



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

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

March 10, 2022

Mr. David Ennis, President
Affirmative Investments
33 Union Street, 2nd Floor
Boston, MA 02108

Philippe Jordi, Executive Director
Island Housing Trust
21 Mechanic Street
Vineyard Haven, MA 02568

Re: Southern Tier Affordable Housing, Oak Bluffs, MA – Project Eligibility Letter

Dear Mr. Ennis and Mr. Jordi:

We are pleased to inform you that your application for project eligibility determination for the proposed Southern Tier Affordable Housing project located in Oak Bluffs, Massachusetts, has been approved under the Low Income Housing Tax Credit (LIHTC) program. The property is located at 85 Edgartown-Vineyard Haven Road, Oak Bluffs, Massachusetts. This approval indicates that the proposed plan is for 47 units of rental housing for families, 40 of which will be affordable at no more than 60% of area median income. The proposed development will consist of 10 one-bedroom units, 32 two-bedroom units and 5 three-bedroom units and 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 Southern Tier Affordable Housing project. It does create a presumption of fundability under 760 CMR 56.04 and allows Affirmative Investments and Island Housing Trust to apply to the Oak Bluffs Zoning Board of Appeals for a comprehensive permit. The sponsor should note that a One Stop submission for funding for each phase of 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 Southern Tier Affordable Housing project and has determined that the proposed site is an appropriate location for the project. It is close to the YMCA and high school and served by a local bus line.

3. The proposed housing design is appropriate for the site. It proposes family housing blended with the island's architecture. The units will be built in three walk up buildings around two central green spaces.
4. The proposed project appears financially feasible in the context of the Oak Bluffs housing market. The proposal includes six units for households earning up to 30% of area median income (AMI) and 34 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. No appraisal has been commissioned. No acquisition costs were carried. 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. At this time, as indicated, there is no acquisition price proposed.
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 organizational capacity to successfully develop the project under the Low-Income Housing Tax Credit program.
8. The applicant is the designated developer of the site.

The proposed Southern Tier Affordable Housing 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 March 10, 2024, unless a comprehensive permit has been issued.

We congratulate you on your efforts to work with the town of Oak Bluffs 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,

A handwritten signature in black ink, appearing to be 'Catherine Racer', with a long, sweeping horizontal line extending to the right.

Catherine Racer
Director

cc: Chairperson Brian Packish, Oak Bluffs Select Board