



Massachusetts Housing Finance Agency  
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October 19, 2022

Capital Group Properties, LLC  
259 Turnpike Road, Suite 100  
Southborough, MA 01772  
Attention: Robert Depietri

**Re: The Landing  
Project Eligibility/Site Approval  
MassHousing ID No. 1147**

Dear Mr. Depietri:

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 (“FHLBank Boston”).

You submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build two hundred (200) homeownership units (the “Project”) on approximately 22.98 acres of land located off White Pond Road (the “Site”) in Lancaster (the “Municipality”).

In accordance with the Comprehensive Permit Rules, this letter is intended to be a written determination of Project Eligibility 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 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 Select Board submitted a letter expressing that the proposed Project will meet many community housing goals. While not directly related to the 40B application, it is important to note for the record that the Massachusetts Department of Housing and Community Development is currently reviewing an Application for North Lancaster’s Smart Growth Overlay District (G.L. c4OR). Several Town boards and

committees (and interested residents) have noted that the idea of creating a 40R zoning district may provide a longer lasting and more positive financial impact in Lancaster.

The Select Board also summarized other comments and concerns from municipal departments, boards, committees and members of the community. The following concerns were identified in the Municipality's comments:

- The Municipality expressed concern with various aspects of the site plan. Of greatest concern was the proposed height and location of the buildings. The Municipality also noted that the project design featured building density levels significantly higher than those found at other properties located nearby.
- The Municipality expressed concern that additional traffic generated by the Project would result in increased congestion on area roadways and pose heightened risks to drivers and pedestrians. They requested that the Applicant provide a traffic study to allow them to fully assess Project traffic and public safety impacts.
- The Municipality is concerned about pedestrian safety due to the lack of existing sidewalks in the area, noting that there is no public transportation available.
- The Municipality is concerned that the existing topography of the Site will create significant construction related challenges concerning stormwater management and groundwater impacts.

#### **MassHousing Determination and Recommendation**

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.<sup>1</sup> 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 Applicant may apply to the Zoning Board of Appeals ("ZBA") 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 considering feedback received from the Municipality, the following issues should be addressed in the application to the ZBA, and the Applicant should be prepared to explore them more fully during 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

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<sup>1</sup> MassHousing has relied on the Applicant to provide truthful and complete information with respect to this approval. If at any point prior to the issuance of a comprehensive permit MassHousing determines that the Applicant has failed to disclose any information pertinent to the findings set forth in 760 CMR 56.04 or information requested in the Certification and Acknowledgment of the Application, MassHousing retains the right to rescind this Site Approval letter.

will require evidence of such compliance prior to the issuance of a building permit for the Project.

- 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.
- A landscape plan should be provided, including a detailed planting plan, as well as paving, lighting, and signage details, and the location of outdoor dumpsters or other waste receptacles. The landscape plan should also include provisions for irrigation, snow removal and long-term landscape maintenance.
- The Municipality requests that the Applicant provide an adequate storm-water management plan for the Site, including erosion control measures during and after construction.
- As the Applicant and its design team move towards refining the Project's site plan, architectural plans and specifications, they are encouraged to collaborate with the Municipality to better articulate the design approach and evaluate its potential for successfully integrating open space into the Project design.
- The Applicant should be prepared to address concerns about provisions for safe pedestrian access and pedestrian/vehicular separation within the Site, as well as concerns related to the sufficiency of resident and guest parking.

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 Site Approval is expressly limited to the development of no more than two hundred (200) homeownership units under the terms of the Program, of which not less than fifty (50) 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 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 at 760 CMR 56.00.

This approval will be effective for a period of two (2) 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 at the following times throughout this two-year period: (1) when the Applicant applies to the local ZBA for a

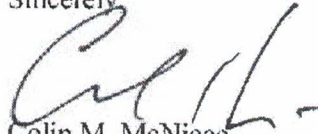
Comprehensive Permit, (2) when the ZBA issues a decision and (3) if applicable, when any appeals are filed.

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 FHLBank Boston, 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 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 Busby at (617) 854-1219.

Sincerely,



Colin M. McNiece  
General Counsel

cc: Jennifer Maddox, Undersecretary, DHCD  
The Honorable John J. Cronin  
The Honorable Meghan Kilcoyne  
Stephen J. Kerrigan, Chair, Select Board  
Jeanne Rich, Chair, Zoning Board of Appeals

## Attachment 1

760 CMR 56.04 Project Eligibility: Other Responsibilities of Subsidizing Agency  
Section (4) Findings and Determinations  
**The Landing, Lancaster, MA #1147**

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 Lancaster is \$89,400.

The Applicant submitted a letter of financial interest from Mutual One Bank, a member bank of the FHLBank Boston 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);*

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 address the local need for housing.

The Town of Lancaster does have a DHCD-approved Housing Production Plan. According to DHCD's Chapter 40B Subsidized Housing Inventory (SHI), updated through September 22, 2022, Lancaster has 137 Subsidized Housing Inventory (SHI) units (5.39% of its housing inventory), which is 117 units short of the statutory minima of 10%.

*(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 Project will consist of 2, 4-story buildings totaling 200 units. The design will be reminiscent of the New England Traditional style. The first floor's façade will have a stone or masonry exterior.

Upper floors with two separate paneling styles to encourage a varied view. The height of the buildings will be approximately 55 feet. Significant buffer zones will be utilized to reduce impact on a small residential neighborhood on White Pond Road to the north of the site, as well as to separate the residential from the logistics development to the east of the site.

#### **Relationship to adjacent streets/Integration into existing development patterns**

The site is in the Town of Lancaster, bordered by Lunenburg and Shirley to the north, Harvard and Bolton to east, Clinton to the South, and Sterling and Leominster to the west. A 12-foot-tall berm with landscaping and a fence on top of it will be placed on the property line closest to White Pond Road. The White Pond neighborhood sits at a higher elevation than the proposed residential site and combined with the buffer rising above the neighborhood, there will be minimal impact on the existing neighborhood. The closest of the buildings to Route 70 are approximately one mile from Route 70 with significant elevation shifts, so it is not anticipated that the residential project will be visible from Route 70. The closest point on Route 190 to the west is about 1,600 feet away. The closest residential building is approximately 1,200 feet from the nearest commercial building and 850 feet from the nearest commercial parking area, with a 50-foot-thick berm in between, allowing sufficient distance to transition between uses.

While located 25 minutes north of Worcester, the town further benefits from its relative proximity to Boston, which is a 40-minute drive to the east. As a commuter town, Lancaster is well-situated near major highways, including Interstate 190, which runs along the western border of the town and provides access to Worcester, and State Route 2, which runs through the northern part of Lancaster and provides direct access to Boston and Cambridge as well as indirect access to the employment hubs along Interstate 495. The Fitchburg Commuter Rail line has a stop in neighboring Leominster, while bus lines are operated in town by the Massachusetts Regional Transit Authority. Approximately four miles to the south along Lunenburg Road is Lancaster's downtown area, which contains public schools, restaurants, a grocery store, a brewhouse, a sporting goods store, houses of worship, public administrative buildings, and several service businesses, among other uses.

#### **Density**

The Applicant proposes to build two hundred (200) homeownership units on approximately 22.98 acres, of which, approximately 21.66 acres are buildable. The resulting density is 9.23 units per buildable acre, which is acceptable given the proposed housing type.

#### **Conceptual Site Plan**

The Project will consist of 2, 4-story buildings totaling 200 units, with approximately 400 parking spaces. The access road from McGovern Boulevard is controlled by the Applicant and will have extensive vegetation to minimize the impact of driving past the commercial component. Surrounding the proposed clubhouse will be courts for outdoor activities as well as other activity areas. Multiple rain gardens and green spaces will be spread throughout the property and combined with the open space and direct access to the trail systems, will allow a natural feel for a high-density multifamily project. Municipal electric, gas, and telephone are available to the site. The current owners have an arrangement with the neighboring City of Leominster to provide water and sewer utilities to the site.

#### **Environmental Resources**

Based on MassHousing's site inspection, and information provided by the Applicant, no significant natural or cultural resources, endangered species habitat, or areas prone to flooding have been identified on the site.

### **Topography**

The site is generally level and at grade. The topographic features of the Site have been considered in relationship to the proposed development plans and do not constitute an impediment to development of the Site.

*(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 comparison of sales submitted by the Applicant.

*(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;*

The initial pro forma has been reviewed for the proposed residential use and the Project appears financially feasible with a projected profit margin of 25.16%. 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 \$450,000. While the projected profit for the Project is estimated to exceed the maximum profit allowed by the Comprehensive Permit Rules, the budget pro-forma will be updated again at Final Approval and then subject to a Cost Examination. Current trends relative to construction and overall development costs suggest that the Project budget will be able to meet the profit limitation requirement prior to MassHousing's next review. If MassHousing determines that any excess profit above the 20% maximum is realized, then those proceeds will be redistributed to the Municipality.

*(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*

MassHousing finds that 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 by virtue of a Deed dated November 9, 2018, between North Lancaster, LLC (Seller) and 702, LLC (Buyer), recorded with the Worcester Registry of Deeds in Book 59673, Page 28.