

BITUARIES/FROM THE FRONT PAGE

Developer faces July deadline

PULTE HOMES, From A1
J. Curtin.

Curtin said zoning regulations require developers to complete construction on a project within two years from its start date. Pulte Homes broke ground in July 2005, giving it just three months until the two-year mark is hit.

"They have to be completed by July or they have to come before the council to get a one-year extension," Curtin said, adding the developer would need a two-thirds vote from the council for more time.

The brewing battle stems back to an agreement the council made with the previous developers, JPI. In exchange for the special permit, JPI agreed to several conditions imposed by the council.

Ted Gowdy, land entitlement manager for Pulte Homes, said the new developer is meeting every one of those conditions. He said the city has yet to provide him a list specifying the developer's alleged violations.

"We are in compliance with the terms of the special permit and with all the underlying ordinances that the special permit is derived from," said Gowdy, adding that he scheduled a meeting with the Law Department for today.

Although council meetings about the violations have been held in executive session because of possible litigation, Housing Department Director Janet Barry told the Tribune in January the violations concerned affordable housing.

According to the special permit agreement, Pulte Homes must make 27 units affordable. Barry said Pulte prices do not fit the city's definition of "affordable," defined as meeting the needs of people making 80 per-

cent or less than the area's median income.

But Gowdy said the developer set prices according to the maximum HUD HOME Program Purchase limit, which is the affordable standard they must legally meet for the special permit. He said the city is trying to make them comply with Chapter 40B standards, which sets affordable at a lower price.

According to numbers given by the Housing Dept. and Pulte Homes in January, the difference in prices range from up to \$50,000 for a one-bedroom and \$100,000 for a two-bedroom.

"It is our understanding that the issue remains unresolved and we continue to firmly believe that our pricing conforms to both the requirements of the special permit and the requirements of the underlying ordinance," Gowdy said.

Gowdy said the project is about one-half to two-thirds completed.

"We have three of the large buildings done and we have three more to build," Gowdy said. "We will do what we need to do to remain in compliance with the special permit."

In the meantime, the developers were denied 18 occupancy permits they had expected to have in hand by the end of March. Gowdy said Pulte Homes needed the permits for homebuyers waiting to move into the third building.

"Now we have several homeowners who had hoped to move into the building and are unable to do so," Gowdy said.

Several calls for comment to the city Law Department were not returned the past two days.

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Pulte Homes CEO compensation is valued at \$12.43M

By James Prichard
AP BUSINESS WRITER

The president and chief executive officer of Pulte Homes Inc. received total compensation valued at \$12.43 million last year despite a sharp drop in profits, according to an analysis of a federal regulatory filing made yesterday by the Bloomfield Hills, Mich.-based company.

Richard J. Dugas Jr. got \$5.83 million in nonequity incentives, stock and options awards that had an estimated value of \$5.56 million when they were granted, a \$950,000 base salary and \$91,122 in other compensation, mostly dividends paid on restricted shares, according to the proxy statement filed Wednesday with the Securities and Exchange Commission.

Chairman William J. Pulte, who established the company in 1950 and grew it into one of the nation's biggest homebuilders, received \$7.15 million in total compensation, including \$6.14 million in nonequity incentives, a \$950,000 base salary and \$62,361 in other compensation, also mostly dividends paid on restricted shares.

Both Dugas and Pulte received base salary increases of \$100,000, or about 12 percent, from 2005 to 2006.

Pulte Homes' net earnings fell to \$687.5 million last year, down from \$1.49 billion in 2005, while total revenue dropped to \$14.27 billion from \$14.69 billion. Its struggles echoed those of other homebuilders stung by high cancellation rates and a glut of unsold homes driving down prices.

The proxy statement also announced that Pulte Homes' annual shareholder meeting will be held May 10 in Birmingham, Mich.

The filing said shareholders will be asked to vote during the meeting on a proposal to declassify the board of directors so that members would have to stand for election annually and thus be more accountable.

Shareholders also will be asked to vote on proposals regarding the use of performance-based options and the formation of a majority-vote shareholder committee, which would inform the independent board members of proposals supported by a majority of shareholders.

Waltham-based lab freezes human eggs