



Massachusetts Housing Finance Agency  
One Beacon Street Boston, MA 02108

Tel: 617-854-1000 | Relay 711  
Fax: 617-854-1091 | [www.masshousing.com](http://www.masshousing.com)

October 28, 2025

Ferncroft Apartments, LLC  
780 Third Avenue, Suite 2201  
New York, New York 10017  
Attention: Cyrus Sakhai

**Re: Ferncroft Apartments, Middleton  
Project Eligibility/Site Approval  
MassHousing ID No. 1291**

Dear Mr. Sakhai:

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”).

Ferncroft Apartments, LLC submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build two hundred (200) units of rental housing, including fifty (50) affordable units, (the “Project”) on 12.57 acres of land located at 35 Village Road (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 Town of Middleton was given a thirty (30) day period in which to review the Site Approval application and submit comments to MassHousing. The Select Board submitted the town’s response on September 17, 2025. Their response included a note that the Town prioritizes the development of affordable housing options to support the needs of its residents, especially older adults and young families. While the proposed project may assist in meeting these goals, several following concerns have been raised about this project:

- The Municipality is concerned about stormwater management of the Site and requests that the Applicant provide a stormwater management plan for the Site, including erosion control measures during and after construction.
- The Municipality requests that the Applicant provide a comprehensive traffic study to review impacts on area roadways. Road capacity, sight lines, snow removal and other public safety measures should be studied.
- The Municipality requests the Applicant’s collaboration and cooperation with other State and Local agencies regarding ongoing efforts to improve pedestrian safety.
- The Municipality requests additional information from the Applicant regarding fire safety, including but not limited to, locations of fire hydrants, water pressure readings, fire apparatus maneuverability, and safe building egress.
- 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 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.

MassHousing carefully considered the Municipality’s concerns and, to the extent appropriate within the context of the Site Approval process, has offered responses in the following “Recommendations” section of this letter.

#### **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:

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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.

- 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, conservation, 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 regarding the management of wastewater on-site.
- 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 related 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 amenities.
- The Applicant should be prepared to provide detailed information to address concerns related to water supply in connection with the proposed use.

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 two hundred (200) rental units under the terms of the Program, of which not less than fifty (50) 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 Michael Busby at (617) 854-1219.

Sincerely,

*Jessica L Malcolm*  
Jessica Malcolm  
Senior Manager of Planning & Programs

cc: Ed Augustus, Secretary, EOHLCC  
The Honorable Bruce E. Tarr  
The Honorable Bradley H. Jones, Jr.  
The Honorable Sally P. Kerans  
Brian M. Cresta, Chair, Middleton Select Board  
Justin Sultzbach, Middleton Town Administrator

## Attachment 1

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

### **Ferncroft Apartments, Project #1291**

MassHousing hereby makes the following findings, based upon its review of the application, 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 \$132,300.

Proposed rent levels net utility allowances for the area of \$2,249 for a one-bedroom unit, \$2,678 for a two-bedroom unit and \$3,062 for a three-bedroom unit 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 Citizen’s 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);***

***(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);***

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 not have a current EOHLC-approved Housing Production Plan. According to EOHLC’s Chapter 40B Subsidized Housing Inventory (SHI), updated through October 20, 2025, Middleton has 229 Subsidized Housing Inventory (SHI) units (6.91% of its housing inventory), which is 102 units short of the statutory minima of 10%.

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

The architectural design of Buildings A and B reflects a deliberate effort to respond sensitively to both the topography of the Site and the surrounding built context. The massing strategy places the majority of building volume adjacent to the existing 7- and 13-story multifamily buildings along Village Road. By concentrating the taller elements near these existing high-rise structures, the Applicant's design consolidates larger-scale development on the eastern portion of the Site and supports a transition toward the lower-density residential neighborhoods to the north and west.

Each of the proposed buildings is articulated into multiple volumes, with stepped massing that follows the natural slope of the site. Building A comprises two five-story sections located alongside the existing parking garage. Building B, an L-shaped structure, consists of a six-story section with a two-level podium and a five-story section that steps down the hill, also over a podium. These vertical and horizontal breaks help reduce the perceived scale and reinforce a more nuanced and contextually appropriate presence. To the north and west, the proposed Project is buffered by existing tree cover and generous setbacks from adjacent properties. These landscape buffers are proposed to be preserved and enhanced to soften building edges and screen views from the neighboring single-family homes along Locust Street. The building placement also helps maintain a sense of openness and preserve view corridors from adjacent properties.

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

The Site is located in a residential and commercial area. The town benefits from its location at the intersection of Route 1 and I-95 which provide northerly access to New Hampshire and Maine and Boston, 21 miles to the south. Uses in the immediate area include North Shore Community College, the Ferncroft Towers condominium complex, a Doubletree Hotel, Ferncroft Country Club and the Water Park of New England.

### **Density**

The Applicant proposes to build two hundred (200) rental units on 12.57 buildable acres. The resulting density is 15.91 units per buildable acre, which is acceptable given the proposed housing type.

### **Conceptual Site Plan**

The proposed Project is in an area having existing utility connections and will utilize the existing public water system administered through the Town of Danvers, sewer use through the South Essex Sewer District but also administered by the Town of Danvers, and electrical infrastructure located in the adjacent office building and supplied by the Middleton Electric Light Department. To the extent practical, all on Site utilities will be placed underground. Building A will have 94 residential rental units and Building B will have 106 residential rental units. The two buildings will be connected via a common paved driveway with a turnaround between the two buildings, along with four visitor parking spaces. There will be additional surface parking spaces parallel to Building A across from the existing garage for visitors. The driveway will extend to the existing parking garage and office building, and also via a new dedicated access point off Locust Street to provide for enhanced circulation and fire access. Parking for Building A will include surface parking as well as parking in the existing garage. Parking for Building B will have underbuilding parking as well as parking in the existing parking garage.

### **Environmental Resources**

The property does not contain any area of critical concern or areas of estimated or priority habitat of rare species, wildlife or vernal pools.

### **Topography**

The Site is generally level with much of the Site either paved or improved with building area. The topographic features of the site have been considered in relationship to the proposed development plans and do not constitute an 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, Middleton's residential market appears stable and strong, with an overall upward trajectory in sales volume and prices in the last decade. MassHousing's Appraisal and Marketing team (A&M) performed a Competitive Market Analysis and found that proposed market rents for each unit type fall above the range of adjusted comparable market rents.

***(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 \$27,200,000. Based on a proposed investment of \$91,610,752 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 entire Site by virtue of a Deed dated May 20, 2014, between DIV Ferncroft, LLC (Seller) and a related entity, Ferncroft, LLC (Buyer), recorded in Southern Essex District Registry under Book 33290 and Page 593.

