



Massachusetts Housing Finance Agency  
One Beacon Street, Boston, MA 02108

TEL: 617.854.1000 | FAX: 617.854.1091  
VP: 866.758.1435 | www.masshousing.com

December 23, 2015

Richmond Nantucket Single Family One, LLC  
c/o The Richmond Company, Inc.  
27 Concord Street  
Wilmington, MA 01887  
Attention: Philip Pastan, Manager

**Re: Sandpiper Place, Nantucket, MA  
Project Eligibility/Site Approval  
MH ID # 791**

Dear Mr. Pastan:

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 (“FHLBB”).

You have proposed to build 50 homeownership units (the “Project”) on 8.18 acres of land located at 73 Old South Road (the “Site”) in Nantucket, MA (the “Municipality”).

In accordance with the Comprehensive Permit Rules, this letter is intended to be a written determination of Project Eligibility (“Site Approval”) 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 Review and 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 Nantucket Board of Selectmen submitted a letter on October 24, 2015, summarizing comments from municipal officials, staff and members of the public. The Board of Selectmen unanimously voted to inform MassHousing that the proposed development is in an appropriate location. The

subject property is within the Town Overlay District and residential development is encouraged under the 2009 Master Plan. The following concerns were also identified in their comments:

- The Municipality expressed concern that the proposed site plan indicates two potential points of access which do not currently exist and which are not included in the current development proposal. Two of the proposed access points do not connect to an approved way and may also propose access over land that the Applicant does not control.
- The Municipality expressed the concern that the modification to existing drainage conditions would increase the rate and/or volume of storm-water flow from the Property off site and would reduce storage of existing drainage.
- The Municipality believes that the proposal lacks sufficient organized outdoor recreational space.
- The Municipality notes that the Applicant has not provided an adequate proposal for private trash storage and pickup.
- The Municipality believes the site plan is “uninspired” and lacks creative and attractive housing designs.
- The Municipality raised environmental concerns due to the Site’s former use for industrial and commercial activities.

#### **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). MassHousing identified issues that are not within the scope of our review including possible impacts on classroom size, and on the quality of the Nantucket Public Schools.

#### **MassHousing Determination and Recommendations**

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. 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 Developer may apply to the Zoning Board of Appeals of the Municipality 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 in light of feedback received from the

Municipality and members of the community, the following issues should be addressed in your application to the Nantucket Zoning Board of Appeals, 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, storm-water 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 should be prepared to consider alternative points of access throughout the Site and work collaboratively with the Town to identify locations that promote safe and logical circulation patterns.
- 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, and identifying appropriate traffic mitigation in compliance with all applicable state and local requirements governing site design.
- The Applicant should be prepared to address Municipal concerns regarding the proposed design of the homes and discuss the inclusion of homes with unique architectural details to avoid a singular house design throughout the Site.

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 (50) homeownership units under the terms of the Program, with not less than thirteen (13) of such units restricted as affordable homeownership units for low and moderate income persons or families as required under the terms of the Guidelines. It is not a commitment or guarantee of NEF 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 and 760 CMR 56.00.

This approval will be effective for a period of two years from the date of this letter. Should the Applicant not apply for a Comprehensive Permit within this period or should MassHousing not

Sandpiper Place, Nantucket  
MassHousing #791  
Project Eligibility Letter

extend the effective period of this letter in writing, this letter shall be considered to have expired and no longer be in effect. 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 FHLBB, 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,



Thomas R. Gleason  
Executive Director

cc: Chrystal Kornegay, Undersecretary, DHCD  
Robert R. DeCosta, Chairman, Nantucket Board of Selectmen  
Libby Gibson, Town Manager  
Edward S. Toole, Chairman, Zoning Board of Appeals  
Eleanor W. Antonietti, Land Use Specialist

**Attachment 1**

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

**Sandpiper Place, Nantucket, MA – MH ID No. 791**

After the close of a 30-day review period and extension, if any, 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 Nantucket is \$79,750.

***(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);***

Nantucket does not have a DHCD Approved or Certified Housing Production Plan. Nantucket has 121 Subsidized Housing Inventory (SHI) units (2.5 % of its housing inventory), which is 369 SHI units shy of the 10% SHI threshold. The property is currently zoned for residential use and such use would be compatible with surrounding uses and the proposed multi-family rental development adjacent to the Site.

***(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 proposed development pattern is compact and efficient, while maintaining similar characteristics to that of other neighborhoods nearby, and in particular the adjacent Cedar Crest

single-family development approved in 1987. Directly across from the proposed Site is a comparable dense development called Naushop Estates with 5,000 square foot lots. The proposed development consists of 50 single-family homes with massing designed to maintain the well-established context of the Nantucket architectural vernacular. The proposed residential structures will be sited in a manner that allows them to integrate with adjacent uses and streets.

### **Relationship to Adjacent Streets**

Access to the Site will be provided through the proposed roadway system that will extend from the southeastern corner of the development to an existing point along Nancy Ann Lane, which provides a connection to the entire road circulation network. The new road network system will be comprised of land currently under control by the Applicant and are only subject to approval by the Town of Nantucket, in conjunction with the Nantucket Zoning Board of Appeals. The Applicant has the ability to obtain access to and from the proposed development from adjacent properties and the existing road network, including Old South Road, which is the major local roadway that runs parallel to the Site.

### **Density**

The Developer intends to build 50 homes on an 8.18-acre lot, all of which is buildable. The resulting density is 6.11 units per buildable acre, which is acceptable given the proposed housing type.

### **Site Plan**

Sandpiper Place will consist of 37 market priced and 13 affordable single family residences on an 8.18-acre parcel. The homes will be configured on individual lots with an average lot size of 4,000 square feet. The proposed development will replace land that was primarily used to house abandoned vehicles, boats, trailers and other construction and asphalt debris. Redevelopment of the Site will improve the environmental condition and the overall health and safety of the neighborhood.

### **Topography**

The topography of the Site is mainly level throughout and is not an impediment to the proposed development.

### **Environmental Resources**

The subject property abuts the island's extensive bike path system used for both recreation and transportation throughout the Island. There are no jurisdictional environmental resources that impose any restrictions on the development of the Site.

### **Proposed Use**

Based on MassHousing staff's site inspection, 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.

Sandpiper Place, Nantucket  
MassHousing #791  
Project Eligibility Letter

***(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 listing of comparable sales provided by the Applicant that was submitted with the application.

***(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 5.07%. 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 \$5,250,000.

***(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***

The Applicant must be organized as a Limited Dividend Organization prior to applying for Final Approval. 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 8.18 acre Site under a Purchase and Sale Agreement expiring on August 31, 2017.