



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

Charles D. Baker, Governor ◆ Karyn E. Polito, Lieutenant Governor ◆ Janelle L. Chan, Undersecretary

Public Housing Notice 2019-13

To: All Local Housing Authority Executive Directors
From: Amy Stitely, Associate Director, Division of Public Housing
Subject: Technical Assistance for Vacant Land Development
Date: May 15, 2019

DHCD is pleased to announce that Massachusetts Housing Partnership (MHP) is offering technical assistance for any Local Housing Authority (LHA) interested in opening up surplus land for development. DHCD encourages LHAs to take advantage of the current strength of the Massachusetts housing market and the high demand for housing in order to develop more affordable housing while bringing in new revenue to support public housing.

Local Housing Authorities can reach out to MHP for technical assistance, valued at up to \$25,000, for pre-disposition and development activities.

1. Background

The 2014 Public Housing Reform legislation charged the then-newly created Regional Capital Assistance Teams (RCATs) with surveying all LHAs on their surplus land parcels. This survey, completed in 2017, identified about 90 parcels with 450 acres of vacant land at the 186 RCAT authorities, and there are likely more at the 48 waived and RCAT-exempt authorities. DHCD has not yet made a concerted effort to support the development of these parcels, but did support the Baker-Polito Administration's legislative filings in the past session to allow LHAs to retain the proceeds from land disposition. This legislation did not pass, but has been re-filed in the 2019 session.

MHP has supported several LHAs in developing vacant land, either through disposition to developers or with the LHA acting as the owner and developer. Between 2008-2010 MHP made 27 grants to LHAs for early feasibility studies for new development – at least 6 of which resulted actual construction with production of at least 106 units.

2. Process

LHAs interested in pre-disposition or development assistance should contact Katie Bosse at MHP (kbosse@mhp.net), ccing Ben Stone (ben.stone@mass.gov) and Paul McPartland (paul.mcpartland@mass.gov). The e-mail subject line item must include: “(housing authority name) / TA

Request”. The email should include details on the vacant parcel, a letter of support from the housing authority board for the technical assistance, and the following:

- Property address
- Approximate size of parcel and any known specifics such as: access, topography (including wetlands), access to infrastructure (water and sewer), etc.
- Plot plan or survey, if available
- Information, if known, of how the parcel was obtained by the LHA and if it is currently part of a larger LHA parcel
 - Confirm if parcel was obtained through state public housing bond financing or has had any state bond-financed investment since acquisition; if so, provisions of [M.G.L Chapter 121B section 34](#) will apply.
- If abutting existing public housing, information about that property: type of public housing, number of homes, current condition of existing housing
- Have there been any conversations/outreach with the municipality regarding development of this site?
- Are there local resources such as CPA?
- What is the LHA’s goals for the property? Are you trying to meet a local affordable housing need? Generate income from sale or ground lease proceeds?
- What does the LHA think the best use for the property is?

After reviewing the property information, MHP will work with the LHA to determine best next steps. MHP may fund, or provide with its own staff, pre-development technical assistance to further explore feasibility to support potential new affordable housing development. This may include items such as:

- Site engineering
- Legal work
- Creation of a Request For Proposals (RFP)
- Evaluation of RFP responses

Please note that DHCD strongly discourages LHAs from discussing proposals with developers before a formal RFP process has begun. Early conversations with developers or anything that could compromise an open and competitive process can invalidate a procurement.

3. Recommended Development Opportunities

DHCD supports housing production that promotes the Administration’s housing production goal of 135,000 new units by 2025. LHAs have supported the production of new affordable housing using vacant land both through disposition to private developer/owners, and acting in their own capacity as the developer. DHCD recognizes that developing as a public entity requires public construction (M.G.L. Ch. 149) in addition to other public requirements, increasing total development costs and thus reducing financial feasibility relative to market development. However, retaining LHA or an LHA-controlled affiliate’s ownership may be of key importance locally, to maintain permanent affordability beyond the term of financing, or other reasons. DHCD recommends that the LHA carefully weigh the tradeoffs between each model when considering how to best implement a cost-effective development that addresses local needs and the LHA’s identified goals.

4. Funding Availability

MHP will fund technical assistance up to a value of \$25,000 per parcel.

DHCD's Division of Public Housing does not have available capital funding for new affordable or market rate housing development on surplus land. If the LHA wishes to pursue affordable development, they should work with MHP on identifying capital and operating resources, and their requirements, including but not limited to:

- DHCD's Division of Housing Development capital subsidies
- Low Income Housing Tax Credits allocated by DHCD's Division of Housing Development
- Subsidized Loans from MassHousing or MHP
- Project Based Section 8 Vouchers
- MRVP Vouchers
- Cross subsidy from market rate production on portion of parcel
- Local funds such as Community Preservation Act funding, HOME, and CDBG