

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

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Jennifer D. Maddox, Undersecretary

August 10, 2021

Mr. Nat Coughlin
President
L.D. Russo, Inc.
198 Ayer Road
Harvard, MA 01451

Mr. John Feehan
Executive Director
YWCA Greater Newburyport
13 Market Street
Newburyport, MA 01950

Re: Nevins Project, Methuen, MA – Project Eligibility Letter

Dear Mr. Coughlin and Mr. Feehan:

We are pleased to inform you that your application for project eligibility determination for the proposed Nevins Project located in Methuen, Massachusetts, has been approved under the Low Income Housing Tax Credit (LIHTC) program. The property is located at 10-12 Ingalls Court, Methuen, Massachusetts. This approval indicates that the proposed plan is for 96 units of rental housing for seniors, all of which will be affordable at no more than 60% of area median income. The proposed development will be completed in two phases that will consist of 96 one-bedroom units in total, and the rental structure as described in the application is generally consistent with the standards for affordable housing to be included in the community's Chapter 40B affordable housing stock. This approval does not constitute a guarantee that LIHTC funds will be allocated to the Nevins Project. It does create a presumption of fundability under 760 CMR 56.04 and allows L. D. Russo, Inc. and YWCA Greater Newburyport to apply to the Methuen Zoning Board of Appeals for a comprehensive permit. The sponsor should note that a One Stop submission for funding for each phase of this project must conform to all Department of Housing and Community Development (DHCD) program limits and requirements in effect at the time of submission.

As part of the review process, DHCD has made the following findings:

1. The proposed project appears generally eligible under the requirements of the Low Income Housing Tax Credit program.
2. DHCD has performed an on-site inspection of the proposed Nevins project and has determined that the proposed site is an appropriate location for the project. The site contains a commercial building that provides elder care services which will be demolished upon completion of the first of the two

new residential structures. The site is adjacent to the Nevins Nursing and Rehabilitation Center which provides supportive programming and short-term stays for seniors. The site is located within a mile of city amenities and services, and within 1.6 miles of shopping areas.

3. The proposed housing design is appropriate for the site. The development will be completed in two phases consisting of two new, four-story residential structures. Phase one will include the development of the first residential structure with a commercial space on the first floor. It is expected that the existing elder care business will occupy the first floor. The existing commercial building will be demolished to make way for phase two and the development of the second residential structure. The two residential structures are expected to be connected at the ground level and through a bridge connection at upper levels. The two new residential structures will offer common spaces and multi-purpose areas.
4. The proposed project appears financially feasible in the context of the Methuen housing market, where there is a demonstrated need for affordable rental housing. The 96 unit, two-phased proposal includes 48 units for seniors earning up to 30% of area median income (AMI), 5 units for seniors earning up to 50% AMI, and 43 units for seniors earning up to 60% AMI.
5. The initial proforma for the project appears financially feasible and consistent with the requirements for cost examination and limitations on profits on the basis of estimated development and operating costs. Please note again that a One Stop+ submission for funding for this project must conform to all DHCD program limits and requirements in effect at the time of submission.
6. A third-party appraisal has been commissioned. The Low-Income Housing Tax Credit Program Guidelines state that the allowable acquisition value of a site with a comprehensive permit must be equal to or less than the value under pre-existing zoning, plus reasonable carrying costs. If this project applies for funding under the Low-Income Housing Tax Credit Program, the acquisition price in the proposed budget should reflect these program guidelines. The sponsor is responsible for reviewing the guidelines and ensuring that the acquisition price will conform to the guidance.
7. The ownership entity will be a single-purpose entity controlled by the applicant subject to limited dividend requirements, and meets the general eligibility standards of the Low Income Housing Tax Credit program. The applicant will need to demonstrate sufficient organizational capacity to successfully develop the project under the Low-Income Housing Tax Credit program.
8. The applicant has a P&S agreement for site control. The agreement was executed on April 22, 2021 and expires on June 30, 2023.
9. DHCD received a letter from the Mayor of Methuen in support of the project.

The proposed Nevins project will have to comply with all state and local codes not specifically exempted by a comprehensive permit. In applying for a comprehensive permit, the project sponsor should identify all aspects of the proposal that will not comply with local requirements.

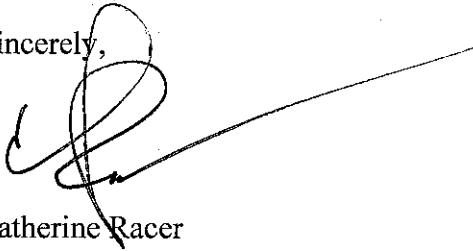
If a comprehensive permit is granted, construction of this project may not commence without DHCD's issuance of final approval pursuant to 760 CMR 56.04 (7) and an award of LIHTC funds. This project eligibility determination letter is not transferable to any other project sponsor or housing program without the express written consent of DHCD. When construction is complete, a Chapter 40B cost certification

and an executed and recorded 40B regulatory agreement in compliance with DHCD's requirements pertaining to Chapter 40B must be submitted and approved by DHCD prior to the release of a Low-Income Housing Tax Credit form 8609.

This letter shall expire two years from this date, or on August 10, 2023, unless a comprehensive permit has been issued.

We congratulate you on your efforts to work with the City of Methuen to increase its supply of affordable housing. If you have any questions as you proceed with the project, please feel free to call or email Rebecca Frawley Wachtel at (617) 573-1318 or Rebecca.Frawley@mass.gov.

Sincerely,

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

Catherine Racer
Director

cc: Kathleen Colwell, Department of Economic & Community Development
Jana DiNatale, Mayor's Office
Toni Coyne Hall, New Seasons Development