



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

Tel: 617.854.1000 | Fax: 617.854.1029  
Toll: 617.854.1025 | www.masshousing.com

October 27, 2004

Richard L. Springer, President  
Cranberry Knoll Corporation  
One Winnetuxet Road  
Plympton, MA 02367

Re: Cranberry Knoll  
Plympton, MA  
PE-274  
Project Eligibility (Site Approval) Application

Dear Mr. Springer:

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 24 townhouse condominiums homeownership units (the "Project") on approximately 11.75 acre(s) of land located on Lake Street (the "Site") in Plympton (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

Mitt Romney, Governor  
Kerry Healey, Lt. Governor

Michael J. Dirrane, Chairman  
Jane Wallis Gumble, Vice-Chair

Thomas R. Gleason, Executive Director  
Robert M. Ruzzo, Deputy Director

Page 2  
Cranberry Knoll  
Plympton, MA  
PE-274

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 \$58,320.
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 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:

Page 3  
Cranberry Knoll  
Plympton, MA  
PE-274

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 Fire Department is concerned that the proposed distance between buildings at 15-20 feet may be a fire hazard, and that the water supply for fire fighting is a considerable distance from the site. They have recommended that you consider installing a 10,000-gallon underground water storage tank on site to address these concerns. You should be prepared to discuss this issue with the Town during the public hearing.
4. The Planning Department questioned the discrepancy in the acquisition cost listed in your proforma of \$673,640 that included some carrying costs for taxes and interest vs. the \$585,000 listed in the purchase and sale agreement. Although you have since revised the budget to reflect the actual cost for the land of \$585,000, and placed the carrying costs in the appropriate budget line items to the satisfaction of MassHousing, you should be prepared to discuss your budget modifications during the public hearing.
5. The Planning Department is concerned that you may be planning to use leased land for the well protection area. Although you have provided documentation of the purchase of a water supply protection easement to satisfy this DEP requirement, you should be prepared to discuss this issue with the Town during the public hearing.
6. The Planning Department is concerned with the potential for cross contamination resulting from chemicals used in the cranberry business affecting residents of Cranberry Knoll and runoff from the project impacting the cranberry reservoir. In addition, the Board is concerned that two of the units (15 & 16) appear to be located on or very near the property line. You should be prepared to discuss these issues with the Town during the public hearing.
7. Finally, there were questions about the point source discharge of storm water runoff from the site and whether DEP guidelines could be met. Although condition # 1 above addresses this issue, you should be prepared to discuss this with the Town during the public hearing.

Page 4  
Cranberry Knoll  
Plympton, MA  
PE-274

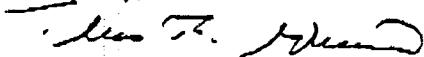
This approval is expressly limited to the development of no more than 24 homeownership units under the terms of either of the Programs, with not less than 6 of such units restricted as affordable homeownership units for low- and moderate-income persons or families as required under the terms of the Housing 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).

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,



Thomas R. Gleason  
Executive Director

CC: Ms. Jane Wallis Gumble, Director, DHCD  
Christine M. Joy, Chair, Plympton Board of Selectmen

Page 5  
Cranberry Knoll  
Plympton, MA  
PE-274

### 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.