of Pages(including cover sheet) : 3
Receipt Number : 1895088
Recording Fee (including excise) : \$125.00

MASSACHUSETTS EXCISE TAX
Southern Middlesex District ROD # 001
Date: 12/29/2015 09:41 AM
Ctr# Doc# 00220185
Fee: \$.00 Cons: \$100.00

Middlesex South Registry of Deeds
Maria C. Curtatone, Register
208 Cambridge Street
Cambridge, MA 02141
617-679-6300
www.cambridgedeeds.com

QUITCLAIM DEED

Polymath Development LLC, a Massachusetts limited liability company of 905 Concord Avenue, Belmont, MA

in consideration of less than One Hundred and 00/100 Dollars (\$100.00)

grants to 269 North Ave, LLC, a Massachusetts limited liability company at 905 Concord Avenue, Belmont, MA

with quitclaim covenants.

The land with the buildings thereon situated in the East Side of North Avenue in Weston and bounded Northerly 115 feet Easterly 20 feet, Northerly again, and Easterly again by land formerly of Daniel Garfield; Southerly by land formerly of Henry Duelle; and Westerly by North Avenue, being the same premises conveyed to Minola P. Elliott by deed of Nellie A. DeLong and Helen F. Scribner, Trustees under the Will of Lynette A. Hastings, dated June 2, 1947, and recorded in Middlesex South District Deeds, Book 7214, Page 307.


Said premises contains 1.74 acres or 77,000 square feet of land more or less. Be any of said measurements more or less or however else the premises may be bounded, measured, or described.

For title see Quitclaim Deed dated September 26, 2012, and recorded with the Middlesex County (Southern District) Registry of Deeds on September 28, 2012, at Book 60117, Page 377.

Property Address: 269-271 North Avenue, Weston, Massachusetts 02493

Witness our hands and seals this 22nd day of December, 2015

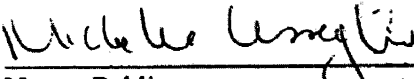
POLYMATH DEVELOPMENT LLC

By: 
J. Patrick Duffy, Real Property
Signatory

COMMONWEALTH OF MASSACHUSETTS

Middlesex, ss

On this 22nd day of December, 2015, before me, the undersigned notary public, personally appeared J. Patrick Duffy, proved to me through satisfactory evidence of identification, which was personally known, to be the person whose name is signed on the preceding or attached document, and acknowledged to me that he signed it voluntarily for its stated purpose as Real Property Signatory of Polymath Development LLC.



Notary Public
My Commission Expires: 8/4/2017

