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July 24, 2023

Villebridge Acquisitions LLC  
1150 Great Plan Ave #920056  
Needham, MA  
Attention: Lars Unhjem

**Re: Villebridge Middleton  
Project Eligibility/Site Approval  
MassHousing ID No. 1180**

Dear Mr. Unhjem:

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 (“FHLBank Boston”).

Villebridge Acquisitions LLC (the “Applicant”) has submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build sixty (60) units of rental housing (the “Project”) on approximately 3.05 acres of land located at 10 Boston Street (the “Site”) in Middleton (the “Municipality”).

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, 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 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. At the request of the Municipality, this time was extended an additional 30 days, and an additional 7 days thereafter. The Middleton Select Board submitted a letter dated June 15, 2023 identifying comments and concerns about the impact of the proposed Project on the neighborhood and town. Additional comments were received from Town department staff. In summary, the Municipality expressed that while the diversification of housing options, particularly affordable rental housing options, is needed, more planning and peer review will

be required for the Town to effectively consider the proposed Project. The following comments and concerns were identified by the Municipality:

- The Municipality is concerned about traffic impacts at the Boston Street/Route 114 intersection and requests additional information to assess capacity and the potential need for improvements, including for pedestrian and bicycle infrastructure.
- The Municipality is concerned about the availability of adequate water supply for the proposed Project and notes that the Applicant will need to plan for compliance with the Water Use Mitigation Program.
- The Municipality is concerned about the impact of proposed Project's septic system on nearby water resources in town, and requests information on how the septic system will operate at sufficient capacity and protect the quality of downstream water resources.
- The Municipality is concerned about stormwater management and requests additional information on how the proposed Project will manage potential flows.
- The Municipality expressed concerns about fire department access to all areas of the building, noting that the current site layout appears to limit 360-degree access to the building and effective deployment of fire apparatus.
- The Municipality expressed the opinion that the proposed architectural design of the building is incompatible with surrounding structures and requests a building design and materials that are more consistent with current structures in the neighborhood, noting Memorial Hall, Middleton Green, and Flint Public Library as examples.
- The Municipality is concerned about the impacts of light and noise from the development onto neighboring properties, requesting proper sound attenuation for mechanical equipment, and encouraging measures to reduce single-vehicle trips including bicycle accommodations, car sharing services, and shuttle facilities.
- The Municipality is concerned about the cumulative impacts of the Applicant's proposed adjacent commercial development, particularly as it relates to traffic, circulation, wastewater and stormwater, and requests that planning and mitigation for development on the Site takes into consideration the anticipated impacts of development on the adjacent parcel as well.

### **Community Comments**

In addition to comments submitted by the Municipality, 21 letters were received from area residents expressing comments and concerns regarding the proposed Project. In general, letters from the community opposed the proposed Project. Traffic impacts and water resource issues were the primary concerns noted. Additional concerns for the scale and look of the proposed Project were also expressed. While some letters completely opposed multifamily residential development on the Site, others appeared open to alternative development plans or a downsized project. One letter expressed an interest in deeper affordability at 50% AMI for the proposed affordable housing.

## **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.<sup>1</sup> 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 the application to the ZBA, and the Applicant 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 should be prepared to provide sufficient data to assess the proposed Project’s potential traffic impacts on area intersections and respond to reasonable requests for mitigation.
- The Applicant should be prepared to provide detailed information to address concerns related to water supply in connection with the proposed use.
- The Applicant should be prepared to provide detailed information regarding the management of wastewater on-site, including how the proposed septic system is being designed to protect water resources of concern to the Town.
- The Applicant should continue to engage with the Municipality and Middleton Fire Department to review the plans and address public safety concerns, particularly those pertaining to access of fire apparatus and other emergency vehicles to the building.
- The Applicant should be prepared to work closely with its design team to address concerns regarding the architectural design, details, and materials proposed for the building.
- The Applicant should be prepared to provide detailed information relative to light and noise impacts from vehicles and building equipment and respond to reasonable requests for mitigation. As a part of this, consideration should be given for ridesharing and bicycle accommodations.

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<sup>1</sup> 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 be prepared to discuss the cumulative impacts of the proposed Project and the proposed adjacent commercial development as they relate to traffic, circulation, wastewater and stormwater and respond to reasonable requests for mitigation.

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 sixty (60) rental 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.

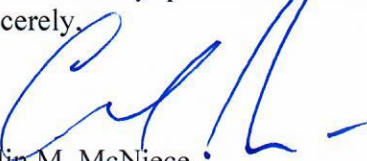
For guidance on the comprehensive permit review process, you are advised to consult the Guidelines. Further, we urge you to review carefully with legal counsel the M.G.L. c.40B Comprehensive Permit Regulations at 760 CMR 56.00.

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 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 Kat Miller at (617) 854-1217.  
Sincerely,



Colin M. McNiece  
General Counsel

cc: Ed Augustus, Secretary, EOHLA  
The Honorable Bruce E. Tarr  
The Honorable Bradley H. Jones, Jr.  
Kosta E. Prentakis, Chair, Middleton Select Board  
Richard Benevento, Chair, Middleton Zoning Board of Appeals  
Justin Sultzbach, Middleton Town Administrator  
Jackie Bresnahan, Middleton Interim Town Administrator  
Katrina O'Leary, Middleton Town Planner

## Attachment 1

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

### Villebridge Middleton, Middleton, MA #1180

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 Middleton is \$118,450.

Proposed rent levels of \$2,097 for a one-bedroom affordable unit, \$2,517 for a two-bedroom affordable unit and \$2,908 for a three-bedroom affordable unit, less utility allowances of \$179 for the one-bedroom affordable units, \$227 for the two-bedroom affordable units and \$281 for the three-bedroom affordable units, are within current affordable rent levels for the Boston-Cambridge-Quincy HMFA under the NEF Program

The Applicant submitted a letter of financial interest from Eastern 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 Middleton does have a DHCD-approved Housing Production Plan. According to DHCD’s Chapter 40B Subsidized Housing Inventory, updated through July 17, 2023, Middleton has 160 (SHI) units (4.8% of its housing inventory), which is 171 units below the statutory minima requirement of 10%.

***(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);***

### **Relationship to adjacent streets/Integration into existing development patterns**

The Site is located at the intersection of South Main Street (Route 114) and Boston Street. Route 114 is a well-traveled state highway that provides access to Interstate 95 and U.S. Route 1 approximately 3 miles to the southeast in Danvers. Existing zoning on the Site transitions from R1a Residence on Boston Street to B Business on Route 114. A mix of retail and services are accessible on Route 114 in the immediate vicinity of the Site, including Middleton's Memorial Hall, Flint Public Library, a United States Postal Service branch, banking, fuel, convenience and more. A future commercial development is intended to be located immediately to the east of the proposed Project on Route 114, providing additional retail amenities, and creating a buffer with the roadway. Blu Haven Townhomes, a 45-unit age-restricted condominium development abuts the Site to the south on Rowell Lane. St. Agnes Parish Church abuts the Site to the west. Abutters to the north on Boston Street are otherwise single-family homes. Overall, the site is well-positioned to support the proposed multifamily residential use.

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

The Site is currently occupied by a former restaurant and function space, associated surface parking, and a residential structure, which are proposed to be demolished for redevelopment of the Site into 60 one-, two- and three-bedroom units in a 3-story multifamily rental building. The proposed building is an L-shaped design, oriented with the short end of the south wing along Boston Street, and the short end of the east wing facing the residential abutter to the west, to reduce the impact of the building massing on these edges and provide green space along the frontage. The long edges of both building wings are set back from South Main Street and Rowell Lane as to minimize potential visual impact on neighboring properties. Architectural details are incorporated into the building massing to create the impression of multiple and varied buildings. The ends of each building wing are characterized by simple gable roof forms clad in white clapboard siding. Stone accents at the corners of the building, a variation in clapboard siding color, and inset balconies throughout the building wings modulate the façade to break down the massing and relate to the surrounding architecture.

### **Density**

The Developer intends to build sixty (60) rental apartments in one (1) multifamily building on 3.05 acres of land, all of which are buildable. The resulting density is 19.67 units per buildable acre. The proposed density is acceptable given the proposed housing type.

### **Conceptual Site Plan**

The proposed site layout consists of one 3-story, L-shaped building that is oriented around a large open space courtyard. Site access is proposed by a curb-cut on Boston Street at the Site's northwest corner. A 24' driveway is shown extending south from the curb cut along the Site's western property line. The driveway services approximately 25 parking spaces that line the courtyard before turning behind the rear wing of the building to service a larger parking area containing the remaining 81 parking spaces. Interior sidewalks provide accessible access from the parking areas to the building and around the Site's courtyard amenity area. First floor apartment homes that front on the courtyard show direct unit access. A stormwater infiltration system is proposed to be located underneath the courtyard. Septic is proposed to be located underneath the rear parking area. A proposed variable width utility easement is shown to provide other utilities to the Site from the street.

### **Environmental Resources**

Information provided by the Applicant indicates that no significant natural or cultural resources, endangered species habitat, or areas of flood hazard are present on the Site. The Applicant has

completed Phase I and Limited Phase II ESAs, which detected petroleum hydrocarbons in a confined area of the Site. The affected soils will be disposed of in accordance with MassDEP regulations.

### **Topography**

The Site is generally flat, with a gentle slope downward in an easterly direction. The Site's topography is not a significant impediment to development of the Site.

***(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);***

According to the appraisal report for the Site, the housing market has been a positive factor in the regional economy with rising home prices supporting construction and other related industries. Low supply of for-sale inventory and rising interest rates has increased the demand in the apartment market, with an overall upward trajectory in rents. Demand is expected to remain positive for the foreseeable future based on currently available information.

The Applicant proposes 60 rental apartments to be financed under the NEF Program. There will be 45 market-rate units with proposed average rent levels of \$2,690 for the one-bedroom units; \$3,549 for the two-bedroom units; and \$4,324 for the three-bedroom units. MassHousing's Appraisal and Marketing team (A&M) performed a market analysis and found that proposed market rents for each unit type fall above comparable market rent averages. A more in-depth market study would be required prior to marketing/lease up of the proposed Project.

***(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;***

MassHousing has commissioned an as "As-Is" appraisal which indicates a land valuation of \$1,400,000. Based on a proposed investment of \$26,250,000 in equity and permanent financing the development pro forma appears to be financially feasible and within the limitations on profits and distributions.

***(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 the following agreements:



1. A Purchase and Sale Agreement between Chris A. Kourkoulis and Paul A. Kourkoulis, Trustees of Champlain Realty Trust (Seller) and Villebridge Acquisitions, LLC (Buyer), dated March 21, 2022, as amended on June 7, 2022, October 11, 2022, and February 21, 2023, with an expiration date of December 8, 2023.
2. A Purchase and Sale Agreement between Stigliano Inc. (Seller) and Villebridge acquisitions, LLC (Buyer), dated June 21, 2022, with an expiration date of December 21, 2023.