



Massachusetts Housing Finance Agency
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January 16, 2024

Chebacco Hill Capital Partners LLC
176 Barton Road
Stow, MA 01775
Attn: Lawrence Smith

**Re: Village at Chebacco Hill
Project Eligibility/Site Approval
MassHousing ID No. 1205**

Dear Mr. Smith:

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 Executive Office of Housing and Livable Communities (“EOHLC”) (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”).

Chebacco Hill Capital Partners LLC (the “Applicant”) has proposed to build fifty-nine (59) age-restricted homeownership units (the “Project”) on approximately 56.81 acres of land located at 133 Essex Street (the “Site”) in Hamilton (the “Municipality”). While 133 Essex Street is the legal address for the Site, access is located on Chebacco Road.

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.

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 Hamilton Select Board submitted a letter dated November 20, 2023, providing comments from the Planning Board, Planning Director, Conservation Commission, Septic Inspector, DPW, Police and Fire Departments. The various boards, departments, and commissions identified the following comments and concerns:

- The Municipality’s comments acknowledged that the Site was the subject of a prior special permit and stormwater application for a similar age-restricted project, which were denied. Many of the comments and concerns provided in the letter clarified expectations for additional review by various parties given project changes. It was noted that peer review, including for traffic, utilities, drainage, septic, and lighting will be expected as a part of the comprehensive permit hearing process.
- The Municipality is concerned with the extent of site work and associated costs required to construct the proposed Project, noting the numerous issues previously considered by the Planning Board including challenging topography, extensive blasting and rock crushing, ledge removal, noise, well monitoring, traffic and other safety concerns.
- The Municipality raised questions regarding the proposed age restriction and compliance with state policy relative to housing for families with children, and requested appropriate amenities and site design for both older adults and children.
- The Municipality requested that the Applicant follow the Superseding Order of Conditions DEP #172-0629 previously issued by MassDEP and the Conservation Commission, and to follow up in accordance with the appropriate regulations should additional project deviations occur.
- The Municipality noted that a new septic plan and application will be required for review.
- The Municipality requests additional information on proposed and existing drainage infrastructure, the extent of water main and hydrant work, and anticipated roadway paving and improvement activity on adjacent public roadways that will be required for the proposed Project. Additionally, the Municipality noted anticipated plans for the repaving of Chebacco Road and requested appropriate coordination between the Applicant and the Department of Public Works.
- The Municipality requested the use of low impact development techniques to protect groundwater and wetlands, and limit site erosion.
- The Municipality acknowledged that the Site is identified in Hamilton’s Housing Production Plan, and recognized the need for additional housing diversity, including rental housing, affordable housing, and residential typologies generally in town. The Municipality expressed an interest in whether the proposed Project could meet the needs for mobility impaired and special needs populations.

Community Comments

In addition to comments submitted by the Municipality, MassHousing received approximately eighty-five (85) letters from area residents expressing comments and concerns regarding the proposed Project. In general, letters from the community opposed the proposed Project, expressing dismay that the Applicant is seeking 40B approval after denial of a special permit by the planning board and stating that there are better locations for affordable housing development in town. One letter expressed support for the proposed Project, acknowledging the need for additional housing creation in the region. The following concerns were detailed by area residents:

- The amount of blasting required to construct the proposed Project.
- Environmental impacts, including increased stormwater, wastewater management, and potential risks to water supply for the region resulting from construction. A hydrological study and information regarding long-term monitoring and maintenance of stormwater and wastewater infrastructure were requested.
- Impacts of the proposed Project on the experience of visitors using the surrounding trail networks and disruption to the forested wildlife habitat.
- Traffic impacts to area roadways, particularly during construction.

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 your application to the ZBA, and you 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 must demonstrate the ability to manage the onsite blasting required to construct the proposed Project. A construction management plan should be prepared to give assurance to the Municipality and neighborhood that the contractor will mitigate the impacts of construction, including noise and vibration.
- The Applicant should provide a detailed traffic study assessing potential impacts of the Project on area roadways, including traffic volumes, crash rates, and the safety and level of service (“LOS”) of area intersections, as well as identifying appropriate mitigation in compliance with all applicable state regulations.
- The Applicant must comply with the Interagency Agreement Regarding Housing Opportunities for Families with Children and EOHLC’s policy Regarding Restrictions on Children in Age-Restricted 55+ Housing.

¹ 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.

- The Applicant should work with the Municipality to address changes in design and capacity for the septic system.
- The Applicant should be prepared to provide detailed information relative to proposed water use, drainage needs, potential impacts on existing capacity, and appropriate mitigation, including Low Impact Development (LID) techniques.
- The Applicant should work with the Municipality to coordinate work that may interfere with local roadway repaving.

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 fifty-nine (59) homeownership units under the terms of the Program, of which not less than fifteen (15) 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.

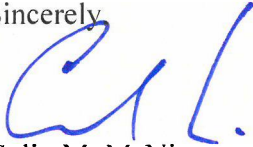
Should a Comprehensive Permit be issued, please note that prior to (i) commencement of construction of the Project or (ii) issuance of a building permit, the Applicant is required to submit to MassHousing a request for Final Approval of the Project (as it may have been amended) in accordance with the 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 Kat Miller at (617) 854-1217.

Sincerely



Colin M. McNiece
General Counsel

cc: Ed Augustus, Secretary, EOHLC
The Honorable Bruce E. Tarr
The Honorable Kristin E. Kassner
Shawn M. Farrell, Chair, Hamilton Select Board
Bruce Gingrich, Chair, Hamilton Zoning Board of Appeals
Joseph J. Domelowicz Jr., Hamilton Town Manager
Patrick Reffett, Director of Planning and Inspectional Services

Attachment 1

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

Village at Chebacco Hill, Hamilton, MA #1205

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 Hamilton is \$118,450.

The Applicant submitted a letter of financial interest from Webster Five Cents 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 Hamilton has an EOHLIC-approved Housing Production Plan (HPP) and is an HPP-certified community, through March 20, 2025. According to DHCD’s Chapter 40B Subsidized Housing Inventory, updated through June 29, 2023, Hamilton has 114 Subsidized Housing Inventory (SHI) units (4.07% of its housing inventory), which is 167 units below the statutory minima requirement of 10%. The Municipality acknowledged that the Site is identified in Hamilton’s Housing Production Plan and recognized the need for additional housing diversity in town.

(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 streets/Integration into existing development patterns

Hamilton is on the North Shore of Massachusetts, approximately 30 miles northeast of Boston and 20 miles south of the New Hampshire border. Route 128 is accessible approximately 15 minutes to the south, and Routes 1 and I-95 are 15-minutes to the west of the Site. Locally, Hamilton is primarily accessed via Route 1A, which runs north-south through the center of town. Commuter Rail access to Boston is located along 1A, approximately 3 miles northwest of the Site, at the Hamilton/Wenham town line. The Shoppes at Hamilton Crossing, which includes Crosby's Market, a CVS pharmacy, Bank of America as well as some boutique stores is also located in this area. Commercial uses are otherwise limited in Hamilton, with the closest shopping and employment centers located in Beverly and Peabody, 5 and 10 miles to the south respectively.

The Site itself is accessed from Chebacco Road in a neighborhood that is rural in nature, abutted by the Chebacco Woods trail network to the south and west and the MeadowBrook Farmstand to the north. The surrounding uses along Chebacco Road and other nearby roadways are otherwise single-family homes.

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

The proposed development will consist of fifty-nine (59) two- bedroom units offered in a mix of duplexes, triplexes, and detached single-family homes. Detailing and materials are in keeping with the traditional, residential, New England character of the surrounding community. Homes include entry porches, gable roofs, shed and gable dormers, and lap and shake siding. All homes include a two-car garage. Variations in the location, size and materials of these architectural features distinguish each unit, breaking down the massing of the buildings, and creating visual interest. The architectural designs and building scale are compatible with the style of homes found in the surrounding area.

Density

The Applicant proposes to build fifty-nine (59) homeownership units on approximately 56.81 acres, of which 44.62 acres are buildable. The resulting density is 1.3 units per buildable acre, which is acceptable given the proposed housing type.

Conceptual Site Plan

The proposed site layout consists of fifty-nine (59) units in a mix of thirty-two (32) duplexes, triplexes, and detached single-family structures organized along a looped roadway. All homes are oriented with garages and driveways facing the street. A sidewalk that wraps the perimeter of the roadway is shown on the site plan, and according to information provided by the Applicant, the proposed Project will include a walking trail that will provide connections to offsite trail systems on abutting properties as well as provide a walkable path from Chebacco Road to Chebacco Woods. The site plan limits disturbance to approximately 16 acres of land, preserving the remaining 40 as undisturbed open space. The homes will be served by a shared septic system that will be located in the western portion of the Site. Other utilities including water and electricity will service the Site from Chebacco Road. The proposed Project is designed to exceed local and state energy and building codes and the site plan incorporates low-impact development features such as rain gardens for stormwater infiltration, reduced impervious area to the extent practicable, as well as other environmentally sensitive development strategies.

Environmental Resources

The Site contains 12.19 acres of wetland scattered throughout the Site. All building footprints are located beyond the 100-foot Buffer Zone. The site layout will require a temporary bridge crossing over an on-site intermittent stream to facilitate the construction of a stormwater management area in the northern portion of the Site. Horizontal Directional Drilling is also proposed for the installation of septic infrastructure under the intermittent stream. Plans for these features have been approved under a MassDEP-issued Superseding Order of Conditions.

Topography

The Site has challenging topography with large areas of rock ledge outcroppings, having a change in grade of approximately 72 feet from the front of the Site at the Chebacco Road frontage to the top of its highest knob, located in the center of the Site. Extensive blasting will be required to construct the proposed roadways and to grade the Site so that the building clusters can be nestled into its topography.

(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 market analysis submitted by the Applicant. Information received from the Applicant confirmed the need for age-restricted housing units in the area.

(e) that an initial pro forma has been reviewed, including a land valuation determination consistent with the Secretariat's Guidelines, and the Project appears financially feasible and consistent with the Secretariat'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 12.77%. A third-party appraisal commissioned by MassHousing has determined that the "As Is" land value for the Site of the proposed Project is \$1,560,000.

(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 Site by virtue of a Purchase and Sale Agreement between Country Squire Realty, Inc. (Seller) and Chebacco Hill Capital Partners, LLC (Purchaser) dated January 15, 2021, as amended on June 24, 2022, and June 9, 2023, with an expiration date of January 15, 2026.