



Commonwealth of Massachusetts
**DEPARTMENT OF HOUSING &
COMMUNITY DEVELOPMENT**

Deval L. Patrick, Governor ♦ Timothy P. Murray, Lt. Governor ♦ Tina Brooks, Undersecretary

January 4, 2008

Michael Hughes, Chairman
Board of Selectmen
Town of Douglas
19 Depot Street
Douglas, MA 01516

Tim Barlow
TB Building
P.O. Box 12
South Grafton, MA 01560

RE: North Village, Douglas, MA
Determination of Site Eligibility and Preliminary Approval under LIP

Dear Messrs. Hughes and Barlow:

I am pleased to inform you that your application for Local Initiative Program (LIP) designation for the proposed Local Initiative Program project in Douglas, Massachusetts, has been approved, subject to the fulfillment of the conditions listed below. This approval is based on your application that sets forth a plan for the development of 133 homeownership units. The proposed sales prices of the LIP units are generally consistent with the standards for affordable housing to be included in a community's Chapter 40B affordable housing stock.

As part of the review process, the Department of Housing and Community Development (DHCD) has made the following findings:

1. The proposed project appears generally eligible under the requirements of the Local Initiative Program, subject to final program review and approval.
2. DHCD staff has performed an on-site inspection of the proposed project site. The proposed housing design is appropriate for the site.
3. The proposed project appears financially feasible in the context of the Douglas housing market.
4. The initial pro forma for the project appears financially feasible on the basis of estimated development costs.
5. The project sponsor and the development team meet the general eligibility standards of the Local Initiative Program.

The endorsement of the North Village project application by the Douglas Board of Selectmen fulfills the requirement of local action under 760 CMR 45.00. The proposed project must comply with all state and local codes not specifically exempted by a comprehensive permit.

Please provide us with a copy of the comprehensive permit as soon as it is issued. The DHCD legal office will review the comprehensive permit and other project documentation. Additional information may be requested as is deemed necessary. Following the issuance of the comprehensive permit, the specifics of this project must be formalized in a regulatory agreement signed by the municipality, the project sponsor, and DHCD. The regulatory agreement must be signed and recorded prior to starting construction.

As stated in the application, the North Village project will consist of 133 units, 40 of which will be eligible for inclusion in the town's subsidized housing inventory. The affordable units will be marketed and sold to eligible households whose annual income may not exceed 80% of area median income, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.

The conditions that must be met prior to final DHCD approval include:

1. Submission to DHCD of the finalized details of the comprehensive permit and an affirmative fair marketing and lottery plan detailing procedures to be used in the selection of the LIP unit purchasers.

The updated marketing materials shall include documentation supporting the need for local preference. When a LIP marketing plan asks for local preference, the town is required to provide evidence of the need for it. (Refer to page 94 of the LIP guidelines.)

2. Submission of a copy of the amended Memorandum of Understanding (MOU) between the Board of Selectmen and the developer, NorthBrown, LLC. reflecting the vote of the Board of Selectmen of December 18, 2007 to remove section 6 from the original MOU. If further amendments are to be pursued, DHCD shall be notified prior to their consideration and DHCD consent to any such amendments shall be a condition for the continued validity of this LIP approval letter.
3. The LIP units must be proportionately distributed throughout the project.
4. As the North Village project nears completion of construction, DHCD staff may visit the site to ensure that the development meets program guidelines.
5. The project must be organized and operated so as not to violate the state anti-discrimination statute (M.G.L. c151B) or the Federal Fair Housing statute (42 U.S.C. s.3601 et seq.). No restriction on occupancy may be imposed on the affordable unit (other than those created by state or local health and safety laws regulating the number of occupants in dwelling units).

Within three months of the sale of the last unit, the Project Sponsor must submit to both DHCD and the Douglas Board of Selectmen a project cost accounting prepared by a certified public accountant and meeting cost certification requirements set forth by MassHousing and DHCD in August 2007.

This letter shall expire two years from this date or on January 4, 2010 unless a comprehensive permit has been issued and construction has begun.

We congratulate the Town of Douglas and the project sponsor on their efforts to work together to increase the town's supply of affordable housing. If you have any questions as you proceed with the project, please call Toni Coyne Hall at 617-573-1351.

Sincerely,

A handwritten signature in black ink, appearing to be 'Catherine Racer', with a long horizontal line extending to the right.

Catherine Racer
Associate Director

cc: Michael Guzinski, Town Administrator
Jason Talerman, Blateman, Bobrowski & Mead, LLC
Edwin Taiple, Counsel
Collin Haire, Zoning Board of Appeals
William Dundiff, Town Engineer ✓
Office of Chief Counsel, DHCD