

MHP
Invitation to Apply for Project Eligibility Letter (“PEL”)

To the Applicant:

MHP requires the PEL applicant to complete the attached PEL Information Form as the key part of its application. Please return this PEL Information Form with a cover letter on your letterhead that contains the language on the next page and is signed by an authorized representative of the applicant.

[Applicant's letterhead]

[date]

[Name of MHP Loan Officer]
Massachusetts Housing Partnership
160 Federal Street
Boston MA 02110

RE: Application for 40B Project Eligibility Letter for [Project Name]

Dear [name of MHP Loan Officer]:

Enclosed is [my/our] application for a Project Eligibility Letter ("PEL") for [Project Name] in [City/Town], Massachusetts. [My/our] signature below indicates [my/our] certification of the following:

1. [I/We] have completed the enclosed MHP PEL Information Form dated [], and that the information set forth therein is true and accurate as of the date hereof to the best of [my/our] knowledge, information and belief . We further understand that MHP is relying upon this certification in processing the request for issuance of a Project Eligibility Letter in connection with the above-referenced Project.
2. [I/we] have reviewed MHP's requirements as outlined in the letter received from MHP on [date of initial letter to PEL applicant], and [I/we] understand MHP's requirements in connection with (a) the application for the PEL and (b) the procedures after the issuance of the PEL, including the requirement for the completion, within 90 days of project completion and prior to permanent loan closing, of an audited cost certification by a certified public accountant who has been prequalified with the Department of Housing and Community Development (DHCD) and the posting of a bond for completion of the cost certification as a condition of **final** approval by MHP under Chapter 40B.

Thank you.

Sincerely,

Authorized Representative

Applicant

MHP
Information Form for Project Eligibility Letter (“PEL”)

Project Name and Town/City _____

Date of Completion of this Form: _____

Section I: Sponsor Information

The entity applying for a PEL, referred to herein as the “Sponsor”, must be either a public agency, a non-profit organization, or a limited dividend organization. Please indicate which of these organization types the Sponsor is (check one):

- Public Agency
- Non-Profit Organization
- Limited Dividend Organization

What is the name of the Sponsor?

1. Sponsor Information

- a. Name of Sponsor _____
- b. Business Address _____

- c. Business Phone _____
- d. Business Fax No. _____
- e. Website Address, if any _____

2. Principal Individuals. Please provide the names and contact information for each of the principal owners and/or officers representing the Sponsor in this PEL application. Space for three such individuals is provided below – if there are more than three, please attach contact information about those persons on a separate sheet:

- a. Name _____
Title _____
Office Phone _____
Cell Phone _____
E-Mail Address _____

- b. Name _____
Title _____
Office Phone _____
Cell Phone _____
E-Mail Address _____

- c. Name _____
Title _____
Office Phone _____
Cell Phone _____
E-Mail Address _____

3. **Experience of Sponsor.** Please attach separately a description of the experience of the Sponsor and the individuals representing the Sponsor in development projects like the project for which the PEL is being sought. Include any other relevant experience in housing development and management, real estate, and finance that you deem relevant to the qualifications of the Sponsor in connection with the subject project.
4. **Outline of Development Team.**
 - a. Please attach separately a list of the key members of the development team for the project, including the project architect, project engineer, any consultants involved, the contractor, the proposed property management entity, and legal counsel. Please include resumes for these individuals and companies.
 - b. Related Parties: If any of the members of the development team are related to the Sponsor through common ownership, please so indicate on the attached list.
5. **Financial Disclosure Forms.** We do not require financial statements from Sponsors for PELs, but you are welcome to provide them. We do, however, require you to complete and return the attached Financial Disclosure Forms as follows:
 - a. A Corporate Financial Disclosure Form for each entity comprising the Sponsor
 - b. A Personal Financial Disclosure Form for each principal owner of each entity comprising the Sponsor
6. **Organization Documentation Requirements for Nonprofit Sponsors.** If the Sponsor is a non-profit organization, we require the following materials:
 - a. The articles of organization for the organization.
 - b. Evidence of good standing with the Public Charities Division of the Office of the State Attorney General.
 - c. The conflict of interest policy for the organization.
 - d. A disclosure of all related parties, and contracts or other arrangements involved with these related parties, which currently exist or are anticipated in connection with the project.
 - e. A disclosure of all entities that are related to or affiliated with your organization by reason of common control, financial interdependence or other means.
7. **Fair Housing Experience.** Please describe, below, your experience to date in marketing and renting housing units in keeping with state and federal fair housing standards. Please note your experience in preparing Affirmative Fair Housing Marketing and Resident Selection Plans (AFHMP), and in conducting outreach and performing resident selection procedures (including administering the lottery process, determining eligibility under applicable subsidy programs, and waitlist management) in accordance with these standards. Please also disclose whether the Sponsor has ever been charged with a violation of fair housing requirements.

NOTE: The guidelines promulgated by the Department of Housing and Community Development updated May 2013 (see attached) contain the following requirements of the development team with regard to the capacity to handle fair housing compliance:

- *Your development team, staff, other entity, or individual responsible for fair housing compliance have not required intervention by a state subsidizing agency to address fair housing complaints or concerns nor had a finding or final determination against it for violation of state or federal fair housing law within the past five (5) years;*
- *Your development team, staff, or other entity has successfully carried out similar AFHMP responsibilities for minimum of three (3) projects in Massachusetts, or the individual contracted to carry out the AFHMP tasks has successfully carried out similar responsibilities for a minimum of five (5) projects in Massachusetts; and*

- *Your development team, staff, or other entity has the capacity to address matters relating to limited English language proficiency (LEP). This includes language access planning and providing reasonable language assistance at no cost to the applicant, so that applicants with LEP may meaningfully apply and access the housing opportunity.*

8. **Prior Permitting Experience at Site.** Please indicate if you have ever applied for permitting at the subject site, and been declined by the Town. If so, please explain how your proposal has been changed to address the Town’s concerns.

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| Section II: Site and Project |
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1. **Project Name:** _____

2. **Address of Project:** _____

3. **Locus Information:**

- a. Please provide a locus map and aerial photograph which identifies the site within the context of the Project’s neighborhood.
- b. Please provide photographs of surrounding buildings and features that illustrate the physical context of the site.

4. **Site Information:** Please provide the following:

- a. site plan showing topography, existing building and proposed building footprints and paved areas for the Project, lot lines, existing and proposed roads and streets, wetlands and buffer zones, flood zones if any, or any other environmental constraints.
- b. drawings showing exterior elevations of the proposed buildings;
- c. the percentages of the lot that will be occupied, respectively, by buildings, by parking and other paved vehicular areas, and by open areas;
- d. approximate number of parking spaces;
- e. ratio of parking spaces to housing units;
- f. any environmental site assessments that have been performed;
- g. narrative description by the project architect describing the site and the project’s approach to the massing of the building(s), the project’s relationship to adjacent properties, and the proposed exterior building materials; this narrative must be supplemented by supporting visual information, such as the aerial geographical information available from Mass GIS, which provides visual evidence about the massing of existing structures surrounding the subject parcel;
- h. a tabular analysis by the project architect of the existing zoning requirements and the waivers from existing zoning to be requested of the local zoning authority.

5. **Project Information:** Please provide the following:
- a. Breakdown of project by number of units, further broken down by the mix of unit sizes (i.e., number of 1-bedroom units, of 2-bedroom units, etc.) and number of bathrooms per unit;
 - b. Breakdown of project by affordability categories – specifically how many units within each unit size group will be market-rate and how many will be affordable;
 - c. Average unit square footage for each unit size and affordability type;
 - d. Non-residential uses in the project, if any (e.g., common areas, commercial spaces, amenities), and the square footage allocated to each such non-residential use;
 - e. Typical building floor plans and unit floor plan layouts.

Section III: Site Control

State regulations require a sponsor applying for a PEL to demonstrate site control. Please identify the form of control which the Sponsor has for the site of the Project.

- Direct ownership by Sponsor*
- Ownership by affiliate of Sponsor*. If so, identify the affiliate here: _____
- Offer to Purchase**
- Purchase and Sale Agreement**
- Other. Please describe: _____

*If site is owned by Sponsor or an affiliate of Sponsor, please provide a copy of the deed conveying ownership.

** If site is under an Offer to Purchase or a Purchase-and-Sale Agreement, please provide a copy of the executed document.

Section IV: Project Financing

1. **Housing Subsidy Program.** Please identify the housing subsidy program(s) which MHP offers that you intend to use in financing and/or subsidizing this Project.

If you need information about the housing finance programs at MHP that are available, please contact your MHP loan officer.

2. Market Information

- a. **Appraisal/Market Study.** If you have engaged an appraisal or market study of the property, please provide it.

NOTE: MHP is required under state regulations to engage, independently, an appraisal which values the property assuming the development rights in existence under current zoning prior to the issuance of a Comprehensive Permit. This appraisal will be subject to MHP's review and approval. If an appraisal has already been done, it may assist MHP or its appraiser in completing the required appraisal.

Please note that if the project is 20 units or less in size, MHP may waive this requirement if the Applicant provides a written request by the Chief Elected Official of the town or city in which the project is located. In substitution for the as-is appraisal MHP would require documentation supporting the acquisition cost; such documentation may be in the form of either a local tax assessment, a limited appraisal, or an opinion of value from a licensed real estate broker.

- b. **Market rental comparables.** Please provide MHP with a listing of market rents being achieved in properties comparable to the Project.

3. Proformas:

- a. Development Budget. Please provide a detailed development budget showing the following:
- i. Sources of funds: first mortgage permanent loan, subsidy funds if any (please itemize each), equity from borrower or limited partners. If the construction-period financing has been identified, please indicate the intended construction lender and sources of funds expected during construction.
 - ii. Uses of funds: land acquisition, construction costs (broken down between sitework and building costs), and soft costs (identifying in detail the professional costs paid to third parties, the reserves proposed if any, the legal and closing costs, the financing costs, and the overhead and fees to be paid to the developer)
- b. Operating Budget. Please provide an operating budget, showing, upon completion, sources of operating revenue (broken down by rental income from each unit type, plus income from other sources), and operating costs (showing management fees, administrative costs, repair and maintenance costs, utility costs, taxes and insurance costs, and contributions to reserves if any).

Section V: Municipal Actions

Please describe below the contact you have had to date with the Town/City regarding this Project.

Please describe below any actions you are aware of which the municipality has taken to promote the development of affordable housing .

Section VI: Sustainable Development Characteristics

Please describe below any aspects of the Project which are in keeping with the ten Massachusetts Sustainable Development Principles (attached).

- Attachments:
- Corporate Disclosure and Credit Release Authorization form
 - Personal Disclosure and Credit Release Authorization Form
 - Massachusetts Sustainable Development Principles
 - DHCD 40B Guidelines updated May 2013