



Rental Housing Development

Acquisition Value Policy

The maximum permissible acquisition value that can be included in the Development Budget (Line 161 and 162 of the OneStop 2000 application) will be limited to the lesser of:

- a. The "As-Is" appraised market value of the land and improvements, as approved by MassHousing's Appraisal Staff prior to loan commitment. Such appraisal must be provided to MassHousing for its review and prepared by an appraisal firm approved by MassHousing. If such appraisal is found to be insufficient MassHousing will commission its own independent appraisal.
- b. The purchase price of the land and improvements in the last arm's length transaction, if any, within the last three (3) years, plus (i) reasonable and verifiable costs of property improvements made subsequent to the above acquisition; and/or (ii) reasonable and verifiable carrying costs related to the land and improvements, such as interest, taxes and insurance.

Any acquisition costs above the maximum permissible acquisition value must be paid for with additional developer's cash equity exclusive of any tax credit equity.

Special Restrictions for Comprehensive Permit Developments

In addition to the above-noted acquisition policy, in accordance with the Massachusetts General Law, Chapter 40B Regulations (760 CMR 56) and the Guidelines pursuant thereto in effect at the time, Part IV. B.1., developments seeking a Comprehensive Permit will be subject to the following restriction:

- The allowable acquisition value will be the fair market value of the site under current zoning, excluding any value relating to the possible issuance of a Comprehensive Permit (the "As-Is Market Value") at the time of the submission of the request for a project eligibility ("Site Approval") letter plus reasonable and verifiable carrying costs from that date forward.

This restriction will be applied regardless of ownership transfers that might take place during the development process.

Revised: March 6, 2013