



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

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

December 14, 2022

Ms. Ellen Sturgis, Chair  
Board of Selectmen  
Town of Stow  
380 Great Road  
Stow, Massachusetts 01775

Mr. Mark O'Hagan  
Stow Acres Residential, LLC  
Stow Community Rentals, LLC  
MCO Cottage Rentals Stow, LLC  
c/o MCO & Associates, Inc.  
P.O. Box 372  
Harvard, Massachusetts 01451

RE: The Residences at Stow Acres, Stow, Massachusetts  
Determination of Project Eligibility under the Local Initiative Program (LIP)

Dear Ms. Sturgis and Mr. O'Hagan:

I am pleased to inform you that your applications for project eligibility under the Local Initiative Program (LIP) for the proposed overall Residences at Stow Acres project have been approved. This approval is based on your applications that set forth a plan for the development of 189 rental and ownership units. The three submitted applications by Stow Acres Residential, LLC, Stow Community Rentals, LLC, and MCO Cottage Rentals Stow, LLC are approved with this single project eligibility letter. The proposed rents and sales prices for the LIP units are generally consistent with the standards for affordable housing to be included in a community's Chapter 40B affordable housing stock.

As part of the review process, Department of Housing and Community Development (DHCD) staff has performed an on-site inspection of the proposed project sites. DHCD has made the following findings:

1. The proposed project appears generally eligible under the requirements of LIP, subject to final program review and approval;
2. The site of the proposed project is generally appropriate for residential development;
3. The conceptual plan is generally appropriate for the site on which the project is located;



Residences at Stow Acres – Stow, MA

4. The proposed project appears financially feasible in the context of the Stow housing market;
5. The initial pro forma for the project appears financially feasible and consistent with cost examination and limitations on profits and distributions on the basis of estimated development costs;
6. The project sponsor and the development team meet the general eligibility standards of LIP;
7. The project sponsor has an executed Purchase and Sale agreement for the site.

The proposed project must comply with all state and local codes not specifically exempted by a comprehensive permit.

Please provide us with a copy of the comprehensive permit as soon as it is issued. The DHCD legal office will review the comprehensive permit and other project documentation. Additional information may be requested as is deemed necessary. Following the issuance of the comprehensive permit, the specifics of this project must be formalized in a regulatory agreement signed by the municipality, the project developer, and DHCD prior to starting construction.

As stated in the three applications, the Residences at Stow Acres project will consist of 189 units, 46 of which will be affordable; all rental units as well as the affordable LIP homes will be eligible for inclusion in the Town's subsidized housing inventory. The affordable units will be marketed, rented, and/or sold to eligible households whose annual income may not exceed 80% of area median income, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development. The affordable units by Stow Community Rentals, LLC, for persons 62 years or older, will be marketed and rented to eligible households whose annual incomes may not exceed 50% of area median income, adjusted for household size, as determined by the U.S. Department of Housing and Urban Development.

The conditions that must be met prior to final DHCD approval include:

1. A final affirmative fair marketing and lottery plan with related forms shall be submitted that reflects LIP requirements including consistency with the *Comprehensive Permit Guidelines, Section III, Affirmative Fair Housing Marketing Plans*;
2. Any changes to the application it has just reviewed and approved, including but not limited to alterations in unit mix, sales price, rents, development team, unit design, site plan and financial pro forma reflecting land value, must be approved by DHCD;



the affordable unit (other than those created by state or local health and safety laws regulating the number of occupants in dwelling units); and

4. The Town shall submit to DHCD the finalized details of the comprehensive permit.

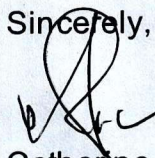
As the Residences at Stow Acres project nears completion of construction, DHCD staff may visit the site to ensure that the development meets program guidelines.

When all the units have received Certificates of Occupancy, the developer must submit to both DHCD and the Stow Board of Selectmen a project cost examination for the comprehensive permit project. It is understood the cost examinations will be prepared separately by Stow Acres Residential, LLC, Stow Community Rentals, LLC, and MCO Cottage Rentals Stow, LLC given the different criteria (for sale, rental & 62+) of the various project components.

This letter shall expire two years from this date or on December 14, 2024, unless a comprehensive permit has been issued.

We congratulate the town of Stow, Stow Acres Residential, LLC, Stow Community Rentals, LLC, and MCO Cottage Rentals Stow, LLC on your efforts to work together to increase the Town's supply of affordable housing. If you have any questions as you proceed with the project, please call Rieko Hayashi at 617-573-1426.

Sincerely,



Catherine Racer  
Director

cc: Denise D. Dembkoski, Town Administrator  
Mark Jones, Zoning Board of Appeals  
Office of the Chief Counsel, DHCD

Enc.



**RESPONSIBILITY FOR COST CERTIFICATION:**

By your signature below, Stow Acres Residential, LLC, Stow Community Rentals, LLC, and MCO Cottage Rentals Stow, LLC, acknowledge and accept this approval letter, including the obligation under law to provide the Department of Housing and Community Development and the town of Stow with a project cost examination.

Signature: \_\_\_\_\_

Name (print): \_\_\_\_\_

Date: \_\_\_\_\_

*Upon receipt, please make copy of this letter and return a signed copy to Division of Housing Development, Department of Housing and Community Development, 100 Cambridge Street, Boston, MA 02114 ATTN: Local Initiative Program*

Residences at Stow Acres, Stow, Massachusetts

**LOCAL INITIATIVE PROGRAM – COMPREHENSIVE PERMIT****Sponsor:**

Stow Acres Residential LLC  
Stow Community Rentals, LLC  
MCO Cottage Rentals Stow, LLC  
c/o MCO & Associates, LLC  
P.O. Box 372  
Harvard, MA 01451

**Project Addresses:**

58 Randall Road  
Stow, MA 01775

This project will provide rental opportunities according to the following breakdown:

Type of Unit	# of Units	# of Bdrms.	# of Baths	Gross SF	Condo/ HOA Fee	Sales Price	Maximum Rent
Market Units (Stow Acres)	93	3	1.5-2.5	1,800-2,800	\$125	\$575,000-850,000	N/A
Market Units (Stow Acres 62+)	20	1	1	590-753	N/A	N/A	\$1,199
Market Units (Stow Cottage Rentals)	14 16	2 3	1-2 2	1,224-1,364	N/A	N/A	\$2,500- \$2,850
LIP Units (Stow Acres)	31	3	1.5-2.5	1,800-2,400	\$125	\$299,100	N/A
LIP Units (Stow Acres 62+)	5	1	1	590-753	N/A	N/A	\$1,199
LIP Units (Stow Cottage Rentals)	6 4	2 3	1-2 2	1,224-1,364	N/A	N/A	\$1,999 \$2,137
Total Units	189						