



The Commonwealth of Massachusetts
Office of the Inspector General

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September 17, 2009

Tina Brooks, Undersecretary
Department of Housing and Community Development
100 Cambridge Street, Suite 300
Boston, MA 02114

Dear Undersecretary Brooks,

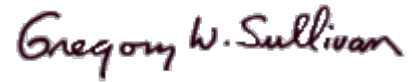
I realize that on multiple occasions you have mentioned that you have not received a list of the projects that make up the over \$100 million that is owed to cities and towns due to developer abuses of the Chapter 40B cost certification process. You already have this list available to you in your recently established database.

According to information the Department of Housing and Community Development (DHCD) provided to the Senate Post Audit and Oversight Committee, there are 135 projects with cost certifications and an additional 151 projects that are completed but have not submitted cost certifications. These 286 completed projects must be examined by DHCD to assure that an independent arms-length review of developer profits has been completed.

A small sample of completed projects reviewed by my Office led to the identification of \$6 million in concealed excess profits owed to the host municipalities. Based on this data, my Office established the conservative estimate of over \$100 million owed to the cities and towns. I have continuously communicated to you the abuses discovered through this investigation. As part of DHCD's duty to provide oversight of Chapter 40B it is imperative that all completed projects be reviewed by DHCD to assure that no excess profits have been shielded from the cities and towns.

As always I am available to discuss this issue further if you need additional guidance.

Sincerely,

A handwritten signature in dark ink that reads "Gregory W. Sullivan". The signature is written in a cursive style with a prominent initial 'G'.

Gregory W. Sullivan
Inspector General