



Massachusetts Housing Finance Agency
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September 29, 2021

0 North Ave, LLC
544 Salem Street
Wakefield, MA 01880
Attention: Dana Lopez

**Re: Wakefield North Apartments
Project Eligibility/Site Approval
MassHousing ID No. 1120**

Dear Mr. Lopez:

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”).

0 North Ave, LLC has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build thirty-eight (38) units of rental housing (the “Project”) on approximately 5.06 acres of land located at 572-596 North Avenue (the “Site”) in Wakefield (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, 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 Municipality submitted a letter summarizing comments on July 13, 2021.

The following concerns were identified in their comments:

- The Municipality notes the need for improved pedestrian access in and out of the Site and a pedestrian connection to existing sidewalks.
- The Municipality believes that the proposal is out of character with the surrounding single-family neighborhoods.
- The Municipality emphasized that the Project must be designed to ensure the maximum level of emergency access and fire protection.
- The Municipality noted potential challenges with the development of the Site, given that the Site is heavily impacted by wetlands.
- The Municipality emphasized the importance of improving bike- and pedestrian-friendly infrastructure.

Comments Outside of the Findings

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). The following comments submitted to MassHousing identified issues that are not within the scope of our review:

- The Municipality raised concerns regarding overcrowding at public schools and increased public services needed to meet the demands of the proposed Project.

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.¹ 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 will require evidence of such compliance prior to the issuance of a building permit for the Project.

- The Applicant is encouraged to work with its design team to address concerns related to pedestrian circulation, open space elements and providing safe connections to existing sidewalks.
- The Applicant should engage with the Municipality's Fire and Police Departments to review and modify plans as needed and to ensure adequate access is provided for emergency vehicles and responders.
- The Applicant is encouraged to explore alternatives to enhance the pedestrian experience including providing opportunities for both active and passive recreation, play areas for children and bike storage.

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 thirty-eight (38) rental units under the terms of the Program, of which not less than ten (10) 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 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 Busby at (617) 854-1219.

Sincerely,



Colin M. McNiece
General Counsel

cc: Jennifer Maddox, Undersecretary, DHCD
The Honorable Jason M. Lewis
The Honorable Donald H. Wong
The Honorable Kate Lipper-Garabedian
Julie Smith-Galvin, Chair, Town Council
David W. Hatfield, Chair, Zoning Board of Appeals

Attachment 1

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

Wakefield North Apartments, Wakefield

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 Wakefield is \$101,050.

Proposed rent levels of \$1,300 for a one-bedroom affordable unit, \$1,450 for a two-bedroom affordable unit and \$1,600 for a three-bedroom affordable unit accurately reflect current affordable rent levels for the Boston-Cambridge-Quincy Area under the NEF Program. The Applicant submitted a letter of financial interest from East Boston Savings 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 Wakefield does not have a DHCD-approved Housing Production Plan. According to DHCD’s Chapter 40B Subsidized Housing Inventory (SHI), updated through August 6, 2021, Wakefield has 707 Subsidized Housing Inventory (SHI) units (6.76% of its housing inventory), which is 339 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);

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

The proposed design of the multi-family building is of a similar scale and design of newly constructed buildings along North Avenue. The Applicant proposes to use brick veneer, Hardie plank siding and Azek trim boards. The massing of the proposed building is broken into two main portions to help minimize the scale of the front façade. The proposed building is situated as far from the side and rear abutters as possible to help eliminate any sense of crowding or shading and open space areas will be maintained on both the rear and side yards.

Relationship to adjacent streets/Integration into existing development patterns

The Site is located in the northwesterly section of Wakefield, on the westerly side of North Street. It is within 0.25 miles of Exit 57 (Old Exit 39) off of Route 128/95. North Street is a main road which is fairly well traveled, running in a generally north-south direction through Wakefield. The area is mixed between office, retail and apartments close to the Route 128/95 exit ramp and then switches to single-family use about 0.25 miles from the exit ramp. The mixed uses are the result of the area closest to the exit ramp being zoned Business and Limited Business and the area after about 0.25 miles from the exit ramp being zoned Single Residence (SR). Uses in the Business and limited Business zones include a Subaru auto dealership, the Lakeside Office Park and two new apartment buildings (596 & 600 North). The uses in the SR zone are mostly older, relatively small, single-family dwellings. There is also a Knights of Columbus hall located next to the Site. The relationship of the proposed Site access and egress to North Street does not present any discernable public safety impacts. There appear to be adequate lines of sight for vehicles entering and exiting the proposed Site. The proximity to existing mixed uses on adjacent parcels underlies the appropriateness of the proposed Project within the existing context.

Density

The Applicant proposes to build thirty-eight (38) rental units on approximately 5.06 acres, of which 2.36 acres are buildable. The resulting density is 16.10 units per buildable acre, which is acceptable given the proposed housing type.

Conceptual Site Plan

The proposed building will be sited in the northeast corner of the Site. Adjacent to the building on the west and south sides will be asphalt parking for 58 parking spaces. Access to and from the Site will be from North Avenue across from Fielding Street. Similar in size and style as the adjacent existing apartment building, the proposed landscaping plan proposes to use similar street trees and building foundation plantings as the multi-family structure next door.

Environmental Resources

The property does not contain any area of critical concern or areas of estimated or priority habitat of rare species, wildlife or vernal pools. To the east of North Street also running along Route 129 is Lake Quannapowitt, which features a walking path that is popular for walkers, joggers, bikers, boating and kayaking.

Topography

The Site consists of approximately 5.06 +/- acres of contiguous vacant land, the majority of which is vegetated wetlands (3.96 +/- acres) with approximately 48,124 square feet (1.10 acres) of upland. 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);

According to the appraisal report for the Site, Wakefield's residential market appears stable and strong, with an overall upward trajectory in sales volume and prices in the last decade. MassHousing's Appraisal and Marketing team (A&M) performed a Competitive Market Analysis and found that proposed market rents for each unit type fall within the range of adjusted comparable market rents.

(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 \$1,025,000. Based on a proposed investment of \$14,593,090 in equity and permanent financing, the development 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

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 combined parcels were in the ownership of Blacksmith Enterprises Limited Partnership and Mary Linda McManus, Individually and as Personal Representative of the Estate of Diane M. McManus. On January 14, 2020, for a consideration of \$350,000, it was conveyed to Raymond Nickerson and Dana Lopez, the managing member of the Applicant entity, and recorded on January 23, 2020, in the Middlesex County Registry of Deeds in Book 74029, Page 5.