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March 28, 2023

Riverbank Properties, LLC  
135 Greenmont Avenue  
Dracut, MA 01826  
Attention: Branco Perego

**Re: Greenmont Commons, Dracut  
Project Eligibility/Site Approval  
MassHousing ID No. 1160**

Dear Mr. Perego:

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”).

Riverbank Properties, LLC submitted an application with MassHousing pursuant to Chapter 40B. You have proposed to build twenty-eight (28) units of rental housing (the “Project”) on 2.45 acres of land located at 135 Greenmont Avenue (the “Site”) in Dracut (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. The Community Development Director submitted a letter expressing several concerns raised by Board of Selectmen and the Planning Board.

Municipal comments identified the following areas of concern:

- The Municipality expressed concern that additional traffic generated by the Project would result in increased congestion on area roadways and pose heightened risks to drivers and pedestrians.
- The Municipality expressed concern about potential drainage and stormwater management impacts on abutting properties.
- The Municipality states that the proposal is significantly denser than the surrounding neighborhood which could negatively impact the character of the area. Further, the Municipality believes the siting of the buildings, the roof heights, and overall architectural style should be readdressed to more thoughtfully fit into the surrounding context.

### **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 continue to engage with municipal officials in a good-faith discussion regarding design review matters and other site-related concerns, including, but not limited to roadway design, sewer capacity and public safety considerations concerning the proposed exit onto Greenmont Avenue.

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.

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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.

This Site Approval is expressly limited to the development of no more than twenty-eight (28) rental units under the terms of the Program, of which not less than seven (7) 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.

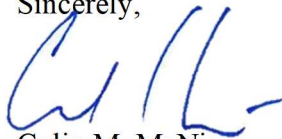
This approval will be effective for a period of two (2) years from the date of this letter. Should the Applicant not apply for a comprehensive permit within this period this letter shall be considered to be expired and no longer in effect unless MassHousing extends the effective period of this letter 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,

A handwritten signature in blue ink, appearing to read 'C. McNiece', with a stylized flourish at the end.

Colin M. McNiece  
General Counsel

cc: Jennifer Maddox, Undersecretary, DHCD  
The Honorable Edward J. Kennedy  
The Honorable Colleen M. Garry  
Alison Genest, Chair, Board of Selectmen  
R. Scott Mallory, Chair, Zoning Board of Appeals

## Attachment 1

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

### Greenmont Commons, Project #1160

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 Dracut is \$89,400.

Proposed rent levels of \$1,832 for a three-bedroom affordable unit accurately reflect current affordable rent levels for the Lowell HMFA under the NEF Program.

The Applicant submitted a letter of financial interest from Enterprise 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.

Section IV-A (3) (a) of the Guidelines provide guidance to Subsidizing Agencies for evaluating a municipality’s actions intended to meet affordable housing needs. MassHousing carefully reviewed the information provided by the Municipality describing previous municipal actions intended to provide affordable housing. Specific examples undertaken by the Municipality include:

- Drafting a Zoning Bylaw that will create additional opportunities for affordable housing development in designated areas. This process is recommended in the Town of Dracut’s Housing Production Plan and Master Plan documents.
- The Centre School has been sold to Coalition for a Better Acre to create 9 units of Affordable housing for veterans. Town Meeting voters approved \$680,500 of housing reserve and

\$530,500 of historic reserve for this project. Construction on this project is complete and a ribbon cutting was held over the summer.

- 144 Greenmont Ave./1530 Bridge St. is a 17+ acre site under lease agreement to Common Ground to create 56 units, all affordable, for residents over 62 years of age. Town Meeting voters have approved borrowing of \$3 million in support of this project, nearly a million dollars to purchase the land and the Town has received a MassWorks grant of \$650,000 for design and construction.

MassHousing commends the Municipality's progress towards creating a range of diverse housing options to meet its affordable housing needs. According to DHCD's Chapter 40B Subsidized Housing Inventory, updated through February 9, 2023, Dracut has 606 (SHI) units (5.35% of its housing inventory), which is 526 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 Building Typology (Including building massing, site arrangement, and architectural details):**

The buildings are designed with side-by-side mirrored townhouse layouts. Materials and roof designs break down the scale and landscaped areas are shown in front of the entrances. The building's layout orientation north-to-south down the length of the site, along with the setback from Greenmont Avenue, appear to fit in with the surrounding built environment's streetfront rhythm. Attention should be given to the streetfront elevation designs to compliment the surrounding context.

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

The proposed site is in the Dracut Center neighborhood, a half mile north of the Lowell line. It is an established area of several older homes, the original developed area of the Town. The location is approximately two miles north of the Lowell historic district where the Lowell National Historic Park, UMass Lowell, Tsongas Arena and LaLacheur Park are clustered. Greenmont Street is just north of the busy intersection of Bridge Street (Route 38) and Pleasant and Arlington Streets (Route 113). A 62-unit senior housing development is planned for 144 Greenmont Street, directly across the street from the site.

**Density**

The Applicant proposes to build twenty-eight (28) rental units on approximately 2.45 acres of buildable land. The resulting density is 11.47 units per buildable acre, which is acceptable given the proposed housing type.

**Conceptual Site Plan**

The Applicant proposes a total of 28 three-bedroom attached townhouse-style rental units, contained in six separate buildings. Four buildings contain four units each and two buildings contain six units each. 25% of the total number of units (seven units) will be set affordable. The units proposed average 1850 SF and will include two parking spaces per unit. Unit parking spaces will be found in the ground floor garage and one in the outdoor driveway space. In the driveway space there will also be 16

unrestricted guest parking spaces for a total of 72 parking spaces. The site plan shows access through a curb cut at the north portion of the site from Greenmont Avenue.

### **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 close to level from front to back. 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, Dracut'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 within 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 \$825,000. Based on a proposed investment of \$14,265,810 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 2.45-acre Site under a deed of ownership.