



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

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

September 15, 2022

Ms. Suzanne Decavele
The Caleb Foundation
491 Humphrey Street
Swampscott, MA 01907

Re: Emerson Homes, Topsfield, MA – Project Eligibility Letter

Dear Ms. Decavele:

We are pleased to inform you that your application for project eligibility determination for the proposed Emerson Homes project located in Topsfield, Massachusetts, has been approved under the Low Income Housing Tax Credit (LIHTC) program. The property is located at 10 High Street, Topsfield, Massachusetts. This approval indicates that the proposed plan is for 44 units of rental housing for families, 43 (97.7%) of which will be affordable at no more than 60% of area median income. The proposed development will consist of 2 studios, 38 one-bedroom units, and 4 two-bedroom units. 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 Emerson Homes project. It does create a presumption of fundability under 760 CMR 56.04 and allows the Caleb Foundation to apply to the Topsfield Zoning Board of Appeals for a comprehensive permit. The sponsor should note that a One Stop submission for funding for 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 Emerson Homes project and has determined that the proposed site is an appropriate location for the project. The project will be built on the site of existing open space close to downtown Topsfield.
3. The proposed housing design is appropriate for the site. The building will be built in the unrestricted area of the 12.6 acre site, buffered from the wetlands. It will be designed to incorporate local New England design characteristics and fit in with adjacent buildings in terms of height and massing.

4. The proposed project appears financially feasible in the context of the Topsfield housing market. The proposal includes eight rental units for households earning up to 30% of area median income (AMI) and 43 units for households 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 engaged. 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.
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 capacity to successfully develop the project under the Low-Income Housing Tax Credit program.
8. The applicant is the designated developer of the site.
9. The Town of Topsfield has submitted a letter of support for the project.

The proposed Emerson Homes 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 September 15, 2024, unless a comprehensive permit has been issued.

We congratulate you on your efforts to work with the town of Topsfield 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 at Rebecca.Frawley@mass.gov.

Sincerely,



Catherine Racer
Director

cc: Chairman Marshall Hook, Topsfield Select Board