

Walnut Master Ground Lessee LLC
536 Granite Street
Braintree, MA 02184

Mr. Barnett D. Ovrut
Chairman
Board of Appeals
Town of Foxborough, MA 02035

Re: Walnut Street 40B application – Response to Public Comments from 3/9/2023

Dear Chairman Ovrut,

Please accept this letter in response to the comments made at the Foxborough Zoning Board of Appeals Hearing on March 9, 2023, specifically the request to consider modifying the Walnut Street Sr. Housing Site Plan to provide for two 4 story buildings containing 100% of the Project's 200 units. The change to two buildings is not feasible under the DHCD affordable housing financing programs.

As outlined during the ZBA's meeting on February 16, 2023, the development is proposed as a phased community. Phase One includes Building One providing 61 units (considered by DHCD as a Project) and Building Two Providing 80 units (considered by DHCD as a second Project). For financing purposes, each of these buildings are separate Project Housing Applications, submitted to DHCD and each application is requesting Low Income Housing Tax Credits (LIHTC) and DHCD loan/grant financing proceeds. DHCD limits the amount of LIHTC and loan/grant proceeds per application. In each DHCD funding round, a Sponsor can only request a financing commitment for up to \$1,000,000 of annual 9% LIHTC and limits the amount of DHCD Loan/Grant proceeds per Project. To build larger communities a second application is permitted for 4% LIHTC and imposes the same limits on the amount of DHCD Loan/Grant proceeds per application. Under this structure, the first phase for Walnut Street Sr. Housing consists of simultaneous applications for 2 "DHCD Projects". Under the current development budgets neither application is eligible for additional LIHTC or DHCD loans/grants as each are at the program capped limits. Therefore, adding additional units to either Building One or Two will add costs that cannot be financed under the DHCD capped limits making it infeasible to add units to either building.

Phase Two will apply for funding under a separate DHCD funding round in the future. Phase Two providing 59 units will apply for a \$1,000,000 9% LIHTC application and the maximum permitted of DHCD loans/grants. It is not a coincidence that Building 1 and Building 3 are both approximately 60 units. The current maximum allocation of \$1,000,000 annual 9% LIHTC and the maximum DHCD loan/grant proceeds permitted per project supports current construction and development costs for approximately 60 one-bedroom units. The proposed site plan was sized with this DHCD financing yield factored in.

It should be noted that the development team's original concept plan submitted to the Foxborough Housing Authority under the FHA's RFP called for Phase One (Building 1 and Building 2) to be two 4 story buildings and Phase Two's Building 3 to be a 3-story building. However, recognizing the DHCD financing

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constraints, the unit mix of each building was still proposed as Building One – 61 units, Building Two 80 units and Building Three 59 units. Building 1 and Building 2 were taller with smaller footprints. The site plan was modified to reduce the building heights in response to input from the FHA, Town Officials and the Community.

Lastly, because Phase Two is a future development, the construction limits have been carefully established so that the natural vegetation will not be cleared for Building 3 and the lower portion of the access road until Phase Two has been funded and construction is ready to commence. This will minimize the disruption to the wooded area adjacent to the West.

Sincerely,



Michael Mattos
President of its Managing Member

Cc: Attorney Frank Spillane, Law Offices of Spillane & Spillane
Greg Spier, Chairman, Foxborough Housing Authority