

# The Boston Globe

## State drops support for Sharon project, on cost discrepancies

By Christine McConville, Globe Staff | April 19, 2007

In what appears to be a first, the Massachusetts Housing Finance Agency withdrew its support yesterday for an affordable housing development after questions surfaced about the developer's financial assertions.

MassHousing spokesman Eric Gedstad said the agency reversed its backing for developer Michael Intoccia's Pine Woods condominium project in Sharon, after "taking a hard look at the numbers."

At least for now, the move has scuttled the project, which has been under local review for 10 months.

If Intoccia still wants to put an affordable housing complex on the site, Gedstad said, he will need to begin the application process again with the state and town.

Among state and town officials, scrutiny is intensifying of affordable housing developments built under the Chapter 40B law, which allows developers to bypass local zoning if they set aside at least 20 percent of units for low- and moderate-income people.

The law also stipulates that they must limit their profits to 20 percent of total development costs.

Inspector General Gregory W. Sullivan released a report last February in which he accused several 40B developers of skirting the profit cap by concealing revenue and exaggerating costs, especially by inflating land costs.

The questions about Intoccia's project echo those concerns.

Last summer, according to records, Intoccia told the state he planned to spend \$10 million for 26 acres of land in Sharon on which he would build 104 condos. But a more recent appraisal of the property undertaken by the town said that the property was worth \$2.5 million.

Opposition to the Intoccia project has been intense, in part because the site adjoins an Audubon Society wildlife sanctuary.

Local politicians -- including Senator James Timilty, a Walpole Democrat, and Representative Louis Kafka, a Mansfield Democrat -- focused on the financial statement that Intoccia presented to the state when seeking preliminary approval for the project and his assertion that an appraisal valued the land at \$10 million.

"That \$10 million was a fiction," said Jon Witten, a lawyer for the Audubon Society.

"Everyone [at the hearing] knew that the land could not and did not cost \$10 million."

He called the MassHousing decision a "tremendous victory" for municipalities that are battling developers who are using the 40B law to reap massive profits.

Intoccia and Paul Cusson, his development consultant, could not be reached for comment last night.

Last week, Sullivan weighed in with a letter to Thomas Gleason, MassHousing executive director, calling Intoccia's financial statement "misleading at best."

"In our opinion, this is an intentional and overt abuse of the Chapter 40B process," Sullivan wrote.

In a letter to Intoccia yesterday, Gleason described MassHousing's withdrawal of support as "an unusual action, to be undertaken only under extraordinary circumstances."

Gleason also said the agency is reviewing "the circumstances that led to such inaccurate information being delivered to us."

Christine McConville can be reached by e-mail at [cmcconville@globe.com](mailto:cmcconville@globe.com).

© [Copyright](#) 2007 The New York Times Company