August 22, 2023

Lisa Donovan, Chairperson
Medfield Housing Authority
8 Pheasant Road,
Medfield, MA 02052

Re: Conditional Approval to Transfer Surplus Land Subject to a Contract for Financial Assistance 667-7 for Development of Affordable Housing, Medfield, MA

Dear Chair Donovan:

I am writing regarding the Medfield Housing Authority's (the "Authority") request to the Massachusetts Executive Office of Housing and Livable Communities ("EOHLC") to dispose of approximately 2.6 acres of Authority-owned 667-7 land subject to a state-aided public housing Contract for Financial Assistance for the purpose of development of affordable housing ("Development Parcel"). EOHLC must make certain findings in accordance with 760 CMR 4.12, *et seq*. prior to any disposition.

On November 17, 2021, the Authority published a Request for Proposals ("RFP") to dispose of the Development Parcel to a selected entity for the development and management of affordable rental housing for seniors on the site, pursuant to a ground lease. The Authority received one response to the RFP from NewGate Housing LLC (the "Developer"). The Developer intends to utilize, in part, Low Income Housing Tax Credits to construct forty-five units of housing in a single building, at least 20% of which would be affordable to residents at 30% of the area median income ("AMI") with the remaining units to be affordable to residents at 60% of AMI (the "Proposal").

EOHLC has evaluated the site and has, in accordance with 760 CMR 4.12(1), determined that the land is surplus to the needs of the existing state-aided housing project and is not needed for any future state-aided housing project. EOHLC must also make certain findings under 760 CMR 4.11, *et seq*. and confirm that there has been or will be a disposition process complying with all applicable requirements of law for disposition of land by a public entity.

Approval of the disposition: Based on our review of the Proposal, including the representations made in response to the Authority's RFP by the Developer and the attachments therein, I hereby make the following findings regarding the Proposal and the Authority's plans for the transfer and development of the Development Parcel, pursuant to 760 CMR 4.11 and 760 CMR 4.12:

a. The land is surplus to the needs of any existing state-aided housing project and to any planned state-aided housing project on the site, and there are no additional state-aided housing projects planned for this site.

b. The affordable housing units to be constructed on the Development Parcel will be deed-restricted to occupancy by low- or moderate-income households at affordable rents; provided, that DHCD retains the right to review and approve any restrictions prior to a financial closing of the project.

c. As a condition of this approval, the tenant share of the rent in income-restricted units built on the Development Parcel will not exceed the limits set forth in 760 CMR 4.11(1)(c).

d. Homeownership units will not be developed on the Development Parcel, so the requirements of 760 CMR 4.11(1)(d) are not applicable.

e. The affordable housing to be constructed has a similar purpose to that of the Contract for Financial Assistance respecting the vacant land.

f. Any mortgage secured in whole or in part by the Development Parcel must be reviewed by EOHLC prior to execution and shall contain provisions requiring notice to EOHLC and a reasonable opportunity for it to cure in the event of foreclosure for breach of the terms of such mortgage, and shall also contain such commercially reasonable protections against loss of affordability as are permitted by the mortgagee.

g. As a condition of this approval, it is required that a state or federal affordable housing program or EOHLC approve the plans and description of the new housing, its estimated construction costs, and its financing, in order to ensure that proper standards of health, sanitation, and safety are met by such housing. If approval is given by or on behalf of a state or federal affordable housing program other than those under EOHLC's administration, copies of the approval, the approved plans, description and other information must be provided to EOHLC.

h. Market rate units will not be developed on the Development Parcel, so the requirements of 760 CMR 4.11(1)(h) are not applicable.

i. As a condition of this approval, public construction and prevailing wage requirements, *if applicable*, must be complied with in the construction of the housing. Enclosed for your information are the June 20, 2019 decision of the Massachusetts Attorney General regarding the Holyoke Housing Authority Rehabilitation of Lyman Terrace and the September 25, 2019 decision of the Massachusetts Attorney General regarding the rehabilitation of Chestnut Park Apartments in Springfield. Please keep this office informed on whether you determine the project falls under public construction and prevailing wage requirements, and if so on your plans for compliance with this requirement. Please note that compliance with any applicable public construction and/or prevailing wage requirements may be subject to additional review should the Developer seek Low Income Housing Tax Credits and/or other public resources from EOHLC.

j. As a condition of this approval, tenant selection procedures, including any preferences, must be fair and reasonable and must not contravene any applicable state or federal anti-discrimination laws or any state or federal fair housing laws.

k. As a condition of this approval, EOHLC retains the right to approve, prior to any disposition, any disposition process to transfer the Development Parcel from the Authority to the Developer, to ensure they comply with all applicable requirements of law for disposition of land by a public entity.

l. Implementation of the Proposal shall be subject to receipt of a building permit under applicable zoning or under a comprehensive permit within 24 months of the EOHLC's approval, or such further time as may be approved by the EOHLC.

m. As a condition of this approval, the Authority and the Developer shall comply with any required federal and local approvals, insofar as applicable.

n. EOHLC's approval of this disposition shall in no way be construed as an approval or award of public resources, including but not limited to Low Income Housing Tax Credits. The Developer shall be solely responsible for submitting any required applications for funding and any such applications shall be subject to the EOHLC's evaluation and scoring as set forth in the Department's 2022-2023 Qualified Allocation Plan.

The units constructed on the Development Parcel subject to the terms of this approval shall not be subject to any Contract for Financial Assistance between the Authority and EOHLC for or in connection with a state-aided housing project under M.G.L. c. 121B, shall not be a housing project eligible for subsidy under M.G.L. c. 121B §32, and shall not be subject to regulation by EOHLC as such. With respect to the Development Parcel used for the new affordable units approved above, the Authority shall not be obligated to repay any state bond funds received pursuant to a CFA for relevant acquisition, development or modernization grant. Furthermore, this approval does not represent a commitment of funding by EOHLC.

Any notices required by this approval letter to be given to EOHLC shall be directed to both the Chief Counsel and to the Director of the Division of Public Housing at EOHLC and shall be accompanied by a copy of this letter.

Congratulations on your continued efforts to expand the supply of affordable rental housing in Medfield. If you have any questions regarding this matter, please feel free to contact me at ben.stone@mass.gov.

Sincerely,

Ben Stone
Director, Division of Public Housing and Acting Director, Division of Rental Assistance

cc: Candace Avery, Medfield Housing Authority Executive Director
Fatima Razzaq, Director of the Bureau of Housing Development and Construction