

# Executive Summary

## AP-05 Executive Summary - 24 CFR 91.200(c), 91.220(b)

### 1. Introduction

The 2015 – 2019 Consolidated Plan identifies the housing and community development needs of Massachusetts and provides the framework for how Massachusetts intends to address and prioritize those needs over the next five years. The five year plan, submitted to HUD in 2015, and this 2016 Action Plan pertain to the activities of the following programs:

- Community Development Block Grant Program (CDBG)
- HOME Investment Partnerships Program (HOME)
- Housing Opportunities for Persons with AIDS (HOPWA)
- Emergency Solutions Grant (ESG)
- National Housing Trust Fund (HTF)

These programs are called *formula programs* because HUD distributes the funds to each state based on a statutory formula that takes into account population, poverty, incidence of overcrowded housing, and age of housing stock. Consolidated Plans must be submitted every five years; more detailed action plans are required annually.

Massachusetts expects to receive approximately \$43.7 million per year over the five years for these programs, beginning with the federal fiscal year that started on 10/01/14. The Community Development Block Grant funds *may only be expended* in the state's "non-entitlement" communities. These are the 314 cities and towns that are not eligible to apply for community development funding directly from HUD. (Thirty-seven other communities – mostly larger cities – receive more than \$86.7 million annually, directly from HUD, for which they submit their own consolidated plans.) Funding under the other four programs may be allocated statewide, although DHCD gives priority to requests from non-entitlement communities if they have priority needs and can demonstrate the ability to address them in a manner consistent with the state's strategy.

### 2. Summarize the objectives and outcomes identified in the Plan

The 2015-2019 Consolidated Plan provides the framework for the Commonwealth's continuing investment to help meet the housing and community development needs of its residents and municipalities. It lays out the state's long-term objectives and the strategies by which it will achieve these objectives, using funds received from HUD under the five programs covered by the plan as well as other sources the state expects to have available. The plan identifies the state's housing and community development needs and priorities, and establishes the criteria by which projects will be selected for funding. The state's housing and community development needs were identified by citizens in a series of three public forums, a public hearing, and an analysis of socioeconomic and housing market conditions.

Four objectives were established for the Consolidated Plan. These objectives support the Commonwealth's overarching goal for all its housing and community and development efforts: to provide broad economic opportunity and a high quality of life for all Massachusetts residents. They also support HUD's complementary

goals of providing decent housing, a suitable living environment and expanded economic opportunities. The objectives of the 2015-2019 Massachusetts plan are:

- Promote strong, sustainable communities throughout the Commonwealth and address local priorities
- Preserve and create affordable rental housing options for low- and moderate-income residents.
- Reduce chronic and family homelessness through a housing-based approach, with a long-term goal of ending homelessness.
- Ensure full and fair access to housing for all residents of the Commonwealth.

### **3. Evaluation of past performance**

This Annual Action Plan represents the third year of implementation of the objectives set forth in the 2015-2019 Consolidated Plan. Ninety days after the close of the state’s HUD program year (April 1 through March 31), the Commonwealth submits the annual Performance Evaluation Reports (PER) for the programs covered by the Consolidated Plan; the PERs for 2016 are due June 30, 2017.

Massachusetts has long been a leader in providing affordable subsidized housing for its residents. Using state and federal resources, the Department of Housing and Community Development, its affiliated quasi-public agencies, more than 240 local and regional housing authorities, and a wide array of private for-profit and nonprofit housing developers engage in an exceptionally high level of publicly assisted housing activity. Each year, more than a billion dollars of federal, state, and quasi-public funds are spent to build, renovate, preserve, maintain or subsidize affordable housing in Massachusetts.

Progress has been made in the past five years. In 2013, the legislature passed an historic \$1.4 Billion housing bond bill and in 2017, the Baker-Polito Administration has filed an \$1.287 billion housing bond bill.

The state increased its commitment to new housing production, a challenging task in an era of high costs and shrinking subsidies, and to removing the barriers that have stifled housing production. On the non-housing front, Massachusetts has invested heavily in its public facilities and infrastructure, including the roads, bridges, schools and libraries that are a prerequisite to sustainable housing and community development.

### **4. Summary of Citizen Participation Process and consultation process**

To be completed after public comment period. Per HUD guidance, the 30-day public comment period has been waived and a 14 calendar public comment period is allowed. The public comment period will run from Friday, June 16, 2017, to Wednesday, July 5, 2017.

### **5. Summary of public comments**

To be completed after public comment period.

### **6. Summary of comments or views not accepted and the reasons for not accepting them**

To be completed after public comment period.

**PR-05 Lead & Responsible Agencies - 91.300(b)**

**1. Agency/entity responsible for preparing/administering the Consolidated Plan**

The following are the agencies/entities responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source.

Agency Role		Name	Department/Agency
CDBG Administrator	MASSACHUSETTS		MA Dept. of Housing & Community Development
HOPWA Administrator			MA Dept. of Public Health
HOME Administrator	MASSACHUSETTS		MA Dept. of Housing & Community Development
ESG Administrator	MASSACHUSETTS		MA Dept. of Housing & Community Development

**Table 1 – Responsible Agencies**

## **AP-10 Consultation - 91.110, 91.300(b); 91.315(l)**

### **1. Introduction**

The Consolidated Planning process is a collaborative one. DHCD, the administering agency for the Commonwealth of Massachusetts, encourages broad citizen and stakeholder participation, especially from those low income residents most affected by its programs.

The implementation of the Consolidated Plan and the FY 2017 Action Plan is carried out by dozens of state agencies, departments and quasi-public entities, working in concert with a network of for-profit and nonprofit service providers and developers and the 351 cities and towns of the Commonwealth of Massachusetts. The Executive Office of Housing and Economic Development (EOHED) aligns the state's traditional housing and economic development agencies to more effectively coordinate policies and programs in these areas. DHCD consults regularly with cities and towns, and regional planning agencies, in the development and implementation of its programs.

#### **Provide a concise summary of the state's activities to enhance coordination between public and assisted housing providers and private and governmental health, mental health and service agencies**

DHCD and 18 state agencies signed a memorandum of understanding partnering to improve existing processes, make recommendations for new, collaborative efforts and develop a long-range action plan to meet the need for supportive housing among the Commonwealth's residents. Supportive housing helps individuals and families that are homeless or facing homelessness, institutionalized or at-risk of institutionalization, people with disabilities and the elderly. Additionally, the agencies, through an Interagency Supportive Housing Working Group, continue to assess the extent of public cost-savings generated as a result of providing permanent supportive housing and will recommend strategic reinvestments.

In addition to providing housing for families, supportive housing, which is operated in conjunction with a network of non-profit agencies across the Commonwealth, includes services such as childcare, access to job training, mental-health care and other opportunities that give participants a hand up towards stability and success.

#### **Describe coordination with the Continuum of Care and efforts to address the needs of homeless persons (particularly chronically homeless individuals and families, families with children, veterans, and unaccompanied youth) and persons at risk of homelessness**

DHCD continues to meet this requirement through a variety of methods and strives to incorporate applicable feedback from CoC's into our administration of the Emergency Solutions Grant. In fact, many of the requests made through the consultation process were incorporated into our 2016 ESG procurement process. To help support this effort and to continue to encourage conversations about the best use of funding at the local level, DHCD also requires that each subrecipient consult with their continua of care about their ESG projects.

State ESG officials distribute information about Federal and State policies relevant to homeless families and individuals to homeless services providers, Regional Networks, and CoC's on a regular basis. State officials

attend and convene local and regional gatherings on occasion, and communicate with ESG Entitlement Communities to help coordinate ESG activities as appropriate throughout the Commonwealth.

**Describe consultation with the Continuum(s) of Care that serves the State in determining how to allocate ESG funds, develop performance standards for and evaluate outcomes of projects and activities assisted by ESG funds, and develop funding, policies and procedures for the operation and administration of HMIS**

DHCD continues to provide each CoC with detailed information about the DHCD ESG funded program within their jurisdiction including the sub-recipients success at meeting the proposed performance measurements and compliance with ESG rules and regulations.

Please see the attached Appendix for ESG-specific information pertaining to consultation.

**2. Agencies, groups, organizations and others who participated in the process and consultations**

**Table 2 – Agencies, groups, organizations who participated**

1	<b>Agency/Group/Organization</b>	MA Dept. of Public Health
	<b>Agency/Group/Organization Type</b>	Other government - State
	<b>What section of the Plan was addressed by Consultation?</b>	HOPWA Strategy
	<b>Briefly describe how the Agency/Group/Organization was consulted. What are the anticipated outcomes of the consultation or areas for improved coordination?</b>	MA Dept. of Public Health is responsible for the administration of the HOPWA program.

**Identify any Agency Types not consulted and provide rationale for not consulting**

**Other local/regional/state/federal planning efforts considered when preparing the Plan**

Name of Plan	Lead Organization	How do the goals of your Strategic Plan overlap with the goals of each plan?
Continuum of Care	DHCD	

**Table 3 - Other local / regional / federal planning efforts**

**AP-12 Participation - 91.115, 91.300(c)**

**1. Summary of citizen participation process/Efforts made to broaden citizen participation  
Summarize citizen participation process and how it impacted goal-setting**

To be completed for final submission, after the public comment period. Public comment period runs from Friday, June 16, 2017 to Wednesday, July 5, 2017.

**Citizen Participation Outreach**

<b>Sort Order</b>	<b>Mode of Outreach</b>	<b>Target of Outreach</b>	<b>Summary of response/attendance</b>	<b>Summary of comments received</b>	<b>Summary of comments not accepted and reasons</b>	<b>URL (If applicable)</b>

**Table 4 – Citizen Participation Outreach**

## Expected Resources

### AP-15 Expected Resources – 91.320(c)(1,2)

#### Anticipated Resources

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
CDBG	public - federal	Acquisition Admin and Planning Economic Development Housing Public Improvements Public Services	29,757,361	0	58,907,945	88,679,865	59,514,734	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOME	public - federal	Acquisition Homebuyer assistance Homeowner rehab Multifamily rental new construction Multifamily rental rehab New construction for ownership TBRA	6,932,482	0	13,398,270	20,318,756	13,864,964	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HOPWA	public - federal	Permanent housing in facilities Permanent housing placement Short term or transitional housing facilities STRMU Supportive services TBRA	242,707	0	424,976	637,976	485,414	

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
ESG	public - federal	Conversion and rehab for transitional housing Financial Assistance Overnight shelter Rapid re-housing (rental assistance) Rental Assistance Services Transitional housing	4,387,520	0	8,983,808	13,482,436	8,775,040	
Housing Trust Fund	public - federal	Acquisition Multifamily rental new construction Multifamily rental rehab	4,604,660	0	0	4,604,660	9,209,320	HTF supports the development of affordable housing for low-income individuals and families.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
HUD-VASH	public - federal	Rental Assistance	3,307,000	0	0	3,307,000	6,614,000	VASH combines an allocation of Section 8/HCVF rental vouchers from HUD with ongoing case management and clinical services provided by Veterans Administration Supportive Housing (VASH). Services include: housing search assistance; community-based management services; outpatient health services; hospitalization; and other services on a regular basis.
LIHTC	public - federal	Housing Multifamily rental new construction	16,007,681	0	0	16,007,681	32,015,362	The Low Income Housing Tax Credit Program (LIHTC) is a federally authorized program for non-profit and for-profit developers to promote the construction and rehabilitation of affordable rental housing. Often these units are within a larger mixed income development.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Section 811	public - federal	Rental Assistance Supportive services	12,100,000	0	0	12,100,000	24,200,000	The Section 811 program is designed to provide permanent supportive housing for non-elderly people with disabilities, many of whom are transitioning out of institutional settings in order to live more independently in integrated community housing.
Other	public - federal	Financial Assistance	148,038,946	0	0	148,038,946	296,077,892	Fuel Assistance, the Low Income Home Energy Assistance Program provides eligible households with help in paying a portion of winter heating bills.
Other	public - federal	Homeowner rehab Multifamily rental rehab Other	6,058,804	0	0	6,058,804	12,117,608	Funded by the U.S. Dept. of Energy, the Low Income Weatherization Assistance Program (WAP) provides eligible households with full-scale home energy conservation services.
Other	public - federal	Public Services	16,584,952	0	0	16,584,952	33,169,904	Community Services Block Grant
Other	public - federal	Rental Assistance	241,270,727	0	0	241,270,727	482,541,454	Section 8 rental assistance

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Financial Assistance Housing Other	10,000,000	0	0	10,000,000	20,000,000	CIPF is used to help preserve existing affordable housing with expiring use restrictions
Other	public - state	Financial Assistance Rental Assistance	13,000,000	0	0	13,000,000	26,000,000	Short-term financial assistance to low-income families who are homeless or at risk of becoming homeless
Other	public - state	Housing Multifamily rental new construction	31,955,104	0	0	31,955,104	63,910,208	State Low Income Housing Tax Credit
Other	public - state	Housing Multifamily rental new construction Multifamily rental rehab	30,675,000	0	0	30,675,000	61,350,000	The Housing Stabilization Fund (HSF) is a state funded program for municipalities, non-profit, or for-profit developers to support affordable rental housing production and rehabilitation.

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Housing Multifamily rental new construction Multifamily rental rehab New construction for ownership Other	35,000,000	0	0	35,000,000	70,000,000	The purpose of the Affordable Housing Trust Fund is to support the creation or preservation of housing that is affordable to people with incomes that do not exceed 110% of the area median income, as defined by HUD
Other	public - state	Housing Multifamily rental new construction Multifamily rental rehab Other	14,938,194	0	0	14,938,194	29,876,388	Supports innovative and alternative forms of rental housing. This program almost always supports projects that feature very affordable housing units combined with extensive support services for residents
Other	public - state	Housing Other	85,000,000	0	0	85,000,000	170,000,000	Funds capital improvements across the 45,000 units in the state-aided public housing portfolio
Other	public - state	Overnight shelter	199,618,948	0	0	199,618,948	399,237,896	Individual shelter

Program	Source of Funds	Uses of Funds	Expected Amount Available Year 3				Expected Amount Available Reminder of ConPlan \$	Narrative Description
			Annual Allocation: \$	Program Income: \$	Prior Year Resources: \$	Total: \$		
Other	public - state	Rental Assistance	87,531,597	0	0	87,531,597	175,063,194	Tenant- and project-based rental subsidies

Table 5 - Expected Resources – Priority Table

**Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**

For a description of matching resources, please see attached Program Descriptions.

**If appropriate, describe publically owned land or property located within the jurisdiction that may be used to address the needs identified in the plan**

CDBG funds may be used for publicly held property. This is most likely in cases of infrastructure and public facility projects such as sewer, water and drainage improvements; streetscape improvements; architectural barrier removal; and senior centers. Additionally, MA is exploring the use of state-owned land for the development of housing -- the MA Open for Business Initiative.

**Discussion**

In Massachusetts, DHCD is the tax credit allocating agency, through its Division of Housing Development. The Division also oversees approximately \$100 million annually in other federal and state affordable housing programs, including the federal HOME and HTF programs, ensuring a coordinated approach to resource allocation.

Developers have the opportunity to apply competitively for the tax credit and DHCD’s other affordable rental housing resources during regularly scheduled funding competitions. In a typical year, the Department’s credit allocations, in combination with DHCD subsidy awards and other funds, generate support for about 1200 to 1500 affordable rental units, both production and preservation. DHCD has emphasized to the development community the importance of structuring projects to include units for extremely low income individuals and households, and has

made project-based Section 8 allocations available to support these tenants. The Department also is encouraging developers to target the extremely low income units to individuals or families making the transition from homelessness.

DHCD is the lead agency for the preparation of both the Consolidated Plan and the state's Low Income Housing Tax Credit (LIHTC) Qualified Allocation Plan. The Qualified Allocation Plan (QAP) establishes the priorities and policies under which the state will operate and distribute funds in its federal tax credit program. In much the same manner as it does when it prepares its HUD Community Planning and Development Consolidated Plan and One Year Action Plans, DHCD considers the Commonwealth's affordable housing needs and the condition of its housing markets when it prepares its LIHTC Qualified Allocation Plan. The two plans are complementary and consistent, and the QAP is incorporated by reference into this Consolidated Plan. The QAP is available in its entirety on the DHCD website.

Massachusetts received a CDBG Disaster Recovery grant under P.L. 113-2. DHDC performed a needs assessment for these funds which is available at: <http://www.mass.gov/hed/community/funding/community-development-block-grant-disaster-recovery-.html> The majority of these funds have been obligated.

## Annual Goals and Objectives

### AP-20 Annual Goals and Objectives – 91.320(c)(3)&(e)

#### Goals Summary Information

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
1	Promote Strong Sustainable Communities	2015	2019	Affordable Housing Public Housing Homeless Non-Homeless Special Needs Non-Housing Community Development		Community development and local priorities Homelessness Prevention and Rehousing Homeownership Preservation of affordable rental housing Production of new rental units Rehabilitation of existing units		

Sort Order	Goal Name	Start Year	End Year	Category	Geographic Area	Needs Addressed	Funding	Goal Outcome Indicator
2	Preserve and create affordable rental housing	2015	2019	Affordable Housing		Homelessness Prevention and Rehousing Preservation of affordable rental housing Production of new rental units Rehabilitation of existing units		Rental units constructed: 150 Household Housing Unit Rental units rehabilitated: 30 Household Housing Unit
3	Reduce homelessness	2015	2019	Homeless		Homelessness Prevention and Rehousing		
4	Access to housing opportunities	2015	2019	Affordable Housing		Community development and local priorities Homelessness Prevention and Rehousing Homeownership Preservation of affordable rental housing Production of new rental units Rehabilitation of existing units		

**Table 6 – Goals Summary**

Annual Action Plan  
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## Goal Descriptions

1	<b>Goal Name</b>	Promote Strong Sustainable Communities
	<b>Goal Description</b>	
2	<b>Goal Name</b>	Preserve and create affordable rental housing
	<b>Goal Description</b>	
3	<b>Goal Name</b>	Reduce homelessness
	<b>Goal Description</b>	
4	<b>Goal Name</b>	Access to housing opportunities
	<b>Goal Description</b>	

**Table 7 – Goal Descriptions**

## AP-25 Allocation Priorities – 91.320(d)

### Introduction

HOME, CDBG, ESG, HTF and HOPWA funds are important resources for the Commonwealth in the execution of its housing and community development agenda. CDBG, in particular, is the State’s major resource to address the needs of its non-entitlement communities, all of which are facing fiscal constraints. In addition to supporting a broad range of infrastructure, accessibility and community development projects, housing rehabilitation funds are being used in many communities to revitalize older housing in established neighborhoods.

HOME remains a workhorse in the State’s stable of housing programs. Along with the low income housing tax credit, with which it is often paired, HOME is a major tool for preserving and expanding the state’s affordable rental inventory, identified as a priority need. With decreased HOME funding allocations over the last several years, the number of HOME units funded has also decreased.

HTF funds are an important resource to DHCD in providing service-enriched housing – typically defined as units in multifamily rental projects with appropriate services available to tenants who need them. DHCD is strongly committed to the development of housing with services for special populations, including individuals or households who are VLI or ELI and who can benefit significantly from various supportive services. ESG and HOPWA are also important resources, each contributing to the challenge of combating homelessness and providing decent housing for at-risk populations. The State will fund projects designed to support basic shelter operations, conduct street outreach, prevent homelessness, and provide essential rapid re-housing services for homeless individuals and families currently in the shelter system or living in a place not meant for habitation. This strategy is consistent with the State’s new approach to combating homelessness. Both the Consolidated Plan and this FY 2017 Action Plan are consistent with the Commonwealth’s Continuum of Care Plan.

### Funding Allocation Priorities

	Promote Strong Sustainable Communities (%)	Preserve and create affordable rental housing (%)	Reduce homelessness (%)	Access to housing opportunities (%)	Total (%)
CDBG	60	25	10	5	100
HOME	0	80	15	5	100
HOPWA	0	0	0	100	100
ESG	0	0	80	20	100
Housing Trust Fund	0	25	50	25	100
HUD-VASH	0	0	0	0	0

LIHTC	0	0	0	0	0
Section 811	0	0	0	0	0
Other Affordable Housing Trust Fund	0	0	0	0	0
Other Alternative Housing Voucher Program	0	0	0	0	0
Other Capital Improvement and Preservation Fund	0	0	0	0	0
Other Commercial Area Transit Node Housing Program	0	0	0	0	0
Other Community Based Housing	0	0	0	0	0
Other CSBG	0	0	0	0	0
Other Facilities Consolidation Fund	0	0	0	0	0
Other Family Shelters	0	0	0	0	0
Other Housing Innovations Fund	0	0	0	0	0
Other Housing Stabilization Fund	0	0	0	0	0
Other Individual Shelters	0	0	0	0	0
Other LIHEAP	0	0	0	0	0
Other MA Rental Voucher Program	0	0	0	0	0
Other Public Housing Capital	0	0	0	0	0
Other Rental Assistance for Families in Transition	0	0	0	0	0
Other Section 8	0	0	0	0	0
Other State LIHTC	0	0	0	0	0
Other Weatherization Assistance Program	0	0	0	0	0

**Table 8 – Funding Allocation Priorities**

**Reason for Allocation Priorities**

Massachusetts allocates the funds it receives from HUD under the five programs covered by this Action Plan to number of specific programs.

**How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**

The programs funded under CDBG, HOME, ESG, HTF and HOPWA enable the Commonwealth to equitably distribute funds to address its highest priority needs in each of the funding categories: affordable housing (including lead paint abatement), homelessness, special needs, and community development.

## AP-30 Methods of Distribution – 91.320(d)&(k)

### Distribution Methods

Table 9 - Distribution Methods by State Program

<b>1</b>	<b>State Program Name:</b>	CDBG Reserves
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	<p>On occasion applications, or portions thereof, that were not funded during a competitive process, including direct technical assistance to eligible communities, may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.</p> <p>Funds may also be made available for projects throughout the program year that are consistent with Massachusetts' CDBG priorities.</p>
	<b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b>	<p>The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserves funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.</p>

<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The CDBG FY20167 Draft One-Year Action Plan is attached and is also posted separately on DHCD's website.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	

<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>An initial allocation of \$250,000 will be available for the Reserves component. Funds may be recaptured by or returned to DHCD at any time during the program year, or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>All projects funded under Reserves must meet, at a minimum, CDBG National Objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds.</p>
<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>See the attached appendix for the FY 2017 Draft CDBG Action Plan and program specifics.</p>
<p><b>2 State Program Name:</b></p>	<p>Community Development Fund</p>
<p><b>Funding Sources:</b></p>	<p>CDBG</p>

<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Community Development Fund annually awards grants to communities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems.</p>
<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>The Community Development Fund (CDF) will be distributed through an annual competitive application process. CDF supports revitalization efforts and addresses the needs of low and moderate income residents by supporting housing as well as community and economic development activities in Massachusetts cities and towns. Projects will be evaluated on project need and project feasibility. In FY2017, DHCD expects to award approximately \$19,192,640 in CDF grant funds.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The CDBG FY 2017 Draft One-Year Action Plan is attached and is posted separately on DHCD's website.</p>

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.</p> <p>A single community may receive no more than \$1.35 million from the Community Development Fund within two successive years.</p>

	<b>Describe threshold factors and grant size limits.</b>	See attached FY2017 Draft CDBG One-Year Action Plan for specifics.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	See attached appendix for the FY 2017 Draft CDBG One-Year Action Plan and program specifics.
3	<b>State Program Name:</b>	Emergency Solutions Grant
	<b>Funding Sources:</b>	ESG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Emergency Solutions Grant (ESG) Program funds eligible activities designed to prevent homelessness, support basic shelter operations, and provide essential rapid rehousing services for homeless individuals and families currently in the shelter system or living in a place not meant for habitation. ESG funding will be used for shelter operations, rapid rehousing, and homelessness prevention. Funding may be used for street outreach projects if requested by the CoC and is demonstrated to be a larger priority than emergency shelter or rapid rehousing. ESG awards made to subrecipients in SFY18 will be based on procurement awards originally made in March of 2016 – existing projects will receive funding over new projects.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>In January 2016, DHCD released a Request for Responses (RFR) to solicit qualified, cost-effective, creative and competitive applications to develop and operate Emergency Solutions Grant (ESG) eligible projects across the Commonwealth. All awarded ESG projects must have clearly demonstrated how the projects supports HUD's overall vision for Emergency Solutions Grant, Opening Doors, the Federal strategic plan for ending homelessness, the work of DHCD and the local Continuum of Care in ending homelessness. Rather than solely utilizing ESG funding to create separate or distinct programs, subrecipients were encouraged to think strategically about how ESG funding can be leveraged with other funding sources to help support existing efforts to reduce and end homelessness within their region and the Commonwealth. Projects funded through that procurement will receive renewal awards in FY18 provided that the project was successful. DHCD will work with CoCs and subrecipients to reallocate funding from unsuccessful projects towards other eligible ESG activities in that CoC.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	<p>After consulting with each CoC regarding their needs and priorities for ESG funding, DHCD released a request for responses (RFR) and made awards with our FFY16 (4/1/16-3/31/17) ESG allocation. The RFR allows awards made through the procurement process to be renewed for up to four additional years. As part of the annual renewal process in FFY18, each subrecipient contractor will be responsible for reviewing project outcomes with their CoC and negotiating necessary changes with DHCD in order to continuously meet the needs of homeless persons, and those at risk of homelessness, within their CoC.</p>
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>See attached appendix that includes the FY 2017 ESG Program Description for specifics.</p>

	<b>Describe threshold factors and grant size limits.</b>	See attached appendix that includes the FY 2017 ESG Program Description for specifics.
	<b>What are the outcome measures expected as a result of the method of distribution?</b>	See attached appendix that includes the FY 2017 ESG Program Description for specifics.
4	<b>State Program Name:</b>	HOME
	<b>Funding Sources:</b>	HOME
	<b>Describe the state program addressed by the Method of Distribution.</b>	DHCD will competitively and contingently award HOME funds for multi-family rental loans.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community of HOME Consortium designation. DHCD also will competitively award HOME funds for rental loan projects in entitlement communities that provide a match for DHCD-administered HOME funds. Massachusetts Community Development Housing Organizations (CHDOs) are encouraged to seek the HOME resource. DHCD will continue to contingently award its rental funds through a competitive RFP process. Notices of Funding Availability (NOFA) are published on DHCD’s website and DHCD’s listServ notifies subscribers when the NOFA or any new pertinent program information is posted. DHCD also reserves the option to make rental funds available on a rolling basis with clear readiness standards for projects that will serve low- and extremely low-income homeless families and individuals and low- and extremely low-income veterans. See the attached appendix that includes the FY2017 HOME Program Description for program details.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	

<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	
<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>During federal FY 2017 DHCD anticipates the following approximate amounts will be awarded through a competitive RFP process, depending upon the level of demand in each program category:</p> <ul style="list-style-type: none"> <li>• \$6,239,234- rental loan program fr. allocation, plus HOME PI of \$627,136</li> <li>• n/a- project-based first-time homebuyer program</li> <li>• n/a– purchaser-based first-time homebuyer program</li> </ul>

	<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Typically, DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit. We reserve the option to increase the per unit amounts for family projects located in gateway communities or areas of opportunity or for CHDO Reserve projects.</p> <p>See attached appendix for FY2017 HOME Program details.</p>
	<p><b>What are the outcome measures expected as a result of the method of distribution?</b></p>	<p>DHCD's HOME activities generally fall under the HUD objective: Provide decent affordable housing. In general, the HUD outcome for our activities is: Affordability.</p> <p>See the attached appendix that includes the FY 2017 HOME program specifics.</p>
5	<p><b>State Program Name:</b></p>	HOPWA
	<p><b>Funding Sources:</b></p>	HOPWA
	<p><b>Describe the state program addressed by the Method of Distribution.</b></p>	<p>The Massachusetts Department of Public Health (MDPH), Bureau of Infectious Disease and Laboratory Sciences (BIDLS), Office of HIV/AIDS (OHA) administers HOPWA funds for the "balance of state." MDPH will be using its HOPWA allocation in fiscal year 2017 to fund Support Services provided by AIDS Project Worcester, Commonwealth Land Trust, Community Counseling of Bristol County, and Victory Programs.</p>

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>OHA awarded all four agencies funding for Support Services during a statewide procurement in State Fiscal Year 2011. This procurement included language to support the allocation of State, Ryan White Treatment Modernization Act, and HOPWA funding to successful applicants. Vendor selection involved a comprehensive community and internal review process, and as successful applicants, these agencies initiated their new OHA contracts on July 1, 2011. The integration of HOPWA funds into the contracts began after July 1, 2015.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	<p>N/A</p>
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>Both AIDS Project Worcester and Community Counseling of Bristol County will use HOPWA resources to support the provision of HIV Housing Search and Advocacy Services. These services will help enable low-income individuals with HIV to access and maintain safe, stable, and affordable housing that will support their ongoing retention in HIV medical care.</p> <p>Both Victory Programs and Commonwealth Land Trust will use HOPWA resources to provide Medical Case Management services additional individuals with HIV/AIDS who live in their wide networks of housing programs throughout Greater Boston and the Northeast region of Massachusetts. HIV/AIDS MCM services include medical care coordination, social service coordination, adherence support, substance use risk reduction, sexual health promotion, benefits counseling, and basic housing services.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>N/A</p>

	<b>What are the outcome measures expected as a result of the method of distribution?</b>	See the attached appendix for the FY 2017 HOPWA program description.
6	<b>State Program Name:</b>	Mini-Entitlement Program
	<b>Funding Sources:</b>	CDBG
	<b>Describe the state program addressed by the Method of Distribution.</b>	The Mini-Entitlement Program provides funding to municipalities that meet the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 7.7% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.

<p><b>Describe all of the criteria that will be used to select applications and the relative importance of these criteria.</b></p>	<p>DHCD expects to award up to \$9,075,000 from the FY 2017 Mini-Entitlement Program allocation to eleven (11) designated Mini-Entitlement municipalities: Amherst, Chelsea, Dennis, Everett, Gardner, Greenfield, North Adams, Southbridge, Wareham, Webster, and West Springfield.</p> <p>DHCD requires Mini Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.</p>
<p><b>If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only)</b></p>	<p>The CDBG FY 2017 Draft One-Year Action is attached to this Consolidated Plan and is posted separately on DHCD's website.</p>
<p><b>Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations. (ESG only)</b></p>	

<p><b>Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only)</b></p>	
<p><b>Describe how resources will be allocated among funding categories.</b></p>	<p>All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.</p> <p>A single community may receive no more than \$1 million from any combination of federal FY 2017 Community Development Fund I or II, or Mini-Entitlement grant funds. Awards not subject to the \$1 million cap per community include the Economic Development Fund and Reserves.</p> <p>Additionally, a single community may receive no more than \$1.35 million from Community Development Fund within two successive years.</p>
<p><b>Describe threshold factors and grant size limits.</b></p>	<p>Mini Entitlement communities are eligible for an award of \$600,000 to \$825,000 based upon performance. Mini-Entitlement applications will contain an 18-month implementation and cash flow plan. Mini-entitlement grantees must comply with standards for timely expenditure and available program income. FY 2017 Mini-entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.</p>

<b>What are the outcome measures expected as a result of the method of distribution?</b>	See attached appendix that includes the FY 2017 Draft CDBG One-Year Action Plan and program specifics.
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## **AP-40 Section 108 Loan Guarantee – 91.320(k)(1)(ii)**

### **Will the state help non-entitlement units of general local government to apply for Section 108 loan funds?**

Yes

#### **Available Grant Amounts**

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The Massachusetts program provides communities with a source of loan financing for a specific range of community and economic development activities. Funding is provided to the community to loan to a business or other entity. The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

Loan Guarantees will be available to support the rehabilitation of, or conversion to, mixed-use or investor owner-residential buildings (5 or more units) located in downtown or commercial center areas. Residential projects should include mixed-income, affordable and market rate units. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. Section 108 loan assistance of \$1 million to \$5 million will be available for residential or mixed-use projects meeting these qualifications. For most housing project components, Section 108 loan funds plus all federal and state grants combined shall not exceed 75 percent of total actual project costs. Section 108 loans may also assist public facilities/infrastructure improvements that generate sufficient revenues and support downtown mixed-use or investor-owned, mixed-income residential projects.

This year the Commonwealth will pledge up to \$10 million in future CDBG allocations in support of these eligible activities. The minimum award is \$1,000,000 and the maximum is \$5 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.

#### **Acceptance process of applications**

Applicants must contact DHCD prior to submission of an application. A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. Applicants also need to review the evaluation criteria and the review process information found in the Economic Development Fund Application Guidance. Applications will be reviewed on a first come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive a loan from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another source.

Project applications must meet all applicable criteria outlined for EDF community grants. However, the format

of any final loan application will be determined by HUD.

See attached FY 2017 CDBG One-Year Action Plan for specifics.

**AP-45 Community Revitalization Strategies – 91.320(k)(1)(ii)**

**Will the state allow units of general local government to carry out community revitalization strategies?**

No

**State's Process and Criteria for approving local government revitalization strategies**

## **AP-50 Geographic Distribution – 91.320(f)**

**Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed**

Massachusetts distributes its funding through a competitive basis that is not based on geographic priorities.

### **Geographic Distribution**

<b>Target Area</b>	<b>Percentage of Funds</b>

**Table 10 - Geographic Distribution**

### **Rationale for the priorities for allocating investments geographically**

# Affordable Housing

## AP-55 Affordable Housing – 24 CFR 91.320(g)

### Introduction

The goals included below only represent the CDBG, HOME and HTF programs.

One Year Goals for the Number of Households to be Supported	
Homeless	50
Non-Homeless	630
Special-Needs	27
Total	707

**Table 11 - One Year Goals for Affordable Housing by Support Requirement**

One Year Goals for the Number of Households Supported Through	
Rental Assistance	0
The Production of New Units	530
Rehab of Existing Units	110
Acquisition of Existing Units	0
Total	640

**Table 12 - One Year Goals for Affordable Housing by Support Type**

## **AP-60 Public Housing - 24 CFR 91.320(j)**

### **Actions planned during the next year to address the needs to public housing**

Within the last few years, DHCD has implemented major administrative reforms to enhance the transparency and accountability of the state-aided public housing. These included establishing a salary cap for LHA executive directors; mandatory training for all LHA board members; a Vacant Unit Initiative which included the withholding of funds for units vacant more than 60 days and the distribution of capital funds to LHAs to bring vacant units back on line; and other financial and administrative reforms including the development of a centralized waiting list and single application process for public housing.

Chapter 235, "An Act Relative to Local Housing Authorities," was passed in 2014 and is currently being implemented by the Baker-Polito Administration. Building on recent reforms, this legislation further strengthens the governance structure of the housing authorities and significantly increases the transparency among LHAs, provides the Department with the tools necessary to monitor operations of LHAs and hold them accountable, increases efficiencies and economies of scale for delivery of services to tenants, increases staffing and assistance in the field, and provides incentives for LHAs to implement creative and innovative practices to improve the lives of residents.

### **Actions to encourage public housing residents to become more involved in management and participate in homeownership**

The Baker-Polito administration views stable housing as a platform for working families to achieve greater prosperity. To that end, we are working with our LHA partners to pilot work requirements coupled with intensive wrap around services for residents of state-assisted public housing. The intention is to create opportunities for families to move through the state-aided public housing system more quickly so that we can serve more families. There is one program already in operation at the Worcester Housing Authority and we testing this in other parts of the Commonwealth's public housing system.

### **If the PHA is designated as troubled, describe the manner in which financial assistance will be provided or other assistance**

N/A

## **AP-65 Homeless and Other Special Needs Activities – 91.320(h)**

**Describe the jurisdictions one-year goals and actions for reducing and ending homelessness including**

### **Reaching out to homeless persons (especially unsheltered persons) and assessing their individual needs**

DHCD works diligently with the Balance of State CoC, and other CoCs, as well as with our state agency partners to better understand the needs of communities and homeless persons across the Commonwealth as part of the process of establishing coordinated entry, improving the PIT count across the Commonwealth. Additionally, DHCD consults annually with each CoC on the needs of their communities as part of the ESG allocation process. DHCD has structured our contracts with subrecipients to allow for ESG funding to be allocated to the type of ESG service (outreach, emergency shelter or rapid re-housing) which is most needed in CoC during that year.

Interviews and surveys were distributed to unsheltered person on the night of the PIT count to help collect demographic data. At the same time as the PIT count, DHCD worked with our CoC partners to conduct a homeless youth count, which included a survey to help DHCD and local communities better understand the needs of homeless youth, including unsheltered homeless youth

### **Addressing the emergency shelter and transitional housing needs of homeless persons**

As a result of the significant expansion of its emergency shelter system over the past two decades and its current focus on ending, rather than managing, homelessness, the Commonwealth's priority approaches to unmet homeless needs – for both families and individuals – are Prevention and Rapid Rehousing. DHCD currently provides 3,133 shelter beds for homeless individuals and approximately 3,300 emergency shelter placements units, including motels and hotels, for homeless families.

The Emergency Solutions Grant Program (ESG) funds eligible activities designed to prevent homelessness, support basic shelter operations and provide essential rapid re-housing services for homeless individuals and families currently in the shelter system or living in a place not meant for habitation. Massachusetts will continue to utilize FY17 ESG funding to support shelter capacity at shelters across the state, including non-EA family shelters and DV safe havens.

### **Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**

The Commonwealth has undertaken a number of initiatives to transform the homelessness system to focus more heavily on housing. Among other initiatives, a coordinated system of Regional Networks has tested prevention, diversion, and rehousing strategies, in combination with federal Homelessness Prevention and Rapid Rehousing resources.

The Baker-Polito Administration is committed to moving the Commonwealth's response to homelessness from

a shelter program to a housing program through a two-pronged effort: rapidly rehouse homeless families currently in shelters; and, implement prevention and diversion activities to reduce the need for shelter by providing suitable housing alternatives.

To accomplish this, DHCD will:

- Continue to pursue the goal to advance *housing first*;
- Provide cost predictability and cost containment;
- Provide a responsible emergency shelter safety net;
- Expand prevention programs and ELI housing resources across DHCD by building out its existing infrastructure;
- Align with new federal housing strategies implemented through the HEARTH Act;
- Eliminate use of motels;
- Coordinate resources across DHCD Divisions.

**Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**

DHCD has adopted a comprehensive approach to family homelessness, and have engaged other state agencies in the effort: preventing homelessness; establishing a strong safety net of shelters and services; rehousing families and linking them with support services in the community; and creating more permanent affordable housing. Our first priority is to prevent homelessness and help families avoid entering the shelter system.

DHCD has also increased its investment in supportive housing which helps individuals and families that are homeless or facing homelessness, institutionalized or at-risk of institutionalization, people with disabilities and the elderly. In addition to a providing housing for families, supportive housing, which is operated in conjunction with a network of non-profit agencies across the Commonwealth, includes services such as childcare, access to job training, mental-health care and other opportunities that give participants a hand up towards stability and success.

**AP-70 HOPWA Goals – 91.320(k)(4)**

<b>One year goals for the number of households to be provided housing through the use of HOPWA for:</b>	
Short-term rent, mortgage, and utility assistance to prevent homelessness of the individual or family	0
Tenant-based rental assistance	0
Units provided in permanent housing facilities developed, leased, or operated with HOPWA funds	0
Units provided in transitional short-term housing facilities developed, leased, or operated with HOPWA funds	0
Total	0

## **AP-75 Barriers to affordable housing – 91.320(i)**

### **Actions it planned to remove or ameliorate the negative effects of public policies that serve as barriers to affordable housing such as land use controls, tax policies affecting land, zoning ordinances, building codes, fees and charges, growth limitations, and policies affecting the return on residential investment**

Some fundamental aspects of the structure of state and local government will continue to pose challenges, as discussed in the section on Barriers to Affordable Housing in the 2015-2019 Consolidated Plan. Massachusetts is a home rule state, and most government activity is localized in its 351 cities and towns, 60 percent of which have fewer than 10,000 residents, including one-third with fewer than 5,000 residents. Many small towns cannot afford to have professional community development and planning staff, and this lack of capacity makes the efficient delivery programs and services challenging. The State establishes uniform building standards and safety codes and establishes the framework for local zoning and subdivision control laws; implementation and enforcement, however, rests with the municipalities. The manner in which localities interpret and exercise them influences what gets built and where. A long and strong tradition of local autonomy also makes it difficult to plan initiatives across the political boundaries of small Massachusetts communities.

To overcome these gaps and challenges, EOHED and DHCD encourage regional cooperation among municipalities and the use of regional and other professional entities to facilitate the administration of programs and to overcome some of the limitations imposed by the small scale of some localities and their governments. DHCD and other state agencies will also continue to provide technical assistance and training for municipal officials to increase local capacity. Chapter 40B of the Massachusetts General Laws, the comprehensive permitting legislation, has historically been an important tool for building affordable housing in communities that do not have at least 10% of the housing stock on the state's Subsidized Housing Inventory. The Office of Sustainable Communities in DHCD offers workshops for municipalities on how to use the Chapter 40B affirmatively to shape affordable housing development, and recent regulatory changes have clarified and strengthened sections of the law.

Restrictive zoning is an issue in many suburban communities. Chapter 40R, the Smart Growth legislation, provides financial incentives to municipalities to zone and plan for affordable housing development. Recently, an Economic Development bill was passed that includes changes to Chapter 40R, including incentivizes the creation of smaller, denser, and more affordable single-family homes by creating a new starter home option.

## **AP-85 Other Actions – 91.320(j)**

### **Introduction**

Dozens of programs and activities are carried out in addition to those covered by 2015-2019 Consolidated Plan and this 2017 Action Plan that support the state's broad housing and community development objectives. Through these programs, the Commonwealth will seek to create and preserve an adequate supply of housing; to expand homeownership; reduce homelessness; ensure that persons with special needs have access to appropriate services and accessible housing; and to enhance the prosperity and economic competitiveness of all regions, compatible with community and environment.

### **Actions planned to address obstacles to meeting underserved needs**

DHCD, through its programs and partnerships, aims to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, gender identity, age, ancestry, familial status, veteran status, or physical or mental impairment. Fair housing is embedded in all the state's housing programs and activities. Massachusetts' fair housing policy is expressed through its Fair Housing Mission Statement and Principles which are included in the Commonwealth's Analysis of Impediments to Fair Housing Choice.

### **Actions planned to foster and maintain affordable housing**

The overarching goal of the Commonwealth's housing and community and development efforts continues to be the provision of broad economic opportunity and a high quality of life for all residents. The 2015-2015 Consolidate Plan objectives reflect that goal. Massachusetts is one of about two dozen states that regularly appropriates funds to support housing and community development activities. The State Legislature provides financing through both the capital and operating budgets. Massachusetts also has an affordable housing trust fund; a low income housing tax credit that piggy-backs onto the federal credits, enabling them to assist more units; and a state historic tax credit, which provides another funding source for affordable housing that is created through adaptive reuse of qualifying structures.

MassHousing, the state's housing development finance agency, provides funding for a variety of rental housing development, home purchase and home repair programs. Other quasi-public and private public purpose agencies that also fund the production and preservation of low and moderate income housing are MassDevelopment, the Massachusetts Housing Investment Corporation (MHIC), the Massachusetts Housing Partnership Fund (MHP), and the Community Economic Development Assistance Corporation (CEDAC). Each of these agencies contributes a specialized expertise in equity placement, lending, and/or technical assistance to support the efforts of the state's sophisticated and dedicated network of for-profit and nonprofit affordable housing developers.

Through years of collaboration with banks, insurance companies and other financial institutions doing business in the state, and bolstered by legislation, Massachusetts has been able to expand the pool of resources available to support affordable housing development and preservation. In addition, most of the state's large cities, and an increasing a number of smaller cities and towns, have dedicated resources to the creation or preservation of affordable housing. Among the mechanisms used are municipal funding, inclusionary zoning, contributions, the Community Preservation Act, and Municipal Affordable Housing Trusts. Private foundations

and nonprofit organizations also provide a significant contribution to housing assistance in Massachusetts.

### **Actions planned to reduce lead-based paint hazards**

The Massachusetts Department of Public Health Childhood Lead Poisoning Prevention Program (MACLPPP) is the lead agency for educating the public about the risks of lead and for ensuring that affected children receive appropriate intervention. The program's actions closely follow or exceed requirements in the HUD Lead-Safe Rule. During the period covered by this plan, the Commonwealth intends to continue its vigorous implementation of the Massachusetts Lead Law and the HUD Lead-Safe Rule, targeting high-risk communities.

### **Actions planned to reduce the number of poverty-level families**

DHCD employs a multi-faceted approach to reducing the number of families living in poverty. The first is providing affordable, stable housing for low-income families. For families leaving the shelter system with an MRVP, DHCD contracts for stabilization services. DHCD is a Moving to Work agency. Through MTW, DHCD has begun to pilot elements of self-sufficiency programs, and intends to expand those in the coming months. Finally, DHCD has begun a concerted effort to encourage the Community Action Agencies that receive Community Services Block Grant (CSBG) funds to offer financial self-sufficiency programs.

### **Actions planned to develop institutional structure**

This Action Plan reflects the continuing cooperative participation of the many state agencies, municipalities, and non-profit housing and service providers whose efforts are essential to its success.

### **Actions planned to enhance coordination between public and private housing and social service agencies**

Implementation of the Action Plan is carried out by dozens of state agencies, departments, and quasi-public entities, working collaboratively with a network of for-profit service providers and developers and the 351 cities and towns of the Commonwealth.

# Program Specific Requirements

## AP-90 Program Specific Requirements – 91.320(k)(1,2,3)

### Introduction

#### Community Development Block Grant Program (CDBG)

##### Reference 24 CFR 91.320(k)(1)

Projects planned with all CDBG funds expected to be available during the year are identified in the Projects Table. The following identifies program income that is available for use that is included in projects to be carried out.

- |  |          |
|--|----------|
| 1. The total amount of program income that will have been received before the start of the next program year and that has not yet been reprogrammed  | 0        |
| 2. The amount of proceeds from section 108 loan guarantees that will be used during the year to address the priority needs and specific objectives identified in the grantee's strategic plan. | 0        |
| 3. The amount of surplus funds from urban renewal settlements  | 0        |
| 4. The amount of any grant funds returned to the line of credit for which the planned use has not been included in a prior statement or plan   | 0        |
| 5. The amount of income from float-funded activities   | 0        |
| <b>Total Program Income:</b>   | <b>0</b> |

#### Other CDBG Requirements

- |   |        |
|---|--------|
| 1. The amount of urgent need activities   | 0      |
| 2. The estimated percentage of CDBG funds that will be used for activities that benefit persons of low and moderate income. Overall Benefit - A consecutive period of one, two or three years may be used to determine that a minimum overall benefit of 70% of CDBG funds is used to benefit persons of low and moderate income. Specify the years covered that include this Annual Action Plan. | 70.00% |

#### HOME Investment Partnership Program (HOME)

##### Reference 24 CFR 91.320(k)(2)

1. A description of other forms of investment being used beyond those identified in Section 92.205 is as follows:

DHCD's forms of HOME investment fall within 92.05.

2. A description of the guidelines that will be used for resale or recapture of HOME funds when used for homebuyer activities as required in 92.254, is as follows:

DHCD does not anticipate awarding new HOME project-based homebuyer funds in the coming program year and has not awarded HOME project-based homebuyer funds for a number of years, as rental projects

continue to be a priority.

3. A description of the guidelines for resale or recapture that ensures the affordability of units acquired with HOME funds? See 24 CFR 92.254(a)(4) are as follows:

N/A

4. Plans for using HOME funds to refinance existing debt secured by multifamily housing that is rehabilitated with HOME funds along with a description of the refinancing guidelines required that will be used under 24 CFR 92.206(b), are as follows:

DHCD HOME funds support rehabilitation and general development costs associated with some preservation projects. HOME funds are not used to refinance other multifamily federal loans.

### **Emergency Solutions Grant (ESG) Reference 24 CFR 91.320(k)(3)**

1. Include written standards for providing ESG assistance (may include as attachment)

Through the procurement process, DHCD established written standards for administering the Emergency Solutions Grant Program (ESG) throughout the Commonwealth by component. These standards work in conjunction with recordkeeping and reporting requirements for each service component which are updated annually by DHCD (see attached).

2. If the Continuum of Care has established centralized or coordinated assessment system that meets HUD requirements, describe that centralized or coordinated assessment system.

The Commonwealth currently has a centralized and coordinated intake system in place for all families who are at imminent risk of becoming homeless, and/or are currently homeless in need of emergency shelter through our Emergency Assistance and HomeBase programs.

CoC's within the Commonwealth are in various stages of establishing a centralized and coordinated assessment system for their respective CoC's. DHCD has determined that for ESG programs to be successful, the programs and services must be part of a larger network of resources. Therefore, to be eligible for ESG funding, subrecipients are required to demonstrate how their program will work with other mainstream organizations and service providers to connect their program participants to available services across the Commonwealth. ESG services are provided in close coordination with other services funded by the Commonwealth, including Rental Assistance for Families in Transition (RAFT) & HomeBase, to ensure that no family is left without the necessary resources to prevent homelessness or receive immediate access to emergency shelter and/or rapid re-housing services. DHCD has further identified the need for connecting families experiencing Domestic Violence with emergency housing services and has made a significant effort to offer shelter and rapid re-housing services to these families.

3. Identify the process for making sub-awards and describe how the ESG allocation available to private nonprofit organizations (including community and faith-based organizations).

After consulting with CoC regarding their needs and priorities for ESG funding, DHCD released a Request for Responses (RFR) for new awards to be issued in FY16 (contract period 4/1/16 – 3/30/17). The RFR allowed awards made through the procurement process to be renewed for up to four additional years. Throughout the contract period, DHCD will continue to consult with each CoC and subrecipient about the needs of their community and their use of ESG funding.

4. If the jurisdiction is unable to meet the homeless participation requirement in 24 CFR 576.405(a), the jurisdiction must specify its plan for reaching out to and consulting with homeless or formerly homeless individuals in considering policies and funding decisions regarding facilities and services funded under ESG.
5. Describe performance standards for evaluating ESG.

In addition to advancing the Housing First philosophy and Rapid Re-Housing model, the Commonwealth has the following goals:

- Reduce the number of homeless households in shelters
- Support capacity of emergency shelters; and
- Strengthen existing Continuum of Care (CoC) activities while increasing ESG coordination between the CoCs, the Commonwealth and state federal and local resources to reduce and homelessness.

All ESG programs are evaluated on a quarterly basis for performance and extensive technical assistance is provided to programs which have demonstrated an inability to meet their projected performance measures. DHCD expects to conduct at least one monitoring visit for each ESG funded program within the contract year to help ensure performance measurements are met and that each ESG program is abiding by the written standards for operating ESG funding.

## Draft FY2017 Action Plan Appendix

- CDBG Action Plan
- ESG Program Specifics
- HOME Program Specifics
- HOPWA Program Specifics
- HTF Allocation Plan

**DRAFT**

# One Year Action Plan

**FY 2017**

## Massachusetts Community Development Block Grant Program



Commonwealth of Massachusetts

Charles D. Baker, Governor

Karyn E. Polito, Lt. Governor

Department of Housing and Community Development

Chrystal Kornegay, Undersecretary

## FY 2017 One Year Action Plan - Preface

The U.S. Department of Housing and Urban Development (HUD) requires the Commonwealth of Massachusetts, and all other Formula Grantees, to prepare a Five Year Consolidated Plan. The state's Consolidated Plan sets forth long term priorities for the use of funds received from HUD's Community Development Block Grant (CDBG), HOME, Emergency Shelter Grant (ESG), and Housing Opportunities for People with AIDS (HOPWA) programs, and from other state and federal sources.

The preparation of this One Year Action Plan has considered and been informed by the development of the FY 2015 - 2019 Five-Year Consolidated Plan. Publication of the draft Massachusetts CDBG One-Year Action Plan takes place in advance of the Five Year Consolidated Plan/Annual Update public participation schedule that incorporates the HOME, ESG, and HOPWA programs. DHCD held informational sessions on CDBG program changes considered for FY 2017 Draft CDBG One Year Action Plan in September 2016, and expects to hold formal public hearings on the annual update to the One Year Action Plan beginning in December 2016.

**MASSACHUSETTS CDBG  
ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2017**

*INTRODUCTION:*

This One Year Action Plan describes the proposed use of Community Development Block Grant (CDBG) funding received by the Commonwealth of Massachusetts. The CDBG Program is a significant source of federal funding administered by the Department of Housing and Community Development, supporting a variety of community development efforts to revitalize our communities, meet the housing and service needs of our low and moderate-income population, build and repair infrastructure vital to the health and safety of residents, and support business development and retention. The One Year Plan addresses the basic features of the state's CDBG program, the applicable federal regulations and requirements governing state and local administration of this program, and the state's policies, administration responsibilities, and description of the program components.

In its administration of CDBG funding, DHCD is committed to:

- Programs and funding that primarily target populations of low- and moderate-incomes, and those with special needs;
- Addressing the most urgent needs and interests of communities;
- Programs and technical assistance designed to facilitate informed decision-making about community development opportunities at the local level, and to encourage self-sufficiency of residents and communities;
- Projects that are consistent with the Commonwealth's Sustainable Development Principles; and
- Sound business practices that ensure the highest standards of public accountability and responsibility.

For FY 2017, DHCD will continue to implement HUD's Outcome Performance Measurement System. The proposed system incorporates the following three Objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. The system directs applicants/grantees to select an Objective coupled with one of the following three Outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities. Therefore, for each proposed activity the applicant will select one of nine Outcome Statements. The proposed system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for consistent reporting to HUD on a national level.

The One Year Action Plan is organized into the following sections:

- SECTION A. Massachusetts CDBG Priorities
- B. Eligible Municipalities
- C. Eligible Projects/Use of CDBG Program Funds
- D. Applicant/Project Threshold Criteria
- E. Allocation of CDBG Funds to the Commonwealth
- F. Availability of CDBG Program Funds
- G. Evaluation Criteria for All Program Components
- H. Program Sanctions
- I. Citizen Participation Requirements for Applicants and Grantees
- J. CDBG Program Components (description)

**A. MASSACHUSETTS CDBG PRIORITIES**

The Community Development Block Grant (CDBG Program) was authorized by Congress, and is funded under Title I of the Housing and Community Development Act of 1974, as amended. The Commonwealth of Massachusetts has designated the Department of Housing and Community Development (DHCD) as the state's administering agency for CDBG funding. The primary objective of the federal statute creating the CDBG Program is: "...to develop viable, urban communities by providing decent housing and suitable living environment and expanding economic opportunities principally for low- and moderate-income persons." DHCD will fund eligible projects designed to meet this objective, and that are consistent with the Commonwealth's sustainable development principles listed in Exhibit 5. DHCD encourages:

- development and preservation of affordable housing;
- proactive and coordinated planning oriented towards both resource protection and sustainable economic activity;
- community revitalization that is integral to community development;
- public social services designed to build economic security and self-sufficiency, address homelessness and workforce development; and
- local participation in community-based planning that assesses needs and identifies strategies for addressing those needs

The Act requires that at least 70 percent of CDBG assistance shall be used to support activities that directly benefit low- and moderate-income citizens of the Commonwealth. In addition, the Massachusetts CDBG Program encourages joint or regional applications so that program funds will be used to benefit a greater number of municipalities.

**B. ELIGIBLE MUNICIPALITIES**

There are 351 municipalities incorporated in Massachusetts. The U.S. Department of Housing and Urban Development (HUD) has designated 37 as CDBG *entitlement* communities; in general, these communities exceed 50,000 in population and receive CDBG funds directly from HUD. Any city or town **not** designated as an entitlement community by HUD may apply for and receive Massachusetts Community Development Block Grant funds. (Refer to Exhibit I for a listing of Massachusetts' entitlement communities.)

**C. ELIGIBLE PROJECTS**

The following projects are eligible for funding under the Massachusetts Community Development Block Grant Program:

- planning;
- housing rehabilitation and creation of affordable housing;
- economic development projects;
- efforts directed toward rehabilitation and stabilization of existing neighborhoods, commercial areas and downtowns;
- infrastructure;
- construction and/or rehabilitation of community facilities; and
- public social services

DHCD will accept applications through two distinct funds. The rules and program guidelines for these are set forth in Section J: PROGRAM COMPONENTS.

## LIMITATIONS ON USE OF PROGRAM FUNDS

- ❖ **Buildings used for the general conduct of government** – Assistance related to buildings used for the general conduct of government is specifically excluded from the program by federal statute, except for the removal of existing architectural barriers to improve access for people with disabilities. Such work is permitted on municipal buildings such as city or town halls, public works structures, public safety buildings, etc.; however the use of CDBG funds is limited to the relevant barrier removal work and directly related and required construction.
- ❖ **Public Social Services**

Public Social Services projects are not eligible as a “stand-alone” application under the Community Development Fund or Mini Entitlement Program.

Public Social Services cannot exceed 20% of a Community Development Fund, or Mini- Entitlement grant. DHCD encourages communities to pursue activities that build economic security and self-sufficiency as well as Public Social Services activities that address homelessness and workforce development. The following are Public Social Services that meet this definition:

- ABE/GED classes
- Domestic Violence Prevention
- Earned Income Tax Credit (EITC) Counseling and Preparation
- Elder Self-Sufficiency
- English for Speakers of Other Languages (ESOL)
- Financial Literacy
- Homebuyer Counseling
- Individual Development Accounts (IDAs)
- Job Training
- Job-Related Childcare Assistance
- Job-Related Transportation Assistance
- Literacy Programs and Training
- Mortgage Foreclosure Prevention Counseling

In describing a requested Public Social Services activity, applicants must demonstrate that the activities have been prioritized at the local level in order to determine the request for services. Such prioritizing must demonstrate an understanding of the needs assessment undertaken by the community’s Community Action Agency and not be inconsistent with such Agency’s assessment of service needs.

Applicants may apply for no more than five Public Social Services activities.

Communities must demonstrate that, in accordance with Section 105(a)(8) of the Housing and Community Development Act, proposed social service activities have not been funded by the community using municipal and/or state funds within 12 months prior to the application.

DHCD will fund public social service projects that are not provided by other state or federal agencies, or are currently provided but are not available to CDBG-eligible residents in the applicant communities.

Applicants proposing projects for the modernization of public housing facilities must provide evidence that the project has been reviewed and approved as it is described in the application by staff of the Bureau of Public Housing and Construction at DHCD.

Planning funds may not be used to plan for public social service programs except as part of a broader community development planning project.

- ❖ **Downtown/commercial target area related projects** – Communities may apply for funds for downtown or commercial district related projects under the Community Development Fund or the Mini Entitlement Program. Such projects may include sign/facade programs and streetscape improvements, or other infrastructure improvements located in a downtown or commercial district delineated in the slums and blight documentation. Communities may also apply through the Community Development Fund and Mini Entitlement Program for funds for rehabilitation or adaptive re-use of mixed-use buildings located in downtown or commercial center areas. Funds may be used for acquisition, demolition, and building rehabilitation activities when clearly linked to economic development and jobs.

DHCD may fund projects that support physical downtown and commercial area revitalization efforts; however, communities may apply to Mass CDBG for downtown/commercial target area related projects in their downtown or commercial target areas only if they have satisfactorily demonstrated to DHCD that the proposed project is located in an area meeting National Objective compliance requirements set forth in the Application Guidance.

CDBG funds **cannot** be used to fund overhead costs or management salaries related to the operation of a downtown organization, nor can they be used for any organizational development for a downtown organization or committee.

- ❖ **15 Year Housing Affordability Term** – In an effort to increase the supply of affordable housing, all projects supporting the creation, preservation, and rehabilitation of rental and owner-occupied housing units must be affordable to low and moderate income households for at least a 15-year period. Rehabilitation assistance for owner-occupied properties must be secured by a mortgage or lien on the subject property that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years – or as long as the loan is outstanding. Rehabilitation assistance for investor-owned properties must be secured by a mortgage or lien, and the affordability requirements must be secured by an **Affordable Housing Restriction** [provided by DHCD] on the subject property that runs with the land, and that includes language restricting rent levels in low and moderate income units for a minimum of fifteen years. “Owner-occupied” is defined as a property of no more than four (4) units, one of which is occupied by the owner. All other properties are considered “investor owned.”

<b><i>D. APPLICANT/PROJECT THRESHOLDS</i></b>
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It is the responsibility of the applicant to ensure adherence to the applicable threshold(s). The following standard threshold criteria (#1 through #7) apply to all applications:

1. **Eligibility** – The project must be eligible as defined in §105(a) of Title 1 of the Housing and Community Development Act, as amended.
2. **National Objective** – Each project must meet one of three federal national objectives as defined below and in federal regulations 24 CFR 570.483:
  - a. benefit a majority of low- and moderate-income persons;
  - b. aid in the prevention or elimination of slums or blight; or

c. meet an urgent condition posing a serious threat to the health and welfare of the community and where other financial resources are not available to meet such needs. This objective is extremely difficult to meet and is generally limited to unexpected events such as natural disasters. Prior approval from Massachusetts CDBG must be obtained to use this national objective.

3. **Timely Expenditure** – Mass CDBG requires that all applicants – including lead applicants and joint participants – who have received grants comply with a timely expenditure threshold in order to apply for FY 2017 programs. If a joint participant has been a lead grantee in a CDBG grant, that community must meet the timely expenditure threshold in order to be included in a joint application. In order to apply for CDBG<sup>1</sup> funding, a community must demonstrate, using the most recent financial status report at the time of application that 100% of all grant funds awarded for fiscal year 2014 and earlier have been fully expended, 80% of funds awarded in FY 2015 have been expended and for funds awarded in FY 2016 all required procedural clearances (environmental review, special conditions and administrative services procurement(s)) have been completed at the time of an application for FY 2017 funds. On a case-by-case basis DHCD reserves the right to waive strict compliance with this threshold for communities based on grant award dates and/or events beyond the control of grantees.

*Active grants* include those for which project activities have yet to be completed and payments are outstanding. All lead applicants and participating applicants must meet this standard. An applicant must meet this threshold requirement at the time of application for all Mass CDBG components. Communities that do not meet this threshold will be eliminated from further Mass CDBG funding consideration. *Unexpended CDBG funds* are defined as funds awarded for eligible Massachusetts CDBG program costs but not expended.

A Mini Entitlement community that cannot meet this threshold may have its award amount reduced based on defined grant limitations.

4. **Displacement of Non-CDBG Funds** – Applicants shall certify in the application that CDBG funds will not be used to displace non-CDBG funds already appropriated by or to the community for a specific project. DHCD will reduce an award, deny a grant, or impose special conditions in a grant contract with that community to assure compliance with this requirement.

5. **Sustainable Development** – In order to receive funding a project or activity must be consistent with the Sustainable Development principles. Additional guidance on this threshold may be found in Exhibit 6. **This threshold does not apply to Public Social Services, business assistance for projects not requiring construction, or projects that eliminate a public health or safety risk.**

In addition, housing rehabilitation programs and public facilities projects are required to use Energy Star building performance standards. Those standards are found at [www.energystar.gov](http://www.energystar.gov). Streetlights installed as part of a road or streetscape improvement project must be “full cut-off” or “semi cut-off” fixtures.

6. **Community-Based Planning Requirement** – The Department supports municipal efforts to engage in community-based planning, conduct needs assessments, and identify strategies for addressing those needs. DHCD seeks to fund projects identified through meaningful, public community-based planning and priority setting processes. Therefore projects must be consistent with community efforts to identify needs and engage in strategic planning for addressing those needs. *This helps to ensure that local needs have been identified and priorities determined in a comprehensive manner, and public resources are directed toward projects that address needs the community has identified as high*

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<sup>1</sup> CDBG includes CDF, Mini-Entitlement, and Reserves, but for the purposes of this calculation excludes CDBG-DR and Section 108 guarantees. Planning-only grants of \$50,000 or less are also excluded from this calculation.

priority. All applicants and participants<sup>2</sup> must have engaged in a community-based planning process and be able to demonstrate project consistency with a Community Development Strategy, (not to exceed seven [7] pages), that must be included in the application.

The Strategy serves to summarize various planning documents used by a community, and to outline a plan of action intended to accomplish specific community development goals that will have an impact on the community. Therefore, each Strategy can reference various planning documents approved by a locally elected or appointed body, or by Town Meeting. The Strategy must also discuss how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.

Each activity included in a Massachusetts CDBG application must relate to and be reflected in the Strategy. The Strategy must explain how the community expects to address the priorities with CDBG and non-CDBG funds over a 3-5 year period.

The Community Development Strategy may reference or incorporate findings of relevant plans and analyses that have been completed and used for decision-making purposes by municipal boards, agencies and departments. Such plans may include but are not limited to EO 418 Community Development Plans, EO 418 housing strategies, Capital Improvement Plans, Master Plans, Downtown Plans, Open Space and Recreation Plans, Area Revitalization Strategies, Urban Renewal Plans, the regional Comprehensive Economic Development Strategy, and a Community Action Statement (CAS). The strategy must be discussed in a public forum, meeting, or hearing held at least (1) month prior to the submission of a Mass CDBG application.

All CDBG applicants must have an approved Community Development Strategy (Strategy) on file with DHCD or must submit a Strategy to DHCD with the FY 2017 application. DHCD has posted a list of currently approved Strategies on its website. Communities on this list do not have to submit a Strategy with the application. If a community has made substantial revisions to the Strategy since it was approved, they must submit the revised strategy along with documentation of the public process as described below.

If a Strategy is found not to be adequate based on the review, DHCD will contact the community to make the necessary corrections.

- a. The CD Strategy must describe the manner in which a community has identified and will accomplish projects and activities which include, but are not limited to, the subject CDBG application.
- b. The CD Strategy must conclude with a list of projects and activities in order of the priority in which the community intends to undertake them, and provide specific goals and annual timelines for accomplishing its goals.

CDBG applications must document that a CD Strategy and its priority list were discussed at a separate public forum, meeting or hearing, held at least one (1) month prior to the submission of a CDBG application in order to allow for timely community input. Compliance with this requirement must be documented by copies of meeting announcements, attendance lists and minutes. Minutes must reflect that the CD Strategy and priority list have been presented and that discussion has occurred. *Communities that are on the approved list have already met this requirement.*

7. **Outcome Performance Measurement System** – HUD issued a Final Notice on March 7, 2006 on its Outcome Performance Measurement System. Through the system HUD will collect information on activities undertaken in the following programs: HOME, CDBG, HOPWA and ESG, and aggregate that data at the national,

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<sup>2</sup>This includes regional applicants.

state, and local level. The outcome measures framework contained herein will satisfy the requirements contained in the HUD notice, along with any revisions adopted by HUD.

The system incorporates the following three objectives set forth in the Housing and Community Development Act of 1974: 1) create suitable living environments, 2) provide decent housing, and 3) create economic opportunities. Beyond that, the system directs applicants/grantees to select from one of the following three outcomes to help define the intent of the activity: 1) availability/accessibility, 2) affordability, and 3) sustainability - promoting livable or viable communities.

Based on the applicant's purpose for undertaking a project or activity, the applicant will determine and state in the application what the intent of the project is with one of the nine Outcome Statements.

The system will not change the nature of the program or its regulations. The Massachusetts CDBG Program currently asks applicants to describe the need the activity addresses, as well as the anticipated impact. This system creates a framework that allows for a consistent reporting to HUD on a national level.

Each outcome category can be connected to each of the overarching statutory objectives, resulting in a total of nine groups of outcomes/objective statements under which the grantees would report the activity or project data to document the results of their activities or projects. Each activity will provide one of the following statements, although sometimes an adjective such as new, improved, or corrective may be appropriate to refine the outcome statement.

- Accessibility for the purpose of creating suitable living environments
- Accessibility for the purpose of providing decent affordable housing
- Accessibility for the purpose of creating economic opportunities
- Affordability for the purpose of creating suitable living environments
- Affordability for the purpose of providing decent affordable housing
- Affordability for the purpose of creating economic opportunities
- Sustainability for the purpose of creating suitable living environments
- Sustainability for the purpose of providing decent affordable housing
- Sustainability for the purpose of creating economic opportunities

In addition, there are certain data elements commonly reported by all programs, although each of the four programs may require different specificity or may not require each element listed below. Grantees will only report the information required for each program, as currently required. No new reporting elements have been imposed for program activities that do not currently collect these data elements. The elements include:

- Amount of money leveraged (from other federal, state, local, and private sources) per activity;
- Number of persons, households, units, or beds assisted, as appropriate;
- Income levels of persons or households by: 30 percent, 50 percent, 60 percent, or 80 percent of area median income, per applicable program requirements. However, if a CDBG activity benefits a target area, that activity will show the total number of persons served and the percentage of low/mod persons served. Note that this requirement is not applicable for economic development activities awarding funding on a "made available basis;"
- Race, ethnicity, and disability (for activities in programs that currently report these data elements)

Finally, grantees will report on several other indicators, required as applicable for each activity type. These will be established in each program component application, and within the grant management system.

HUD will combine the objectives, outcomes, and data reported for the indicators to produce outcome narratives that will be comprehensive and will demonstrate the benefits that result from the expenditure of these federal funds.

8. **Regional Applications** – Each community in a regional application must comply with the same requirements as individual communities in individual applications, in order to participate in a regional grant. For example, each participating community must have a Community Development Strategy that is found to be adequate, the community must have been identified and be part of the required public participation/hearing process and the community must submit all required signatures. Communities that fail to comply will be dropped from consideration as a regional participant and the application will be reviewed on the basis of those communities that have complied with the requirements. As a result, the number of participating communities and/or the dollar amount requested in a regional application may be reduced during the review process.

Additional threshold criteria #9 through #12 apply to specific program applications or types of projects.

9. **Public Benefit Standards** – Economic development projects that are eligible under Title I of the Housing and Community Development Act of 1974, Sections (14), (15) and (17) must meet CDBG standards of underwriting and public benefit. Eligible projects under 105(a)(2) may also be required to meet public benefit standards when undertaken for Economic Development purposes.

10. **Senior Center Projects** – Applicants for Senior Center projects must meet the following threshold requirements to have their applications reviewed and scored:

- (i) provide evidence of site control<sup>3</sup> by the municipality, as attested to by the Mayor or Board of Selectmen,
- (ii) provide documentation of the availability and commitment of any other funds necessary to complete the project, and
- (iii) provide one copy of the bid-ready plans<sup>4</sup> prepared by a licensed architect or engineer, a table of contents for the bid specifications and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready (modular construction may require a lesser standard – see Project Threshold Criteria #12).

CDBG-assisted senior center projects funded in FY 2003 or later may not receive subsequent CDBG assistance for additional construction or reconstruction until five (5) years have passed since the grant closeout date.

11. **ADA Self Evaluation and Survey and Transition Plan and Architectural Barrier Removal** – All municipalities applying for CDBG funds must submit a copy of its ADA Transition Plan or provide a statement that the municipality does not have one. If a municipality does not have a current ADA Transition Plan, it will be

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<sup>3</sup> Evidence of site control may include but is not limited to a deed, long-term lease agreement, purchase and sale agreement, or other contract or legal document.

<sup>4</sup> Bid-ready plans and specifications are those construction documents that constitute a presentation of the complete concept of the work including all major elements of the building and site design. The bid documents shall set forth in detail and prescribe the work to be done by the construction specifications; the materials, workmanship, finishes and equipment required for the architectural, structural, mechanical, electrical and site work; and the necessary solicitation information. Drawings shall include the following: a) Site plan showing the location and type of building; b) Scale plans of the building; c) Wall sections, details, and elevations in sufficient detail to serve as a basis for a construction estimate; d) All other required architectural, civil, structural, mechanical and electrical documents necessary to complete the project.

referred to the Massachusetts Office on Disability (MOD) for execution of an MOU towards development of a Plan.

Regardless of the above requirement, a municipality applying for assistance with an architectural barrier removal (ABR) project must submit a copy of its locally approved Americans with Disabilities Act (ADA) Self Evaluation Survey and Transition Plan. If a municipality does not have an approved Transition Plan, it may not receive funding for an ABR project. The ADA was enacted in 1990 and requires local governments to evaluate for accessibility all of its programs and services that had not previously been reviewed under Section 504 of the Rehabilitation Act of 1973. The Act also required preparation of a Transition Plan for removal of programmatic and structural barriers to its programs and services, and set forth a process for involving the community in the development of the Self Evaluation Survey and Transition Plan. Programmatic removal of barriers must be fully explored before considering CDBG funding for structural barrier removal. Completion of the Transition Plan is a required threshold for Architectural Barrier Removal applications.

It is the responsibility of each community to ensure that its Transition Plan is consistent with federal regulations. A community's request for Mass CDBG funding must be consistent with the priorities set forth in these locally developed documents. Communities may wish to contact the Massachusetts Office on Disability or the U.S. Department of Justice for specific questions regarding the ADA and the Rehabilitation Act of 1973.

Applications for Architectural Barrier Removal projects with a total construction cost of \$100,000 or more require bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready in each copy of the application. Projects less than \$100,000 but more than \$25,000, require design development drawings.

Finally, when used for Architectural Barrier Removal, CDBG funds may be used only for the relevant barrier removal work and directly related and required construction. CDBG funds cannot be used to address building code or local requirements that are not directly part of the removal of the architectural barrier.

12. **Bid-ready Plans and Specifications** - Bid-ready plans and a letter signed by the project architect or engineer attesting to the fact that a complete set of specifications has been prepared and is bid-ready are required for all public facilities and architectural barrier removal projects with a construction cost of \$100,000 or more (see definition in footnote #5). Design development drawings are required for public facilities and architectural barrier removal projects or equivalent site and landscaping plans for Playground/Park projects, with a total construction cost of more than \$25,000 but less than \$100,000.

In addition, DHCD recognizes that this requirement may be problematic for communities considering modular construction projects. To satisfy these concerns, in order to apply for assistance to undertake modular construction a community may instead provide DHCD with a reasonable cost estimate for the project. Detailed backup for the total costs for modular construction projects must include the cost of site preparation, off-site construction of the modular unit, and the cost of delivering and assembling the modular unit including all work necessary - including but not limited to all utility work and sub-trades - to result in the issuance of an occupancy permit. To accomplish this, the community must provide the following: the program for the building; plans, specs, and prices of comparable unit(s) from a manufacturer; evidence of the manufacturer's ability to deliver the unit during the timeframe for construction identified in the grant application; and a site plan.

## ***E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH***

The federal Fiscal Year 2017 HUD allocation to the Commonwealth of Massachusetts is \$29,757,361. DHCD's funds are subject to availability from the federal government, which is contingent on the federal budget and

appropriations process and the HUD allocation process. In addition to the HUD allocation, DHCD expects to receive approximately \$100,000 in program income, for a total of \$29,857,361 available for FY 2017. These funds will be distributed during the program year to eligible cities and towns in accordance with the allocation among program components outlined below.

MA CDBG PROGRAM COMPONENT	FY 2017 ALLOCATION
Community Development Fund	\$19,192,640
Mini-Entitlement Program	\$ 9,075,000
-Section 108 Loan Guarantee*	\$ 10,000,000
Reserves	\$ 250,000
Section 108 Loan Repayments** (No. Adams, Everett)	\$ 347,000
Administration and Technical Assistance	\$ 992,721
<b>TOTAL AVAILABLE</b> (includes anticipated \$29,757,361 allocation plus \$100,000 in program income)	\$29,857,361
*Section 108 Loan Program allocation does not impact the FY 2017 Allocation **Section 108 Loan Repayments are budgeted but not necessarily required. This is an "up to" amount. Amounts not required for repayment to HUD will be reallocated to other components.	

Reallocation of funds among program components: During the year, DHCD may have cause to recapture earlier program year funds from non-performing grantees; or there may be small amounts of program funds from prior years that have yet to be used; or there may be opportunities to recapture program income generated by communities from earlier projects; or there may be extreme demand for one program component; or there may be minimal demand for one component. Funds will be reallocated depending on the timing of other components and the apparent demand for funds or to address emergency situations during the program year. When awarding those funds DHCD will use current program guidelines as established in the most recent One Year Plan. DHCD reserves the right to increase or decrease the allocation of a program component. When these cumulative changes meet the threshold criteria of an amendment, DHCD will follow the process in accordance with the State's Consolidated Plan and regulations at 24 CFR 91.505. DHCD may also have cause to fund from any allocation or resources to respond to corrective actions after program closeouts or as a result of other administrative errors.

**F. AVAILABILITY OF CDBG PROGRAM FUNDS**

All CDBG program funds will be available to eligible grant recipients based on applications for Massachusetts Community Development Block Grant funds and/or Notices of Funding Availability that will be distributed on a regular basis. These documents will make communities aware of the requirements of each particular component and will be available to allow communities adequate time to prepare grant applications for each program.

A single community may receive no more than \$1 million from any combination of federal FY 2017 Community Development Fund or Mini-Entitlement grant funds.

Additionally, a single community may receive no more than \$1.35 million from the Community Development Fund within two successive years.

Listed below are application distribution dates for each program and the corresponding due dates. A Notice of Availability of Funds will be issued, as appropriate, prior to release of each Application subject to the availability of federal funds.

Program Components <sup>5</sup>	Application Issued	FY 2017 Applications Due
Community Development	December 2016	Friday, March 10, 2017
Mini Entitlement Program	December 2016	Friday, March 10, 2017

***G. EVALUATION CRITERIA APPLICABLE TO ALL CDBG PROGRAMS***

DHCD reserves the right to incorporate any or all of the following Evaluation, Regulatory and Performance criteria in its award decisions:

**Evaluation:**

- solicit and verify information from any local, state or federal agencies and other entities, and based on that information, reduce, increase or deny an award to a community.
- conduct site visits for any proposed CDBG project or solicit additional information from applicants in order to confirm or clarify factual or procedural responses to application requirements such as copies of legal advertisements, minutes, survey instruments, letters, etc. Acceptance of these materials is subject to DHCD’s satisfaction that the omitted material was in existence at the time of application and submission of the requested documents within a specified timeframe. Additional information regarding responses to competitive questions will not be accepted.
- reduce or increase an award to a community to assure that a grant budget is reasonable.
- fund, fully or partially, a project from other state resources.
- reduce or deny a grant, or place special conditions on a grant, based on the management capacity of the municipality or the current or proposed administering agency.
- Reduce an award to a community with an uncommitted program income balance of \$100,000 or more. Program income balances must be documented through submission of bank statements. The program income account balance in DHCD’s Grant Management System must be maintained to match the bank program income account statement balances. Program income commitments must be documented through submission of award or commitment letters, appropriation language or other evidence deemed suitable by

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<sup>5</sup> The FY 2017 applications will be operative upon their release. Actual release of funds is contingent on HUD approval of the state’s One Year Plan, and will be dictated by the date the state receives HUD approval on its Plan.

DHCD including signed contracts. Making program income funds available as part of a contingency plan will not be considered a commitment of those funds. Upon award, grantees must add the committed program income funds to the cited grant activity(ies) through the grant amendment process.

- resolve tie scores in a competitive fund by applying the criteria below in the following order:
  1. An application from the community or region with the higher Community-Wide Needs score will be funded;
  2. Applications for projects that increase the community's supply of affordable housing units;
  3. Regional applications;
  4. Applications for housing and/or economic development projects that are consistent with the goals of the Administration; and
  5. If scores remain tied after the application of steps #1 through 4, DHCD will conduct a lottery at which a representative from HUD will be present.

#### Regulatory:

- ensure that at least 70 percent of CDBG assistance, as per federal statute, is used to support projects that directly benefit low- and moderate-income persons of the Commonwealth.
- ensure that no more than 15 percent of the FY 2017 Massachusetts CDBG allocation is for public social service activities as per federal regulation.
- deny a grant, or a portion thereof, to ensure that no more than 20 percent of the FY 2017 Massachusetts CDBG allocation is for planning and administration as per federal regulation.
- not review an application unless signed by the municipality's Chief Elected Official.

#### Performance:

- reduce an award to a community with an uncommitted program income balance of \$100,000 or more.
- reduce an award, deny a grant, or impose special conditions on a community with prior year grants with a low rate of committed or expended dollars. This includes reductions in awards for projects funded in previous rounds for which unexpended funds remain.
- reduce an award, deny a grant, or impose special conditions on a community with outstanding, major findings that are unresolved at the time application decisions are being made; or which have otherwise had a history of significant, repeat findings. These findings could have resulted from any grant program offered by DHCD.

*Major findings* means non-compliance with a statutory requirement which, if not satisfactorily resolved by the community, would require that the federal funds be repaid by the municipality, or result in other serious sanctions.

*History of significant, repeat findings* means non-compliance with statutory or regulatory requirements in more than one grant cycle, where the community may have resolved those findings but with an unacceptably slow response.

- consider the past performance in the management of state grants, including but not limited to CDBG, by the applicant community and its administering agency or project sponsor, including continuing prior performance issues such as the number of program extension requests, program amendments and requests to re-program past grant funds due to inability to complete the originally awarded activities.

### Awarding of Grants

Based on the scores produced through the review process, grant award recommendations are made to the Undersecretary of DHCD, whose decision is final. In the competitive program, grants are awarded for projects to municipalities that received the highest project scores and which meet applicable thresholds until all available funds are distributed. DHCD reserves the right to award a grant in whole or in part, or to reject any and all proposals received.

### Grievance Procedure

Within forty-five (45) days of the date of the Undersecretary's written notice of grant determinations to applicant cities and towns, any municipality aggrieved by DHCD's decision may challenge the denial of its grant by submitting a letter of appeal from the Chief Elected Official of the municipality to the Undersecretary, who shall respond no later than forty-five (45) days from the date of receipt of the municipality's appeal.

<i>H. PROGRAM SANCTIONS</i>
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DHCD reserves the right to suspend or terminate grant awards made to eligible communities should there be instances of fraud, abuse, poor performance, misrepresentation, or extreme mismanagement, or in the event a grantee is unable to carry out a project as approved in an application. Communities should be aware that in the event that a project budget is found to be inadequate to fully implement the project as approved, DHCD reserves the right to review and approve any change in project scope to make a project fundable and may opt for recapturing the funds instead of authorizing a project with a reduced scope of work. In addition, if excess funds remain from an activity, either due to budgetary reasons or because of less demand for the activity than projected, the community must return the funds or request DHCD approval to reprogram the awarded funds.

DHCD's preference is to approve reprogramming for the following purposes and in the following order:

- Funds will be used for eligible housing activities
- Other existing activities.

If the excess funds cannot be used consistent with these preferences, DHCD will require a detailed request describing the reprogramming and may require that the funds be returned. Requests to reprogram funds should be submitted in a timely manner. DHCD will not be inclined to extend grants beyond a two year period.

The community staff and Chief Elected Officials will have the opportunity to discuss possible sanctions prior to any formal action. If formal sanctions are recommended, grantees will be provided a full opportunity to appeal such decisions to the Undersecretary of DHCD before any final action is taken.

All program funds recaptured through the sanctions process will be re-programmed consistent with the procedures in (E) *Allocation of CDBG Funds* and (J) *CDBG Program Components*. Based on the significance of the issues involved in any such determination, DHCD may suspend, for a period of up to three (3) years or until final

resolution is achieved, a community's eligibility to participate in any Massachusetts CDBG component. Such action will only be taken in extreme circumstances and only after all alternatives have been exhausted.

### ***I. CITIZEN PARTICIPATION REQUIREMENTS FOR APPLICANTS AND GRANTEES***

All applicants for funding under the FY 2017 Massachusetts CDBG Program must comply with the citizen participation requirements contained in Section 508 of the Housing and Community Development Act of 1987. DHCD expects citizen involvement in the identification of community development needs, the development of applications, program assessment and evaluation. Communities must include in their Massachusetts CDBG application a local citizen participation plan detailing how the community will provide:

1. citizen participation, with particular emphasis on participation by persons of low- and moderate-income, residents of slums and blighted areas and of areas in the state where CDBG funds are proposed to be used, particularly residents of a proposed target area;
2. reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, and relating to the actual use of funds;
3. information on the amount of state CDBG funds available during the year; the range of eligible CDBG activities; and how activities will benefit low- and moderate-income persons;
4. technical assistance to groups representative of persons of low- and moderate-income that request such assistance in developing proposals;
5. a **minimum of 2 public hearings**, each at a different stage of the program (development and implementation), to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at *a minimum* (a) the development of needs, (b) the review of proposed activities, and (c) review of program performance. These hearings shall be held after adequate notice, at times and accessible locations convenient to potential or actual beneficiaries, and with accommodations for persons with disabilities. In cases of joint applications, all applicant communities must be included in and participate in the public hearing. At least one public hearing must be held prior to submittal of an application; a second must be held during the course of the grant year;
6. a timely written answer to written complaints and grievances, within 15 working days of receipt where practical; and
7. the plan must also identify how all residents and beneficiaries, including minorities and non-English speaking persons, as well as persons with disabilities can be reasonably expected to participate in the program in general, and at public hearings in particular

### ***J. CDBG PROGRAM COMPONENTS***

This section briefly describes the components of the Massachusetts CDBG Program. Each program component description includes eligible uses, grant award amounts, and evaluation and award criteria. In the event of conflicting language, this One Year Action Plan takes precedence over language in all program component applications. The program components are:

1. Community Development Fund
2. Mini-Entitlement Program
3. Reserves
4. Administration and Technical Assistance by DHCD

➤ All applications To MA CDBG are submitted online and will only be accepted using DHCD’s web-based system. Further details and training information will be available as application materials and details are released.

## 1. COMMUNITY DEVELOPMENT FUND

### Program Description

The Community Development Fund (CDF) awards grants to communities throughout the Commonwealth. This program helps eligible cities and towns to meet a broad range of community development needs in housing, infrastructure, downtown revitalization, economic development and public social services. It supports CDBG-eligible activities and encourages applicants to develop coordinated, integrated and creative solutions to local problems. The CDF is available to all communities and will make all CDBG eligible activities available.

In federal FY 2017 DHCD expects to award approximately \$19,192,640 in CDF grant funds.

### Grant Award Amounts

Applicants for a CDBG grant will be eligible to receive up to the following amounts based on the type of application submitted:

Category	Minimum Grant from Competitive Round:	Maximum Grant from Competitive Round:
Single Community	\$ 100,000	\$ 800,000
Two Communities (Regional)	\$ 100,000	\$1,000,000
Three or More Communities (Regional)	\$ 100,000	\$1,300,000
Planning- or Design-only grants	\$ 10,000	/////

### Requirements:

1. CDF grants are **Single Year Grants** based on an 18-month implementation period. Communities should not apply for funds if the proposed project is not ready to proceed.
2. Two or more communities may apply **regionally**. *"Regional" is not limited to geographically contiguous cities and towns.* In order to comply with federal requirements governing such applications, each participating community would:
  - enter into an inter-local agreement that will allow a lead community to conduct grant activities within other communities;
  - sign the application certifications stating compliance with program regulations; and
  - demonstrate in the application how the requested funds will be allocated among all participants.

Each participating community in a regional application must have a locally approved Community Development Strategy, and all projects in the application must be consistent with those documents.

3. A community may apply in either one individual CDF application or in one regional application (including as a lead applicant), or in one of each. In addition, a municipality may not receive funds for the same activity under more than one CDF application during any one Mass CDBG federal fiscal year.
4. All CDBG applications must be received by DHCD's web-based application system by **Friday, March 10, 2017, at 11:59 PM**. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, March 10, 2017.

## Evaluation and Award Criteria

Application review and awards will be governed by the criteria and procedures as described above (Sections A through I), and the following criteria, process rules and special requirements. Additional detail on evaluation criteria and the review process will be in the FY 2017 Community Development Fund Application Package.

Each criterion is described below. Please be advised that applicants must meet a minimum threshold for **Project Feasibility -- i.e., each project must appear to be feasible to undertake and complete in the 18-month grant period, or the other criteria will not be scored**. Projects must demonstrate financial feasibility, including adequate sources available for all costs based on reasonable cost estimates and financial need. Sources and uses of funds are limited to actual documented cash/expenditures specific to the proposed project. Proposals must also demonstrate site control, major permit approval, and other information that demonstrates the project is feasible and ready to go forward upon grant award. All projects must also meet threshold consistency with the Sustainable Development Principles.

**Project Need** - requires applicants to document and describe the particular needs that will be addressed by each proposed project and the severity of those needs. Project Need will be evaluated based on the documented severity of need and the impact the project will have on those needs.

**Project Feasibility** - requires applicants to document and describe an understanding of the permitting and project management tasks necessary for the project, the procurement processes required of the project, the status of design and site control, the availability of all necessary funds and the readiness of the project to proceed, including completeness of environmental review requirements, and completeness and reasonableness of timeline. Project Feasibility will be evaluated on the applicant's ability to demonstrate the overall readiness of the project, management capacity and the ability of the applicant to complete the project within the 18-month grant implementation period.

## 3. MINI-ENTITLEMENT PROGRAM

### Program Description

Municipalities were selected to be Mini-Entitlement communities if they met the three following criteria: (1) Community Wide Needs Score over 28; (2) a poverty rate higher than the state average of 7.7% and (3) population over 12,000. This program helps larger non-entitlement urban communities with the highest needs improve conditions for their low- and moderate-income residents through comprehensive planning and predictable funding. Through this program, identified cities and towns can meet a broad range of community development needs in housing, business development, physical development, downtown revitalization, and public social services. It supports all CDBG-eligible activities and encourages applicants to develop comprehensive, creative solutions to local problems.

DHCD expects to award up to \$9,075,000 from the FY 2017 Mini-Entitlement Program allocation to eleven (11) designated Mini-Entitlement municipalities, listed below:

Amherst	North Adams
Chelsea	Southbridge
Dennis	Wareham
Everett	Webster
Gardner	West Springfield
Greenfield	

DHCD requires Mini Entitlement communities to approach CDBG projects in a comprehensive and integrated manner and is directing these communities to target their CDBG funds to particular geographic areas in order to impact and effect change within neighborhoods. Housing Rehabilitation programs may be designed to allow up to 20% of the funds to be used for emergency purposes outside the target area.

DHCD will offer technical assistance to Mini-Entitlement communities, including planning, priority setting, and project evaluation and development.

DHCD will reevaluate the Mini Entitlement Program for FY 2018.

### **Grant Award Amounts and Requirements**

Mini Entitlement communities are eligible for an award of \$600,000 to \$825,000 based upon performance. Mini-Entitlement applications will contain an 18-month implementation and cash flow plan. Mini-entitlement grantees must comply with standards for timely expenditure and available program income (see Applicant/Project Thresholds above). FY 2017 Mini-entitlement awards to Grantees that do not meet the required standards will be reduced by an amount necessary to bring the grantee into compliance.

### **Evaluation and Award Criteria**

The following requirements apply to the Mini-Entitlement Program:

1. In accordance with the Massachusetts CDBG Priorities listed in Section A, DHCD seeks to fund projects identified through meaningful community-based planning and priority setting processes as described in SECTION D. 6. Each Mini-Entitlement grantee must submit a Community Development Strategy. Community Development Strategies must also include how the community will plan for and implement projects that are consistent with the Commonwealth's Sustainable Development Principles.
2. Activity packets must be completed, but will not be competitively scored. All FY 2017 Mini-Entitlement applications must describe how CDBG funds will be allocated; include goals and performance measures for each activity; demonstrate compliance with a federal national objective and all federal/state requirements; and provide a management plan. The project packets will be reviewed for compliance with these evaluation criteria.
3. Mini-Entitlement applicants may however, propose projects, subject to DHCD approval, that do not meet the plans and specifications requirements of SECTION D. 11 and 12.

4. All activities that are eligible under Section 105(a) of Title I of the Housing and Community Development Act of 1974, as amended, will be considered for funding with the exception of organizational activities of downtown partnerships.
5. Mini-Entitlement communities may not join with other communities as joint applicants.

All Mini-Entitlement applications must be received by DHCD's web-based application system by **Friday, March 10, 2017**, at 11:59 PM. However, one hard copy of the required Application Cover page, and the Joint Authorization page, with original signatures of the appropriate Chief Elected Official(s) must be received by 5:00 PM or the close of business, whichever is later, on Friday, March 10, 2017.

### 3. SECTION 108 LOAN GUARANTEES

Section 108 Loan Guarantees allow eligible communities to access federal loan funds for the purpose of aiding revenue-producing development activities. The Massachusetts program provides communities with a source of loan financing for a specific range of community and economic development activities. Funding is provided to the community to loan to a business or other entity. The Commonwealth guarantees repayment of the HUD loan, and pledges its future CDBG allocation as collateral. Actual funding will be provided through the sale of notes by the federal Department of Housing and Urban Development.

Loan Guarantees will be available to support the rehabilitation of, or conversion to, mixed-use or investor owner-residential buildings (5 or more units) located in downtown or commercial center areas. Residential projects should include mixed-income, affordable and market rate units. Housing unit rehabilitation will be limited to a maximum per unit CDBG cost of \$125,000. The entire building façade must be appropriately addressed, regardless of the portions of the building assisted. Section 108 loan assistance of \$1 million to \$5 million will be available for residential or mixed-use projects meeting these qualifications. For most housing project components, Section 108 loan funds plus all federal and state grants combined shall not exceed 75 percent of total actual project costs. Section 108 loans may also assist public facilities/infrastructure improvements that generate sufficient revenues and support downtown mixed-use or investor-owned, mixed-income residential projects.

Assistance to non-profit organizations for public services, capitalization of loan funds or business technical assistance, or direct assistance to individual businesses or other entities will also not be considered in Section 108.

This year the Commonwealth will pledge up to \$10 million in future CDBG allocations in support of these eligible activities.

#### Grant Award Amounts and Requirements

- The minimum award is \$1,000,000 and the maximum is \$5 million. The loan amount will not be included in the \$1 million annual limit that grantees may receive from the Commonwealth's annual CDBG allocation.
- In general, awards from the Section 108 Loan cannot exceed 40% of the total project costs. However, DHCD will consider guaranteeing public infrastructure projects to a percentage greater than 40% on a case by case basis;
- Privately owned, non-residential real estate activities where the scope exceeds exterior façade improvements must be undertaken as economic development activities and must meet CDBG underwriting criteria. These criteria limit assistance to gap financing, which may be less than the 40% program limit;

- All Section 108 applications must include evidence that the proposed project needs grant assistance to be feasible;
- DHCD is willing to consider phased projects, with the caveat that the time frame for full implementation is a maximum of five years or less;
- DHCD or HUD may disapprove applications, or approve a reduced guarantee or approve the request with conditions, such as but not limited to additional collateral and guarantees depending on the structure of the proposal; and
- Depending on the nature of the project, the community may be required to pledge its full faith and credit.

### Evaluation and Award Criteria for Section 108 Applications

*Applicants must contact DHCD prior to submission of an application.* A two-stage process for evaluating potential applications is in effect, consisting of a preliminary screening and a formal application. DHCD staff will provide information on the evaluation and review process at the appropriate time. Applications will be reviewed on a first come, first served basis, provided that threshold criteria are met and funds are available.

Successful applicants will receive a loan from HUD, but the Commonwealth guarantees the repayment of the loan. The Commonwealth pledges its future CDBG grant funds to repay the federal government should a non-entitlement recipient of a Section 108 Loan default. DHCD will not pledge other collateral of the Commonwealth in support of proposals. Any additional security required by HUD must come from another source.

Project applications must meet all applicable criteria outlined for EDF community grants. However, the format of any final loan application will be determined by HUD.

### Active Section 108 Loan Activities

Everett – \$1 million Section 108 loan for roadwork (right-of-way & construction) for the Norman St./Internet Dr. intersection and entryway into the Rivers Edge (previously Telecom City) project area. The debt service for years 1-8 (FY 2007 – 2014) is funded with a \$1.2 million Brownfield’s Economic Development Initiative (BEDI) grant.

North Adams - Massachusetts Museum of Contemporary Art (MASS MoCA): Approximate \$4.3 million loan to partially fund real estate development by the non-profit museum foundation. The \$13 million project involved rehabilitation of two buildings. This project was Phase II of the City and MASS MoCA’s revitalization plan for one of North Adams’ most distressed neighborhoods.

### Loan Default

In the event of loan default, DHCD must be prepared to repay the Section 108 loans to HUD out of the Commonwealth’s annual CDBG allocation. In addition to a pledge of future CDBG funds, collateral is provided from other sources. The possibility exists, however, that the loan defaults and will need to be repaid from the annual allocation. In FY 2017 the potential liability, or repayment total, could be up to \$347,000 in the event of loan default.

If the loans do not default, or if there is default but the collateral is sufficient to cover the loan repayment (or a portion thereof), then DHCD will reallocate the budgeted default amount among other program components.

Please note that DHCD and HUD scrutinize Section 108 projects very carefully since any loan defaults are guaranteed by future CDBG funds and therefore could significantly affect availability of funds in future years.

## 6. RESERVES

An initial allocation of \$250,000 will be available for the Reserves component. Consistent with *Section E. ALLOCATION OF CDBG FUNDS TO THE COMMONWEALTH*, funds may be recaptured by or returned to DHCD at any time during the program year, or reallocated to and from program components including the Reserves component. This may result in an increase or decrease to the initial allocation.

On occasion applications, or portions thereof, that were not funded during a competitive process, including direct technical assistance to eligible communities, may be considered by the Undersecretary of DHCD to be particularly worthy, innovative, or address an overarching local, regional, or statewide need. Such projects may be funded through the Reserves.

Funds may also be made available for projects throughout the program year that are consistent with Massachusetts' CDBG priorities, as outlined in *Section A.*, particularly those that address the Administration's goal of developing and/or preserving affordable workforce housing opportunities.

The application materials for Reserves will provide guidance to potential grantees on how to structure their applications. The Department's interest in providing Reserves funding for projects will be determined by a review of the proposed project to determine consistency with the goals and priorities cited above and that the activity is eligible, feasible and ready to proceed. Once complete, applications will be funded in the order in which they are received.

All Projects funded under Reserves must meet, at a minimum, CDBG national objective and eligibility requirements, applicable rules and regulations, and project feasibility thresholds. Please contact Louis Martin, Associate Director of the Division of Community Services, at 617 573-1402 with any inquiries about Reserves.

## 7. ADMINISTRATION AND TECHNICAL ASSISTANCE BY DHCD

The Commonwealth of Massachusetts uses CDBG funds for administrative costs incurred by DHCD during the operation of the Massachusetts CDBG Program. As allowed by federal statute, this amount will equal two percent (2%) of the entire annual grant allocation, plus \$100,000.

An additional one percent (1%) of the allocation will be used for direct technical assistance to eligible municipalities for guidance relating to housing, economic development, including downtown revitalization, community development strategy and plan preparation and use, technical assistance training for non-entitlement communities, fair housing training, and additional assistance determined necessary during the program year.

During this fiscal year DHCD will continue to support and upgrade its software and reporting systems. Technical assistance will be available to communities for downtown revitalization planning activities.

In addition, two percent (2%) of program income generated by state CDBG grantees shall be returned to the Mass CDBG Program on a bi-annual basis.

## ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2017

### EXHIBITS

1. LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS
2. MUNICIPALITIES NOT ELIGIBLE TO APPLY TO COMMUNITY DEVELOPMENT FUND (CDF) IN FY 2017
3. COMMUNITY WIDE NEEDS SCORES AND PROGRAM ELIGIBILITY
4. COMMUNITY-WIDE NEEDS INDICATORS
5. SUSTAINABLE DEVELOPMENT PRINCIPLES
6. GUIDANCE ON MEETING THE SUSTAINABLE DEVELOPMENT THRESHOLD
7. MASSACHUSETTS FAIR HOUSING MISSION STATEMENT AND PRINCIPLES

EXHIBIT 1

LIST OF ENTITLEMENT COMMUNITIES IN MASSACHUSETTS  
as of Federal Fiscal Year 2017

ARLINGTON	MALDEN
ATTLEBORO	MEDFORD
BARNSTABLE	NEW BEDFORD
BOSTON	NEWTON
BROCKTON	NORTHAMPTON
BROOKLINE	PEABODY
CAMBRIDGE	PITTSFIELD
CHICOPEE	PLYMOUTH
FALL RIVER	QUINCY
FITCHBURG	REVERE
FRAMINGHAM	SALEM
GLOUCESTER	SOMERVILLE
HAVERHILL	SPRINGFIELD
HOLYOKE	TAUNTON
LAWRENCE	WALTHAM
LEOMINSTER	WESTFIELD
LOWELL	WEYMOUTH
LYNN	WORCESTER
	YARMOUTH

EXHIBIT 2

MUNICIPAL ELIGIBILITY TO APPLY FOR CDBG PROGRAM FUNDS IN FY 2017

Based on the FY 2016 One Year Action Plan, a single Community Development Fund I community may receive no more than \$1.35 million from two successive years. Economic Development Fund and Reserves awards are not subject to the \$1.35 million cap per community.

As a result, FY 2017 award limits apply to the following FY 2016 grantees, in the following amounts:

Amesbury - \$639,297	Oak Bluffs - \$960,650
Athol - \$756,978	Palmer - \$542,138
Buckland - \$600,669	Rowe - \$971,134
Clinton - \$600,365	Sheffield - \$834,000
Fairhaven - \$654,449	Ware - \$464,948
Hardwick - \$468,112	Warren - \$909,878
Huntington - \$384,414	Winchendon - \$557,336
Methuen - \$537,175	
Montague - \$533,737	

Based on the FY 2016 One Year Action Plan, a Community Development Fund II community that receives an award from the Community Development Fund is precluded from applying to the CDBG Program for the following federal fiscal year, except that a community previously awarded funds solely for an architectural/engineering design or planning project may apply in the next federal fiscal year for funding to implement the project. However, the maximum grant award for implementation will be reduced by the amount of the previous design or planning grant.

DHCD has identified the following communities as ineligible applicants (except as noted) for Federal Fiscal Year 2017; each may apply again in the fiscal year noted in parentheses:

Abington	(2018)	Rockland	(2018)
Easthampton	(2018)	Southwick	(2018)
Gill	(2018)	Westhampton	(2018)
Granville	(2018)	Whitman	(2018)
Merrimac	(2018)		

EXHIBIT 3

PROGRAM ELIGIBILITY AND COMMUNITY-WIDE NEEDS SCORES

City/Town	FY17 CWN Score			FY17 Mini-Entitlement
Abington town	21			
Acton town	17			
Acushnet town	21			
Adams town	31			
Agawam town	23			
Alford town	15			
Amesbury town	25			
Amherst town	29			X
Andover town	13			
Aquinnah	28			
Ashburnham town	25			
Ashby town	25			
Ashfield town	27			
Ashland town	17			
Athol town	29			
Auburn town	21			
Avon town	28			
Ayer town	27			
Barre town	18			
Becket town	31			
Bedford town	21			
Belchertown town	18			
Bellingham town	23			
Belmont town	19			
Berkley town	20			
Berlin town	20			
Bernardston town	31			
Beverly city	25			
Billerica town	20			
Blackstone town	25			
Blandford town	19			
Bolton town	15			

Bourne town	25			
Boxborough town	15			
Boxford town	14			
Boylston town	15			
Braintree town	20			
Brewster town	25			
Bridgewater town	18			
Brimfield town	21			
Brookfield town	24			
Buckland town	28			
Burlington town	21			
Canton town	20			
Carlisle town	11			
Carver town	21			
Charlemont town	29			
Charlton town	16			
Chatham town	25			
Chelmsford town	18			
Chelsea city	32			X
Cheshire town	26			
Chester town	26			
Chesterfield town	29			
Chilmark town	24			
Clarksburg town	28			
Clinton town	26			
Cohasset town	14			
Colrain town	28			
Concord town	13			
Conway town	16			
Cummington town	32			
Dalton town	29			
Danvers town	20			
Dartmouth town	21			
Dedham town	22			
Deerfield town	23			
Dennis town	31			X
Dighton town	20			
Douglas town	15			

Dover town	12			
Dracut town	18			
Dudley town	22			
Dunstable town	12			
Duxbury town	14			
East Bridgewater town	21			
East Brookfield town	26			
East Longmeadow town	18			
Eastham town	27			
Easthampton town	21			
Easton town	19			
Edgartown town	32			
Egremont town	30			
Erving town	30			
Essex town	23			
Everett city	35			X
Fairhaven town	26			
Falmouth town	25			
Florida town	29			
Foxborough town	18			
Franklin town	18			
Freetown town	14			
Gardner city	29			X
Georgetown town	12			
Gill town	23			
Goshen town	28			
Gosnold town	34			
Grafton town	20			
Granby town	18			
Granville town	19			
Great Barrington town	31			
Greenfield town	29			X
Groton town	12			
Groveland town	18			
Hadley town	21			
Halifax town	24			
Hamilton town	23			
Hampden town	18			

Hancock town	20			
Hanover town	14			
Hanson town	18			
Hardwick town	28			
Harvard town	13			
Harwich town	28			
Hatfield town	23			
Hawley town	23			
Heath town	30			
Hingham town	18			
Hinsdale town	29			
Holbrook town	26			
Holden town	18			
Holland town	21			
Holliston town	13			
Hopedale town	18			
Hopkinton town	12			
Hubbardston town	21			
Hudson town	24			
Hull town	26			
Huntington town	30			
Ipswich town	20			
Kingston town	25			
Lakeville town	14			
Lancaster town	19			
Lanesborough town	20			
Lee town	31			
Leicester town	18			
Lenox town	22			
Leverett town	28			
Lexington town	14			
Leyden town	22			
Lincoln town	19			
Littleton town	14			
Longmeadow town	18			
Ludlow town	24			
Lunenburg town	18			
Lynnfield town	20			

Manchester town	18			
Mansfield town	18			
Marblehead town	20			
Marion town	15			
Marlborough city	24			
Marshfield town	19			
Mashpee town	28			
Mattapoissett town	22			
Maynard town	22			
Medfield town	13			
Medway town	14			
Melrose city	19			
Mendon town	13			
Merrimac town	18			
Methuen town	25			
Middleborough town	25			
Middlefield town	26			
Middleton town	19			
Milford town	25			
Millbury town	23			
Millis town	19			
Millville town	26			
Milton town	19			
Monroe town	32			
Monson town	22			
Montague town	32			
Monterey town	30			
Montgomery town	21			
Mount Washington town	20			
Nahant town	21			
Nantucket town	27			
Natick town	18			
Needham town	13			
New Ashford town	20			
New Braintree town	18			
New Marlborough town	32			
New Salem town	27			
Newbury town	20			

Newburyport city	20			
Norfolk town	13			
North Adams city	31			X
North Andover town	19			
North Attleborough town	19			
North Brookfield town	22			
North Reading town	16			
Northborough town	13			
Northbridge town	22			
Northfield town	20			
Norton town	19			
Norwell town	19			
Norwood town	23			
Oak Bluffs town	33			
Oakham town	18			
Orange town	28			
Orleans town	30			
Otis town	27			
Oxford town	19			
Palmer town	29			
Paxton town	16			
Pelham town	18			
Pembroke town	19			
Pepperell town	16			
Peru town	29			
Petersham town	27			
Phillipston town	24			
Plainfield town	33			
Plainville town	18			
Plympton town	20			
Princeton town	18			
Provincetown town	34			
Randolph town	25			
Raynham town	20			
Reading town	14			
Rehoboth town	16			
Richmond town	16			
Rochester town	18			

Rockland town	25			
Rockport town	26			
Rowe town	29			
Rowley town	23			
Royalston town	28			
Russell town	28			
Rutland town	18			
Salisbury town	24			
Sandisfield town	25			
Sandwich town	20			
Saugus town	24			
Savoy town	29			
Scituate town	20			
Seekonk town	21			
Sharon town	12			
Sheffield town	31			
Shelburne town	27			
Sherborn town	14			
Shirley town	30			
Shrewsbury town	16			
Shutesbury town	24			
Somerset town	22			
South Hadley town	23			
Southampton town	16			
Southborough town	12			
Southbridge town	32			X
Southwick town	23			
Spencer town	25			
Sterling town	13			
Stockbridge town	32			
Stoneham town	20			
Stoughton town	23			
Stow town	14			
Sturbridge town	16			
Sudbury town	11			
Sunderland town	25			
Sutton town	13			
Swampscott town	21			

Swansea town	19			
Templeton town	22			
Tewksbury town	19			
Tisbury town	29			
Tolland town	21			
Topsfield town	13			
Townsend town	22			
Truro town	27			
Tyngsborough town	18			
Tyringham town	17			
Upton town	20			
Uxbridge town	19			
Wakefield town	18			
Wales town	25			
Walpole town	19			
Ware town	30			
Wareham town	31			X
Warren town	28			
Warwick town	27			
Washington town	24			
Watertown town	25			
Wayland town	14			
Webster town	29			X
Wellesley town	14			
Wellfleet town	25			
Wendell town	31			
Wenham town	18			
West Boylston town	19			
West Bridgewater town	21			
West Brookfield town	18			
West Newbury town	13			
West Springfield town	29			X
West Stockbridge town	20			
West Tisbury town	26			
Westborough town	14			
Westford town	11			
Westhampton town	20			
Westminster town	24			

Weston town	13			
Westport town	17			
Westwood town	15			
Whately town	23			
Whitman town	19			
Wilbraham town	18			
Williamsburg town	21			
Williamstown town	24			
Wilmington town	19			
Winchendon town	27			
Winchester town	14			
Windsor town	21			
Winthrop town	26			
Woburn city	25			
Worthington town	27			
Wrentham town	19			

EXHIBIT 4

COMMUNITY-WIDE NEEDS INDICATORS

MUNICIPALITY: COUNTY:	2000(06)		Maximum Possible Points	Score
	Raw Number	Percent		
<b>A. INDIVIDUAL FACTORS</b>				
			<b>21.0</b>	<b>0.00</b>
Low/moderate income persons (American Community Survey 2006-2010: 0).....	0	0.0	17.5	0.00
Unemployment rate (average annual 2013) .....	0	0.0	3.5	0.00
<b>B. COMMUNITY FACTORS</b>				
			<b>14</b>	<b>0.00</b>
% households w/housing cost burden>=30% of household income (US Census, American Community Survey (ACS) 2010 five-year estimate)	0	0.0	5.25	0.00
Total levy per capita, % of per capita income (MA DOR 2014, US Census, ACS 2010 five-year estimate)	\$ 0	0.0	5.25	0.00
Units built prior to 1940, % of total units (US Census ACS 2010 five-year estimate) .....	0	0.0	3.5	0.00
			<b>A and B</b>	<b>35</b>

## EXHIBIT 5

### Sustainable Development Principles

The Commonwealth of Massachusetts shall care for the built and natural environment by promoting sustainable development through integrated energy and environment, housing and economic development, transportation and other policies, programs, investments, and regulations. The Commonwealth will encourage the coordination and cooperation of all agencies, invest public funds wisely in smart growth and equitable development, give priority to investments that will deliver good jobs and good wages, transit access, housing, and open space, in accordance with the following sustainable development principles. Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

#### 1. Concentrate Development and Mix Uses

Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage remediation and reuse of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open spaces and homes.

#### 2. Advance Equity

Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning and decision making to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

#### 3. Make Efficient Decisions

Make regulatory and permitting processes for development clear, predictable, coordinated, and timely in accordance with smart growth and environmental stewardship.

#### 4. Protect Land and Ecosystems

Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

#### 5. Use Natural Resources Wisely

Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

#### 6. Expand Housing Opportunities

Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

#### 7. Provide Transportation Choice

Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

## **8. Increase Job and Business Opportunities**

Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

## **9. Promote Clean Energy**

Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

## **10. Plan Regionally**

Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

## EXHIBIT 6

### **Guidelines for Project Consistency with the Commonwealth's Sustainable Development Principles**

Important choices about where and how Massachusetts will grow are made every day. These decisions have profound implications. While the Commonwealth has made progress, more needs to be done to ensure that the interests of future generations are not compromised by today's decisions.

It will take our cooperative efforts to build a greater quantity and diversity of housing, develop the businesses we need to provide jobs and increase revenue, and do a better job of acting as stewards of our natural resources for future generations. Governor Patrick's administration is interested in working in partnership with the development community and municipalities to improve our conservation and development practices. State policies, programs, and investments must encourage smart growth and development interests and municipalities must do the same. The Commonwealth has established a framework to insure a strong economic future for the state and a high quality of life for its residents by undertaking a comprehensive approach to housing and community investment in a way that respects landscape and natural resources. The administration believes that sustainable development can and should take place in all communities. To be successful, our investments must bring the housing market into equilibrium and enable the state to attract new businesses while making strategic land use choices. In order to achieve our housing and community development goals, we rely on our strategic partners to develop projects that enable us to optimize our limited natural and financial resources.

The administration has refined its 10 Principles of Sustainable Development as a way to articulate and describe this vision to our strategic partners and to guide our investment decisions. Projects seeking funding from DHCD's **Community Development Block Grant (CDBG)** programs must be consistent with the Principles of Sustainable Development in the manner described below. A community development project must adhere to Method 1, Method 2 or Method 3.

#### **Method 1**

Be consistent with **Concentrate Development and Mix Uses**. Support the revitalization of city and town centers and neighborhoods by promoting development that is compact, conserves land, protects historic resources, and integrates uses. Encourage reuse and rehabilitation of existing sites, structures, and infrastructure rather than new construction in undeveloped areas. Create pedestrian friendly districts and neighborhoods that mix commercial, civic, cultural, educational, and recreational activities with open space and homes.

In order to demonstrate consistency with this principle for Method 1, a project must:

a. Involve the rehabilitation or redevelopment of, or improvements to, vacant or occupied, existing structures or infrastructure; or

b. If new construction, contribute to the revitalization of a town center or neighborhood and/or be walkable to transit; the downtown; a village center; a school; a multiple activity retail, services or employment center; or be located in a municipally-approved growth center.

## Method 2

Be consistent with at least five (5) of the Sustainable Development Principles, of which one must be either **Protect Land and Ecosystems** or **Use Natural Resources Wisely**.

## Method 3

IF a housing project involving new construction is sited on municipally owned or municipally provided land, involves municipal funding or is supported by a letter from the chief elected official of the municipality at the time of Project Eligibility or an application for funding, only four (4) of the Principles must be met, of which one must be **Concentrate Development and Mix Uses, Protect Land and Ecosystems** or **Use Natural Resources Wisely**. See Further Guidance below for examples of ways in which a project can be consistent with **Concentrate Development and Mix Uses** beyond the characteristics used in Method 1.

## Further Guidance

Each Principle is listed below with examples of ways projects may demonstrate consistency. Projects need to satisfy only one of the examples, not all those listed; other ways to satisfy the Principles will also be considered.

Concentrate Development and Mix Uses: Support development that is compact, conserves land, integrates uses, and fosters a sense of place. Create walkable districts mixing commercial, civic, cultural, educational and recreational activities with open space and housing for diverse communities.

Examples of ways to demonstrate consistency:

- The project creates or supports mixed use.
- The project rehabilitates or redevelops existing structures or infrastructure.
- The project involves new construction that contributes to town or center revitalization.
- The project is at a higher density than the surrounding area.
- The project mixes uses or adds new uses to an existing neighborhood.
- The project produces multi-family housing.
- The project utilizes existing water and/or sewer infrastructure.
- The project is compact and/or clustered so as to preserve undeveloped land.

Advance Equity: Promote equitable sharing of the benefits and burdens of development. Provide technical and strategic support for inclusive community planning to ensure social, economic, and environmental justice. Ensure that the interests of future generations are not compromised by today's decisions.

Examples of ways to demonstrate consistency:

- The project involves a concerted public participation effort (beyond the minimally required public hearing), including the involvement of community members, residents of the development and/or key stakeholders in the planning and design of the project.
- The project conforms to Universal Design standards and/or incorporates features that allow for “visitability”.
- The project creates affordable housing in a neighborhood or community whose residents are predominantly middle to upper income and/or meets a regional need.
- The project targets a high-poverty area and makes available affordable homeownership and rental opportunities.
- The project promotes diversity and social equity and improves the neighborhood.

**Make Efficient Decisions:** Make regulatory and permitting processes for development clear, transparent, cost-effective, and oriented to encourage smart growth and regional equity.

- The project involves a streamlined permitting process, such as found in Ch. 40B, 40R or 43D.

**Protect Land and Ecosystems:** Protect and restore environmentally sensitive lands, natural resources, agricultural lands, critical habitats, wetlands and water resources, and cultural and historic landscapes. Increase the quantity, quality and accessibility of open spaces and recreational opportunities.

Examples of ways to demonstrate consistency:

- The project involves the creation or preservation of open space or passive recreational facilities.
- The project protects sensitive land, including prime agricultural land, and/or resources from development.
- The project involves environmental remediation or clean up.
- The project is part of the response to a state or federal mandate (e.g., clean drinking water, drainage).
- The project eliminates/reduces neighborhood blight.
- The project addresses a public health and safety risk.
- The project significantly enhances an existing community or neighborhood by restoring an historic landscape.

**Use Natural Resources Wisely:** Construct and promote developments, buildings, and infrastructure that conserve natural resources by reducing waste and pollution through efficient use of land, energy, water, and materials.

Examples of ways to demonstrate consistency:

- The project uses alternative technologies for water and/or wastewater treatment that result in land or water conservation.
- The project uses low impact development (LID) or other innovative techniques for storm water management that result in land or water conservation.
- The project repairs or rehabilitates sewer or water infrastructure to conserve resources.

**Expand Housing Opportunities:** Support the construction and rehabilitation of homes to meet the needs of people of all abilities, income levels, and household types. Build homes near jobs, transit, and where

services are available. Foster the development of housing, particularly multifamily and smaller single-family homes, in a way that is compatible with a community's character and vision and with providing new housing choices for people of all means.

Examples of ways to demonstrate consistency:

- The project increases the number of rental units available to residents of the Commonwealth, including low- or moderate-income households.
- The project increases the number of homeownership units available to residents of the Commonwealth, including low- or moderate-income households.
- The project increases the number of housing options for special needs populations and people with disabilities.
- The project expands the term of affordability

Provide Transportation Choice: Maintain and expand transportation options that maximize mobility, reduce congestion, conserve fuel and improve air quality. Prioritize rail, bus, boat, rapid and surface transit, shared-vehicle and shared-ride services, bicycling, and walking. Invest strategically in existing and new passenger and freight transportation infrastructure that supports sound economic development consistent with smart growth objectives.

Examples of ways to demonstrate consistency:

- The project is walkable to public transportation.
- The project reduces dependence on private automobiles (e.g., provides previously unavailable shared transportation (such as Zip Car or shuttle buses).
- The project reduces dependence on automobiles by providing increased pedestrian and bicycle access.
- For rural areas, the project is located in close proximity (i.e., approximately 1 mile) to a transportation corridor that provides employment centers, retail/commercial centers, civic or cultural destinations.

Increase Job and Business Opportunities: Attract businesses and jobs to locations near housing, infrastructure, and transportation options. Promote economic development in industry clusters. Expand access to education, training, and entrepreneurial opportunities. Support the growth of local businesses, including sustainable natural resource-based businesses, such as agriculture, forestry, clean energy technology, and fisheries.

Examples of ways to demonstrate consistency:

- The project creates or retains permanent jobs.
- The project creates or retains permanent jobs for low- or moderate-income persons.
- The project locates jobs near housing, service or transit.
- The project supports natural resource-based businesses, such as farming, forestry, or aquaculture.
- The project involves the manufacture of resource-efficient materials, such as recycled or low toxicity materials.
- The project supports businesses which utilize locally produced resources such as locally harvested wood or agricultural products.

Promote Clean Energy: Maximize energy efficiency and renewable energy opportunities. Support energy conservation strategies, local clean power generation, distributed generation technologies, and innovative industries. Reduce greenhouse gas emissions and consumption of fossil fuels.

Examples of ways to demonstrate consistency:

- The project complies with EPA's Energy Star guidelines or with a similar system.
- The project uses a renewable energy source, recycled and/or non-/low-toxic materials, exceeds the state energy code, is configured to optimize solar access, and/or otherwise results in waste reduction and conservation of resources.
- The project reuses or recycles materials from a local or regional industry's waste stream.

Plan Regionally: Support the development and implementation of local and regional, state and interstate plans that have broad public support and are consistent with these principles. Foster development projects, land and water conservation, transportation and housing that have a regional or multi-community benefit. Consider the long-term costs and benefits to the Commonwealth.

Examples of ways to demonstrate consistency:

- The project is consistent with a municipally supported regional plan that identifies sub region, area or location, and the number and type of housing units or jobs needed.
- The project addresses at least one of the barriers identified in a regional Analysis of Impediments to Fair Housing.
- The project has a measurable public benefit beyond the applicant community.

#### NOTES:

Projects that entirely serve to eliminate a public health or safety risk (e.g., demolition of a blighted structure) are exempt from the Sustainable Development threshold. In addition, CDBG-funded Public Social Service and business assistance for projects not requiring construction are also exempt. Projects seeking funding from the state's community development programs remain subject to the specific programmatic requirements. Similarly, projects proposed under c. 40B are governed by MGL c. 40B Sections 20-23, and applicable regulations, as well as all Fair Housing Laws. Projects should also demonstrate consistency with the Commonwealth's Fair Housing Principles, attached at the end of this document.

## EXHIBIT 7

### Massachusetts Fair Housing Mission Statement and Principles

The mission of DHCD through its programs and partnerships is to be a leader in creating housing choice and providing opportunities for inclusive patterns of housing occupancy to all residents of the Commonwealth, regardless of income, race, religious creed, color, national origin, sex, sexual orientation, age, ancestry, familial status, veteran status, or physical or mental impairment. It shall be our objective to ensure that new and ongoing programs and policies affirmatively advance fair housing, promote equity, and maximize choice. In order to achieve our objective, we shall be guided by the following principles:

- 1. Encourage Equity.** Support public and private housing and community investment proposals that promote equality and opportunity for all residents of the Commonwealth. Increase diversity and bridge differences among residents regardless of race, disability, social, economic, educational, or cultural background, and provide integrated social, educational, and recreational experiences.
- 2. Be Affirmative.** Direct resources to promote the goals of fair housing. Educate all housing partners of their responsibilities under the law and how to meet this important state and federal mandate.
- 3. Promote Housing Choice.** Create quality affordable housing opportunities that are geographically and architecturally accessible to all residents of the commonwealth. Establish policies and mechanisms to ensure fair housing practices in all aspects of marketing.
- 4. Enhance Mobility.** Enable all residents to make informed choices about the range of communities in which to live. Target high-poverty areas and provide information and assistance to residents with respect to availability of affordable homeownership and rental opportunities throughout Massachusetts and how to access them.
- 5. Promote Greater Opportunity.** Utilize resources to stimulate private investment that will create diverse communities that are positive, desirable destinations. Foster neighborhoods that will improve the quality of life for existing residents. Make each community a place where any resident could choose to live, regardless of income.
- 6. Reduce Concentrations of Poverty.** Ensure an equitable geographic distribution of housing and community development resources. Coordinate allocation of housing resources with employment opportunities, as well as availability of public transportation and services.
- 7. Preserve and Produce Affordable Housing Choices.** Encourage and support rehabilitation of existing affordable housing while ensuring that investment in new housing promotes diversity, and economic, educational, and social opportunity. Make housing preservation and production investments that will create a path to social and economic mobility.
- 8. Balance Housing Needs.** Coordinate the allocation of resources to address local and regional housing need, as identified by state and community stakeholders. Ensure that affordable housing preservation and production initiatives and investment of other housing resources promote diversity and social equity and improve neighborhoods while limiting displacement of current residents.
- 9. Measure Outcomes.** Collect and analyze data on households throughout the housing delivery system, including the number of applicants and households served. Utilize data to assess the fair housing impact of housing policies and their effect over time, and to guide future housing development policies.
- 10. Rigorously Enforce All Fair Housing and Anti-Discrimination Laws and Policies.** Direct resources only to projects that adhere to the spirit, intent, and letter of applicable fair housing laws, civil rights laws, disability laws, and architectural accessibility laws. Ensure that policies allow resources to be invested only in projects that are wholly compliant with such laws.

## FY 2017 Emergency Solutions Grant (ESG) Program

DHCD uses our MA non-entitlement Emergency Solutions Grant to fund projects designed to support basic shelter operations, conduct street outreach, prevent homelessness, and provide essential rapid re-housing services for homeless individuals across the Commonwealth. In January of 2016, DHCD released a Request for Responses (RFR) to solicit qualified, cost effective, creative, and competitive applications to develop and operate Emergency Solutions Grant (ESG) eligible projects across the Commonwealth for up to five years. DHCD has issued contracts stemming from this RFR process for April 1<sup>st</sup>, 2016, aligning our subcontracted ESG programs with our ESG federal award period. FFY17 ESG funding will be used to renew these existing ESG projects.

DHCD expects to allocate Massachusetts Nonentitlement funding for FY17 as indicated in chart below.

### Proposed Activities and Overall Budget

Component	Planned Allocation
Street Outreach	\$0
Emergency Shelter Renovation	\$0
Emergency Shelter Conversion	\$0
Shelter Support (Operations/Essential Services)	\$2,022,069
Rapid Re-Housing and Homelessness Prevention	\$2,165,451
HMIS	\$50,000
Administration	\$150,000
<b>Emergency Solutions Grants FY17</b>	<b>\$4,387,520*</b>

\*Planned allocation amounts are estimated based on existing contracts. DHCD does not currently fund projects providing street outreach, shelter renovation, or shelter conversion. However, should the need arise during the grant period, DHCD may re-allocate funding to unfunded components.

### Written Standards

All awarded ESG projects must have clearly demonstrated how the project supports HUDs overall vision for the Emergency Solutions Grant, Opening Doors, the Federal strategic plan for ending homelessness, the work of DHCD, and the local Continuum of Care in ending homelessness. Rather than solely utilizing ESG funding to create separate or distinct programs, subrecipients were encouraged to think strategically about how ESG funding can be leveraged with other funding sources to help support existing efforts to reduce and end homelessness within their region and the Commonwealth.

DHCD intended for subrecipients to maximize resources and requires that all organizations receiving ESG funding, regardless of component, be part of a larger network of homeless services. To help support this effort and to continue to encourage conversations about the best use of funding at the local level, DHCD also requires that each subrecipient consult with their continua of care about their ESG project annually.

### Rapid Re-Housing

ESG participants must meet the HUD [definition of homelessness](#) defined by the ESG Interim Rule.

Subrecipients are asked to refer to 24 CFR §576.104, §576.105, and §576.106 of the Interim Rule for a complete list of eligible program activities. Rapid Re-housing projects funded by DHCD may provide services to individuals and/or families. Additionally, Rapid Re-housing projects may supplement services received through HomeBASE or other Rapid Re-housing programs, though they may not offer the same type of service to the same household at the same time.

Subrecipients may use ESG funding to provide both financial and non-financial activities and are encouraged to carefully consider their personnel needs in their funding requests to DHCD.

All DHCD ESG sub-recipients are required to determine and document the ESG eligibility of each household prior to providing services and must comply with the record keeping requirements per 24 CFR §576.500. Eligible costs include third party payments for one or more of the activities cited in 24 CFR §576.105 and §576.106, to the extent necessary to help a household move as quickly as possible into permanent housing and achieve stability in that housing. For a detailed description of eligible costs DHCD references 24 CFR §576.105 and §576.106.

### Homelessness Prevention

ESG participants must meet the HUD criteria for homelessness prevention services described in 24 CFR §576.103.

Subrecipients are asked to refer to 24 CFR §576.103, §576.105, and §576.106 of the Interim Rule for a complete list of eligible program activities. Homelessness prevention projects funded by DHCD may provide services to individuals and/or families. Subrecipients may supplement services received through others state sources including Residential Assistance for Families in Transition (RAFT), Tenancy Preservation Program (TPP), or other prevention programs, though they may not propose to offer the same type of service to the same household at the same time. For example, organizations may propose to utilize ESG funds for case management services to support households receiving RAFT financial assistance to prevent eviction.

Subrecipients may use ESG funding to provide both financial and non-financial activities and are encouraged to carefully consider their personnel needs in their funding requests to DHCD.

The costs of Homelessness Prevention services are eligible only to the extent that the assistance is necessary to help the household regain stability in their current permanent housing or move into other permanent housing and achieve stability in that housing. Per HUD regulations, no amount of ESG funded assistance shall exceed 24 months within a 3-year period.

Prior to authorizing any third party payments with ESG rental assistance funds, organizations must obtain the required documentation specified in the ESG Interim Rule and by DHCD; ensure the housing unit identified for the individual meets HUD habitability standards and verify the rent is reasonable in accordance with HUD's rent reasonableness standards (24 CFR §576.105).

ESG subrecipients must require that all households receiving Homelessness Prevention services participate in housing stability case management not less than once per month while enrolled in the program to ensure long-term housing stability. Additionally, subrecipients must re-evaluate a household's eligibility, and the types and amounts of assistance the household needs, not less than once every 3 months for households receiving homelessness prevention assistance, in accordance with 24 CFR §576.401(b).

## Shelter Support

Subrecipients may request funding for emergency shelter under any or all of the three subcategories established by HUD.

### *Essential Services*

Proposals requesting funding for emergency shelter essential services may include a variety of activities detailed in §576.102 of the interim rule. DHCD does not further limit eligible activities under ESG. However, we do prioritize applications requesting funding for services that are not, nor have historically been funded by other sources.

### *Renovation*

Subrecipients requesting funding for renovations only, outside of minor or routine maintenance, are not a priority for DHCD under the Emergency Solutions Grant. Additionally, DHCD will not fund capital expenses. Request for one-time renovation costs necessary to create new shelter units, including family units, or to improve the quality of existing shelters, are considered.

### *Shelter Operations*

DHCD continues to fund non-rehab, non-capital, and shelter operation expenses. Per the Interim Rule, shelter operations costs include:

- Maintenance (including minor or routine repairs);
- Rent;
- Security;
- Fuel;
- Furnishings;
- Supplies necessary for the operation of the emergency shelter.

Per HUD regulations, hotel or motel vouchers may be paid for by ESG only in the instance that no appropriate emergency shelter is available. Subrecipients may request funding to provide extremely short term hotel or motel vouchers provided that the proposal sufficiently demonstrates the need for such funding. Two possible examples of this include:

- Organizations already receiving EA diversion funding may request ESG funding to provide for very short term hotel/motel based emergency shelter services, to avoid the households being placed into traditional EA emergency shelter where they are no longer able to access diversion services.
- Temporary hotel stay for a person or household fleeing domestic violence that is not safely sheltered within an emergency shelter facility.

DHCD reserves the right to negotiate hotel/motel expenses on a per contract basis with our subrecipients.

## Street Outreach

Subrecipients are asked to refer to 24 CFR §576.101 of the Interim Rule for a complete list of eligible program activities. ESG Street Outreach funding must be used to connect unsheltered, literally homeless, people to emergency shelter, housing, or critical services. Street Outreach funding may be used to serve individuals and/or families. DHCD does not wish to expand already existing street outreach programs, but does consider requests for street outreach funding in communities where there is none.

## HMIS

As the ESG recipient and the HMIS lead for several of our ESG subrecipients, DHCD allocates \$50,000 of our annual ESG award to HMIS activities. This funding is used to help support the costs of contributing data to DHCD's HMIS.

Subrecipients can use a small portion of their ESG funding to support HMIS costs related to their approved ESG project. However, DHCD provides ample funding and support for HMIS related activities to many of our ESG subrecipients through other state resources. Therefore, HMIS costs paid for through ESG are minimal.

## Centralized or Coordinated Intake System

DHCD is aware that Continua of Care are in various stages of implementing a coordinated entry system. Subrecipients are required to share with DHCD how their projects will be incorporated into the coordinated entry system established within their CoC upon implementation.

DHCD recognizes that CoC's are having strategic conversations about prioritizing services to residents of their continuum. DHCD, however, does not allow subrecipients to incorporate residency requirements into their eligibility criteria for ESG funded projects.

## Consultation with CoC

DHCD continues to meet this requirement through a variety of methods and strives to incorporate applicable feedback from CoC's into our administration of the Emergency Solutions Grant. In fact, many of the requests made through the consultation process have been implemented and many were incorporated into our 2016 ESG procurement process. To help support this effort and to continue to encourage conversations about the best use of funding at the local level, DHCD also requires that each subrecipient consult with their continua of care about their ESG projects.

DHCD continues to provide each CoC with detailed information about DHCD ESG funded projects within their jurisdiction including the subrecipient's success at meeting the proposed performance measurements and compliance with ESG rules and regulations.

State ESG officials distribute information about Federal and State policies relevant to homeless families and individuals to homeless services providers, Regional Networks, and CoC's on a regular basis. State officials attend and convene local and regional gatherings on occasion, and communicate with ESG Entitlement Communities to help coordinate ESG activities as appropriate throughout the Commonwealth.

## Process for Allocation of Funds

After consulting with each CoC regarding their needs and priorities for ESG funding, DHCD released a request for responses (RFR), for new awards to be issued in FY16 (contract period 4/1/16-3/31/17). The RFR allows awards made through the procurement process to be renewed for up to four additional years. As part of the annual renewal process, each subrecipient contractor is responsible for reviewing project outcomes with their CoC and negotiating necessary changes with DHCD in order to continuously meet the needs of homeless persons, and those at risk of homelessness, within their CoC.

ESG Performance Standards

In addition to advancing the Housing First philosophy and Rapid Re-Housing model, the Commonwealth has the following goals:

- Reduce the number of households becoming homeless and needing to be sheltered;
- Reduce the number of homeless households in shelters;
- Support capacity of emergency shelters; and
- Strengthen existing Continuum of Care (CoC) activities while increasing ESG coordination between the CoCs, the Commonwealth and state federal and local resources to reduce and end homelessness.

DHCD uses following performance indicators for sub-recipients funded under ESG.

<b>Proposed Outcomes</b>					
<b>ES Essential Services</b>	<b>ES Renovations</b>	<b>ES Operations</b>	<b>Street Outreach</b>	<b>Rapid Re-housing</b>	<b>Homelessness Prevention</b>
# of persons to receive essential services.  Include a one to two sentence description of those services.	Please summarize renovation results	Total # of bed nights to be provided by the shelter  (Please include all shelter beds, not just those you are requesting ESG funding to support.)	# of persons to be connected to services	# of households to be placed into permanent housing	# of households to receive prevention assistance AND # of households expected to exit program to permanent housing

All ESG programs are evaluated on a quarterly basis for performance and extensive technical assistance is provided to programs which have demonstrated an inability to meet their projected performance measures. DHCD expects to conduct at least one monitoring visit for each ESG funded program within the contract year to help ensure performance measurements are met and that each ESG program is abiding by the written standards for operating ESG funding.

DHCD expects that performance standards will evolve and change over time based on ongoing consultations with CoC and Entitlement Communities and policy changes at the federal, state, regional, and local level.

Development of Funding, Policies, and Procedures for the administration and Operation of the HMIS

DHCD is the lead agency administering HMIS for the majority of the 19 CoC’s at no cost to user for participation. Policies, procedures, data sharing protocols, and written agreements are already in place. In

accordance with guidance provided by HUD, DHCD encourages organizations to utilize the HMIS operated by their CoC. Organizations which are not utilizing the HMIS administered by DHCD sign legal agreements and data is either uploaded or synced to our HMIS which is expected to enable DHCD to run one aggregate APR to monitor programs and run one aggregate report to complete the ESG CAPER for HUD.

Domestic violence and legal aid agencies which receive ESG funding are required to utilize an HMIS comparable database which can produce an APR. DHCD provides guidance to DV agencies, which receive ESG funding to help guide their planning process for implementing an HMIS comparable database. DHCD works closely with all DV and legal aid sub-recipients to help ensure that comparable HMIS systems are being utilized.

As agreed upon by each CoC, DHCD requires each ESG funded program to collect both universal and program level data on all eligible applicants receiving ESG services.

**Match FFY2017**

DHCD will provide the following state matching funds for the ESG program.

• <b>Component</b>	• <b>Match Amount</b>	• <b>Source: Use of Match</b>
• Shelter Support	• \$4,387,520 •	• <b>DHCD:</b> The MA legislature allocated \$44.8M on July 1, 2016 to DHCD for Homeless Individual Emergency Shelters programs. Gov. Baker’s SFY18 budget includes a request for \$45M for this program. These funds support the operating costs and shelter staffing for the over 3,200 individual shelter beds which DHCD funds.

# HOME Investment Partnerships Act (HOME) Program

## MASSACHUSETTS HOME PROGRAM ONE-YEAR ACTION PLAN FOR FEDERAL FISCAL YEAR 2017

The Department of Housing and Community Development anticipates receiving an allocation of \$6,932,482 in HOME funds in federal fiscal year 2017 and DHCD has accumulated \$627,136 in HOME PI between 1/31/17 and 3/31/17, which we plan to contingently award in the 2017 program year. DHCD plans to reserve 10 percent of the HOME allocation for administrative purposes, and award the majority of the remaining \$6,866,370 through competitive funding rounds and, in certain circumstances, readiness-based rolling submissions.

In addition, we expect several of our HOME projects to request permission to refinance and consent to limited partnership restructuring. Upon review of project proposals, DHCD may identify an opportunity to collect either an early principal and/or early interest payment on the HOME project. Any loan payment funds collected will be treated as HOME Program Income, per 24 CFR Part 92.253. We currently plan to accumulate any HOME PI received in the 2017 program year and will reference these amounts in next year's Action Plan, per the HOME Interim final rule effective 1/31/17. The expectation is that funds will be reinvested in additional HOME activities through the same round and rolling and commitment structures/requirements described above. Previous program year HOME Program Income deposits will be committed to the first HOME projects committed during HOME FY 2017. Once these funds are committed, Program Income from the local account will be disbursed before HOME funds are drawn from the Treasury for projects funded with this HOME Program Income. At this time, DHCD is not apportioning any part of Program Income for administrative costs. In the past, we have received sporadic HOME Recaptured Funds from old Homeowner Rehabilitation or other first-time homebuyer restrictions. These amounts are typically small and we anticipate few collection opportunities as most of these restrictions have matured. In general, it is difficult to anticipate HOME Program Income, as our rental loans are nearly all deferred payment loans.

The new HOME Final Rule was published on July 24, 2013 and includes clarification regarding improving performance and accountability, as well as updates to property standard requirements. In recent years, there have been further notices and guidance. We have updated monitoring checklists in response to new requirements and are also updating program policies and procedures, as needed. We previously incorporated the 2012/2013 allocation requirements and these requirements are reinforced by the new HOME Final Rule and subsequent notices and guidance. We will continue to refrain from committing HOME funds to any project unless DHCD certifies that it has conducted an underwriting review, assessed developer capacity and fiscal soundness and examined neighborhood market conditions to ensure adequate need. DHCD also assesses a Community Housing Development Organization's capacity and staff development experience before awarding HOME funds and will not provide funds to an organization whose staff does not have development experience. In addition, those funds that were previously allocated for technical assistance for CHDO's and remain available, may be used for future HOME technical assistance. We will stay mindful of commitment, completion, inspection and occupancy requirements and deadlines. Property standards requirements will continue to be updated per additional HUD guidance and in accordance with effective date requirements.

DHCD will continue to contingently award its rental funds through a competitive RFP process. Notices of Funding Availability (NOFA) are published on DHCD's website and DHCD's listServ notifies subscribers when the NOFA or any new pertinent program information is posted. To subscribe to the listServ, anyone can send a blank email to: [join-dhcd-housingdevelopment@listserv.state.ma.us](mailto:join-dhcd-housingdevelopment@listserv.state.ma.us). DHCD also reserves the option to make rental funds available on a rolling basis with clear readiness standards for projects that will serve low- and extremely low-income homeless families and individuals and low- and extremely low-income veterans. The

homeless and veterans populations have been identified as being in need of housing with supportive services. Although projects serving these populations will have a link to services, accepting services will not be a condition of HOME unit occupancy. Preferences will cover all protected classes and will not violate non-discrimination laws. DHCD will award federal fiscal year 2017 HOME program funds to the following program type: multi-family rental loans. Eligible applicants for HOME funds are municipalities, non-profit agencies (including CHDOs as defined by HUD), and for-profit developers. Note: a minimum of 15 percent of the federal FY 2017 allocation will be reserved for certified CHDOs serving as owners, sponsors, or developers of rental production projects. The Undersecretary of DHCD reserves the right to consider geographic distribution in making funding decisions, including for the 15 percent CHDO set-aside. DHCD will continue to encourage CHDOs to participate in the HOME program and will provide HOME technical assistance that will be available to CHDO staff, as well as others.

### **Allocation of Funds**

DHCD will continue its past practice of seeking to competitively award HOME funds in those areas of the Commonwealth that do not receive HOME funds as a result of entitlement community or HOME consortium designation. DHCD also will competitively award HOME funds for rental loan projects in entitlement communities that provide a match for DHCD administered HOME funds.

During federal FY 2017 DHCD anticipates the following approximate amounts will be awarded through a competitive RFP process, depending upon the level of demand in each program category:

- \$6,239,234 plus \$627,136 in accumulated HOME PI- rental loan program
- n/a- project-based first-time homebuyer program
- n/a- purchaser-based first-time homebuyer program

Eligible HOME rental projects may be production of newly constructed housing units or adaptive reuse of structures to create housing units. Eligible HOME rental projects also may be preservation endeavors where an occupied property may be at the end of (e.g.) a tax credits compliance period and needs rehabilitation to bring the housing units to a stronger standard to ensure sustainability for a minimum of another 15 years. In some cases, a developer might purchase an occupied property to do rehabilitation to either preserve or create affordability. Typically, a project developer will create a new single purpose entity for any financial restructuring. With preservation proposals, DHCD reviews existing project conditions and a proposed scope of work, including a review of current/proposed management practices, as well as the proposed development and operating budgets. Operating budgets must appear feasible for a 21-year period. Typically a capital needs assessment is part of an application submission and review; a capital needs assessment must be completed and reviewed with regard to the scope of work prior to any HOME commitment. Architects and/or construction professionals are under written contract or agreement to DHCD to perform an assessment of the proposed scope of work to ensure that rehabilitation/construction will meet applicable property standards for at least 15 years. Preservation projects involving the refinancing of existing debt must have rehabilitation as the primary eligible activity, with a minimum of approximately \$30,000 in rehabilitation work/unit. Preserving existing units, as well as creating additional units on the site are eligible. Preservation involving the refinancing of existing debt would follow the same HUD HOME minimum periods of affordability referenced in the chart below and state-wide projects are eligible. HOME funds cannot be used to refinance multifamily loans made or insured by any federal program, including the CDBG program.

**Evaluation Criteria for HOME Projects**

DHCD will continue to competitively and contingently award HOME funds for Rental Loan activities. Certain rental submissions may be assessed on a rolling basis. HOME entitlement communities must provide a match for projects seeking DHCD-administered HOME funds.

The following criteria are used to evaluate projects:

- strength of overall concept
- strength of development team, including demonstrated capacity and evidence of good standing
- demonstrated need for project in the target neighborhood
- evidence of marketability and affirmative fair marketing plan included in proposal
- adherence to sustainable development principles
- suitable site and design, including appropriateness with regard to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation
- appropriate total development costs for properties included in proposal
- financial viability and sustainability of the project, including evidence of minimal, yet sufficient, utilization of HOME assistance
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.
- adherence to the general requirements of DHCD’s current Qualified Allocation Plan
- CHDO-sponsored projects

The following terms and conditions apply to all HOME competitively awarded multi-family rental projects:

<b>Terms and Conditions: Multi-Family Rental Projects</b>	
<b>Eligible Borrowers</b>	For profit developers; non-profit developers; non-profit organizations designated as CHDOs; municipalities in cooperation with any of the above. Development teams must demonstrate effective capacity.
<b>Eligible Activities</b>	Acquisition and/or rehabilitation of existing structures for multi-family rental use, including distressed or failed properties, or the new construction of multi-family rental projects. Minimum project size of 5 HOME-assisted units.
<b>Maximum Loan Amount</b>	Typically, DHCD will award up to \$750,000 to \$1,000,000 per project and up to \$50,000 per HOME-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum loan is up to \$65,000 per HOME-assisted unit. We reserve the option to increase the per unit amounts for family projects located in gateway communities or areas of opportunity.

<b>Terms and Conditions: Multi-Family Rental Projects</b>	
<b>Match Requirement</b>	Projects located in HOME entitlement or consortium communities should include a commitment of local funds. Local match also will be anticipated in CPA communities. If an application is submitted without a match, it may not be scored. In general, preference will be given to applications with full match commitments.
<b>Cost/Fee Limits</b>	Projects with Total Development Costs in excess of \$165,000 per unit may not be scored. Developer Fee + overhead may not exceed 12.5% of a project's Total Development Cost (with the exception of applicants also seeking LIHTC).
<b>Security</b>	All HOME loans will be secured by a mortgage on the property. HOME funds are often subordinate to other loans; the subordinate position will depend upon the financial structure of the deal.
<b>Affordability</b>	All units receiving HOME assistance must be occupied by households earning no more than 60% of the area median income and affordable to households earning 65% of the area median income. At least 20% of the HOME units must be occupied by and affordable to households earning no more than 50% of area median income. The minimum HUD HOME period of affordability will be met, with an extended local period of affordability.
<b>Holdback Feature</b>	DHCD provides HOME funds through a simple requisition process and holds back a minimum of 10% of the HOME award until the project is substantially complete.
<b>Term of Loan</b>	Typically, loans will be for 30 years. During the final year of a loan, the owner may request an extension of up to 30 years in order to maintain the affordability of the housing. Typically, HOME funds are structured as repayable deferred loans; in some cases, DHCD may require regular payments from a project's cash flow.
<b>Recourse</b>	The loans will be non-recourse.
<b>Interest Rate</b>	Generally, DHCD HOME loans are deferred payment loans with zero percent interest rates. DHCD reserves the right to assign a higher rate of interest to any HOME loan. HOME loans to projects receiving allocations of Low Income Housing Tax Credits are typically made at the Applicable Federal Rate (or higher) as required by the Tax Credits program.
<b>Debt Coverage Ratio</b>	DHCD expects HOME projects to have minimum debt coverage ratios of approximately 1.15 in year one.

<b>Terms and Conditions: Multi-Family Rental Projects</b>	
<b>Environmental</b>	An ASTM Phase One environmental site assessment must be completed and submitted for each property within the project, either with the application or as part of the loan closing. All HOME projects are subject to the applicable requirements of 24CFR Part 58.
<b>Lead Paint Requirements</b>	HUD Federal lead-based paint regulations at 24 CFR Part 35 apply to all projects that are awarded HOME monies.
<b>Section 3 and M/WBE Requirements</b>	All HOME projects must meet Section 3 and M/WBE provisions, including appropriate outreach.
<b>Energy Star, Sustainability and Other Green Measures</b>	All new construction must meet applicable Energy Star or comparable/better standards. Any rehabilitation must meet Energy Star standards to the greatest extent feasible for the project. DHCD also expects projects to consider greening and sustainability to the maximum extent possible; all proposals must follow the guidelines as outlined in the Commonwealth's Qualified Allocation Plan.
<b>Accessibility for Persons with Disabilities</b>	For the new construction of any units or the substantial rehabilitation of 15 or more units of multi-family housing, Section 504 requires that 5% of the units (but not less than 1 unit) be accessible to individuals with mobility impairments and an additional 2% of the units (but not less than 1 unit) be accessible to individuals with sensory impairments. For moderate rehabilitation of 15 or more units, Section 504 also requires to the maximum extent feasible that the units be accessible to and usable by individuals with disabilities.
<b>Good Standing at DHCD</b>	Applicants for HOME funds, including all members of their development teams, must be in good standing with DHCD with respect to other DHCD-assisted projects.
<b>Application Fees</b>	The application fee for non-profit developers is \$450 per project; the fee for for-profit developers is \$1,250 per project. For projects seeking DHCD tax credits, only the tax credit application fees apply.

While we do not anticipate accepting project-based ownership project applications, the following criteria are used to evaluate first-time homebuyer projects:

- strength of overall concept
- strength of development team, including demonstrated capacity and evidence of good standing
- demonstrated need for project in the target neighborhood
- adherence to sustainable development principles
- suitable site and design, including attention to green building standards and increased accessibility
- appropriate scopes of rehabilitation or construction
- appropriate efforts to address energy conservation

- appropriate total development cost for properties included in proposal, including evidence of minimal utilization of HOME assistance
- appropriate sales prices and affordability analyses included in proposal
- evidence of marketability and buyer selection plan included in proposal
- degree of local support, including local funding commitments
- evidence of readiness to proceed
- evidence of satisfactory progress on previously funded projects.

***First-time Homebuyer Resale or Recapture Provisions and Resubordination Policies***

DHCD does not anticipate awarding new HOME purchaser-based homebuyer funds in the coming program year, as the smaller HOME allocation has limited our ability to extend the DHCD program beyond rental housing.

We will submit a Consolidated/Action Plan amendment proposal if we pursue the use of HOME funds with any new project-based or purchaser-based ownership activity and will present proposed restriction documents for HUD approval.

In general, we will resubordinate the HOME restriction to existing HOME first-time homebuyers when a proposed loan product is conforming, at a competitive interest rate, and in an amount that is no more than 90% loan-to-value and with ratios acceptable to DHCD. DHCD also typically consents if a homeowner is looking to reduce an interest rate and is not taking cash out of the transaction, even if the LTV exceeds 90% but is less than 100%.

**Eligible Applicants for HOME Funding**

<b>PROGRAM COMPONENT</b>	<b>ELIGIBLE APPLICANTS</b>
<b>Rental Production</b>	Community Housing Development Organization (CHDO) Non-Profit Developer For-Profit Developer Municipal Entity in Partnership with Non-Profit or For-Profit Developer

***HOME Match***

Available resources for the HOME match continue to be the state-funded Massachusetts Rental Voucher Program (MRVP) and the state’s Housing Stabilization Fund (both described in this section of the plan). Annual expenditures through these two programs alone are approximately \$71 million. Since states are permitted to “bank” match, that expenditure level would constitute match -- calculated at 25 cents (\$0.25) on the HOME dollar (\$1.00) -- for many years.

***HOME Technical Assistance***

DHCD successfully administered four HOME Technical Assistance grants; in 2013, we closed out the fourth, which was awarded in August 2009. DHCD does not anticipate an additional TA grant during the 2017 HOME program year.

In the coming year, we will continue to offer HOME technical assistance directly from DHCD HOME staff and through our HOME compliance monitoring contractor. Typically, we proactively share program updates and work

with developers and property managers to clarify program requirements. Both the listserv and our website are effective ways to convey HOME program news, as are our standard pre-HOME loan closing business meetings and pre-and post-funding round information sessions, debrief calls, memos and letters.

### ***HOME Performance Measures***

In accordance with CPD Notice 03-09, DHCD's HOME program has been collecting data for quantifiable performance measurement. Representatives from Massachusetts participated with the national workgroup which developed the HUD Outcome Performance Measurement System, as outlined in the Federal Register, June 10, 2005. HOME staff project managers attended HUD-sponsored performance measurement training in the summer of 2006. Two of the Commonwealth's housing and community development objectives are the primary focus of the HOME program:

1. Develop and maintain an adequate supply of safe, decent housing that is affordable and accessible to residents with a range of income levels and household needs, and
2. Expand sustainable homeownership opportunities for low, moderate and middle income families.

DHCD's HOME activities generally fall under the HUD objective:

- Provide decent affordable housing.

In general, the HUD outcome for our activities is:

- Affordability.

To meet these objectives and generate this outcome, DHCD provides funding for rental production, rental rehabilitation, homeownership production and homebuyer assistance. DHCD has begun incorporating the following primary performance measures for each funding type:

#### ***Rental Production***

- Number of affordable units produced for each income category
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income
- Number of units for elderly households
- Number of children under age 6 within HOME-assisted units
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS

#### ***Rental Rehabilitation***

- Number of affordable units preserved for each income category
- Number of minority households assisted
- Number of children under age 6 within HOME-assisted units
- Amount of money leveraged for the rental activity
- Number of units for households at or below 30% of area median income

- Number of units for elderly households
- Number that are accessible under Section 504
- Number of units that meet the IECC energy standards
- Of the units meeting IECC standards, the number meeting Energy Star standards
- Number of units brought to lead safety standards
- Number of unit-years of extended affordability
- Number of units for formerly homeless households and formerly chronically homeless households
- Number of units for former residents of public housing
- Number designated for persons with HIV/AIDS
- Number of first-time homebuyers (all DHCD ownership units carry a first-time homebuyer

We also ask for narrative data regarding HOME residents in new or older HOME projects to better learn how HOME units make an impact in the lives of low-income individuals and families. DHCD pursues ongoing data collection through compliance monitoring and via the Massachusetts legislation regarding tenant data collection. We expect that DHCD's HOME Program's performance measurement standards will further evolve, as our experience with the initiative matures.

## **Housing Opportunities for Persons with AIDS (HOPWA) Program**

### **MASSACHUSETTS HOPWA PROGRAM FOR FISCAL YEAR 2017**

The Massachusetts Department of Public Health (MDPH), Bureau of Infectious Disease and Laboratory Sciences (BIDLS), Office of HIV/AIDS (OHA) administers HOPWA funds for the “balance of state.” MDPH will be using its HOPWA allocation in fiscal year 2017 to fund Support Services provided by AIDS Project Worcester, Commonwealth Land Trust, Community Counseling of Bristol County, and Victory Programs.

AIDS Project Worcester, Inc. is an AIDS Service Organization (ASO) in Central Massachusetts that provides a comprehensive range of services for persons living with HIV/AIDS and those at greatest risk for the disease. Community Counseling of Bristol County, Inc. is a behavioral health provider located in Taunton, Massachusetts that offers HIV/AIDS support services to individuals in the Southeastern region of Massachusetts. Both AIDS Project Worcester and Community Counseling of Bristol County will use HOPWA resources to support the provision of HIV Housing Search and Advocacy Services. These services will help enable low-income individuals with HIV to access and maintain safe, stable, and affordable housing that will support their ongoing retention in HIV medical care.

Commonwealth Land Trust is a non-profit organization based in Boston that owns and manages affordable housing in the Greater Boston area and the city of Lawrence, Massachusetts. The agency provides on-site case management services to many of Massachusetts’ most vulnerable residents, including individuals living with HIV/AIDS. Victory Programs is a multi-service organization that provides housing and services to homeless individuals and families who may have substance use disorders and/or chronic health issues such as HIV/AIDS, hepatitis C and mental illness. Both of these agencies will use HOPWA resources to provide Medical Case Management services additional individuals with HIV/AIDS who live in their wide networks of housing programs throughout Greater Boston and the Northeast region of Massachusetts. HIV/AIDS MCM services include medical care coordination, social service coordination, adherence support, substance use risk reduction, sexual health promotion, benefits counseling, and basic housing services. These services are intended to help individuals living with HIV access and maintain engagement in ongoing HIV medical care and treatment in order to maximize health outcomes, prevent acquisition of other commonly co-occurring infectious diseases, and reduce potential transmission of HIV to others. MCM is provided in a home-based setting when it is determined that issues including, but not limited to, substance use, mental health, and medical care needs could make it more likely for clients to fully benefit from these services in their residences.

OHA awarded all four agencies funding for Support Services during a statewide procurement in State Fiscal Year 2011. This procurement included language to support the allocation of State, Ryan White Treatment Modernization Act, and HOPWA funding to successful applicants. Vendor selection involved a comprehensive community and internal review process, and as successful applicants, these agencies initiated their new OHA contracts on July 1, 2011. The integration of HOPWA funds into the contracts began after July 1, 2015.

OHA conducts thorough oversight of all of its contracts. Monitoring mechanisms include, but are not limited to, annual work plans, annual reports, routine programmatic and fiscal site visits, monthly contract management calls, monthly client data submissions, and ongoing fiscal monitoring.

**Housing Opportunities for Persons with AIDS (HOPWA) Program**

The Massachusetts Department of Public Health (MDPH), Bureau of Infectious Disease and Laboratory Sciences (BIDLS), Office of HIV/AIDS (OHA) is responsible for the administration of “balance of state” HOPWA funds. In FFY 2017, the state will receive \$242,707 as a formula grantee. MDPH will use these resources to fund home-based HIV/AIDS Medical Case Management services and HIV Housing Search and Advocacy Services.

Further information regarding HOPWA is provided in Appendix B of this document. Additional information about the state’s use of state HOPWA funds can also be obtained by calling the Massachusetts Department of Public Health HIV/AIDS Bureau at (617) 624-5300.

**Geographic Distribution of Funds for the HOPWA Programs**

MDPH utilizes its resources to support the provision of Supportive Services primarily in Greater Boston, the Central Region, and the Southeast region of Massachusetts.

**MASSACHUSETTS DEPARTMENT OF  
HOUSING AND COMMUNITY DEVELOPMENT**

**National Housing Trust Fund  
(HTF)**

**ALLOCATION PLAN**

**2017**

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### ATTACHMENTS

**Attachment A** – DHCD and Supportive Services

**Attachment B** – HTF Rehabilitation Standards

**Attachment C** – Recommended Cost Limits for Massachusetts Multifamily Rental Projects with DHCD Assistance

**Attachment D** – Uniform Physical Condition Standards for Multifamily Housing Rehabilitation - August 2016

**NATIONAL HOUSING TRUST FUND  
Allocation Plan**

**Massachusetts Department of Housing and Community Development  
June 2017**

**I. Background and Purpose of the National Housing Trust Fund (HTF)**

The National Housing Trust Fund (HTF) is a federal program to support the development of affordable housing for low-income individuals and households. The HTF will be funded annually with certain proceeds available from two government-sponsored entities – the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac). The U.S. Department of Housing and Urban Development (HUD) will administer the HTF at the federal level and will distribute trust funds to participating states in accordance with an established formula. Each participating state must identify one qualified housing agency to allocate the funds made available through HTF. In addition, each state must prepare and submit for HUD approval an allocation plan outlining the process it intends to follow to distribute the HTF monies. The HTF allocation process must be referenced both in the state’s Consolidated Plan (within the annual action plan) and in the state’s Qualified Allocation Plan (QAP) governing the administration of the Low Income Housing Tax Credit Program (LIHTC). The National Housing Trust Fund Interim Rule can be found at 24 CFR Parts 91 and 93.

In the Commonwealth of Massachusetts, Governor Charles D. Baker has identified the Department of Housing and Community Development (DHCD) as the allocating agency for the HTF. Massachusetts does not intend to appoint subgrantees for HTF and will distribute funds directly to recipients, defined as “organizations, agencies, or other entities that receive HTF funds to undertake an eligible project.”

It is DHCD’s intent to award HTF funds as rapidly and efficiently as possible. Given the amount of HTF currently available and the critical need in Massachusetts for housing with services, DHCD will continue its practice, established in 2016, of awarding HTF exclusively to housing with services.

**II. HTF and Supportive Housing in Massachusetts**

DHCD has a long and successful history of providing federal and state funds to service-enriched housing – typically defined as units in multifamily rental projects with appropriate services available to tenants who need them. DHCD is strongly committed to the development of housing with services for special populations, including individuals or households who are either very low-income (VLI) or extremely low-income (ELI). Individuals or households are defined as VLI if their incomes are less than 50% of area median income (AMI). Individuals or households are defined as ELI if their incomes are less than 30% of AMI.

VLI and ELI individuals or households often face other life challenges, including difficulty in paying for food, transportation, health care, child care, and other life necessities. Some VLI or ELI individuals or households face further special challenges. Low-income homeless veterans frequently cope with difficult medical challenges, including substance abuse, post-traumatic stress disorder, and difficulty in accessing necessary services. Frail seniors who are VLI or ELI may live in apartments or houses that are not suitable for persons with mobility issues and service needs. At the other end of the age spectrum, young adults who are aging out of state foster care systems often are VLI or ELI and face huge life challenges. Almost by definition, they have very limited support systems and are particularly vulnerable to substance abuse and homelessness.

These highly vulnerable populations clearly need housing they can afford, but they frequently need support services as well. No housing program – federal, state, or local – can ever address all the life challenges encountered by people with very low or extremely low incomes. But the new Housing Trust Fund offers agencies such as DHCD the opportunity to award capital dollars to produce deeply affordable units in combination with other resources to help fund services for new HTF residents. DHCD has the ability to help fund these support services through the state’s rental voucher program, known as MRVP (Massachusetts Rental Voucher Program). The Department currently plans to set aside MRVP vouchers in support of HTF units in 2017. Each voucher that DHCD awards will include up to \$1,500 annually in service funding for these units, in order to help provide supportive services including but not limited to:

- Job search and training
- Financial literacy and planning
- Self-sufficiency training and coaching
- Counseling
- Parenting classes
- Early education and childcare services
- Mental health and addiction treatment
- Adult education and GED
- Skills training, etc.

Like in its first HTF allocation, DHCD will prioritize HTF funds for projects that will provide service-enriched housing and housing for homeless families and individuals. The tenant preferences for each project will be evaluated as part of DHCD’s competition for HTF funds. As indicated below, in the evaluation process, DHCD will give priority to projects with tenant selection plans that include some of the following criteria:

- Preference for homeless families
- Preference for homeless individuals
- Preference for veterans
- Preference for persons with disabilities
- Preference for other vulnerable populations, such as the frail elderly

Recipients should note that DHCD has certain standards for the support services to be delivered to tenants in supportive housing units. It is the Department's expectation that recipients of projects seeking HTF in Massachusetts will adhere to DHCD's standards and policies for services and service delivery, appended to this document as Attachment A.

### **III. Eligibility Requirements**

To be eligible for HTF, sponsors must be non-profit entities or developers partnered with non-profit entities that receive support service funds from federal sources, from private foundations or sources, from the Executive Office of Health and Human Services, and/or from the Executive Office of Elder Affairs. Eligible recipients will have the opportunity to apply for HTF, as well as certain state bond funds and MRVPs, through a special competition to be held in 2017. DHCD intends to commit its full allocation of HTF through this competition, however, it may be necessary to make HTF resources available in other rental competitions held by the department throughout the year. DHCD further anticipates allocating at least half of its HTF to units reserved for individuals or households making the transition from homelessness, as reflected in project tenant selection plans and affordable fair housing marketing plans.

Interested sponsors should note that DHCD will award HTF as subordinate debt and will close all HTF assistance through the MassDocs process.

### **IV. Application Requirements**

The Department will issue a Notice of Funding Availability (NOFA) for the HTF and several additional DHCD resources. Consistent with DHCD's past practice, the NOFA will include the deadlines by which sponsors interested in HTF must submit their pre-applications for DHCD review. The full funding competition for HTF and other DHCD monies will be invitation-only. Those sponsors whose pre-applications are approved by DHCD will be invited to submit full funding applications for HTF and other DHCD resources. The deadline for invitation-only, full funding applications will be included in the NOFA. Both pre-applications and full funding applications (OneStop+ applications) must be submitted through DHCD's online OneStop+ Intelligrants system.

### **V. Selection Criteria**

In general, the evaluation criteria for all applications will include, but will not be limited to, the following:

- Strength of overall concept
- Percentage of units to be reserved for homeless families or individual
- Strength of development team
- Appropriateness of tenant selection plan
- Evidence of market feasibility
- Demonstrated need for project in the target neighborhood
- Financial viability of the project

- Degree of local support, including local funding commitments
- Degree to which the project maximizes green building standards and sustainable development principles
- Evidence of intent to create units for residents who face multiple barriers to securing and/or maintaining permanent housing
- Demonstrated ability to provide effective stabilization and supportive services to establish and maintain successful tenancies
- Geographic location of project
- Degree to which proposed rents are affordable to ELI/VLI households
- Minimum term of affordability: at least 30 years

It is DHCD's intent to award HTF and state resources to projects that are highly ready to proceed. Further, it is DHCD's intent to award the funds to recipients with extensive experience and strong track records in the development and operation of housing with support services. Sponsor experience and capacity will be critical elements in the DHCD review process. The degree of readiness of a project and its ability to move through the loan closing process to construction also will be critical review components. It is the Department's expectation that projects receiving HTF and/or state resources during the 2017 HTF competition will proceed to construction during 2018.

## **VI. Eligible Activities and Certification**

In accordance with HUD guidance, the funds available through HTF can only be used to directly support housing units for the target income groups (VLI and ELI individuals or households). HTF units can be included in projects that also serve higher income level tenants, but the HTF monies can only support the HTF-designated units. All HTF-assisted rental housing must meet a 30-year affordability period.

HTF funds may be used for the production or preservation of affordable housing through the acquisition, new construction, reconstruction and/or rehabilitation of non-luxury rental housing with suitable amenities. All HTF applications must include a description of the eligible activities to be conducted with HTF funds. Funds may be used to support:

- Real property acquisition
- Site improvements and development hard costs
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance

Additionally, HTF funds may be used to refinance existing debt secured by rental housing units that are being rehabilitated with HTF funds. Refinancing costs are only permitted when:

- Rehabilitation is the primary eligible activity

- Refinancing is necessary to reduce the overall housing cost and to make the housing more affordable and is proportional to the number of HTF-assisted units in the rental project; and
- The rehabilitation cost attributable to the HTF units is greater than the amount of debt to be refinanced that is attributable to the HTF units.

HUD requires that each recipient of an HTF award certify the number of HTF units by income group. In addition, recipients must certify that:

- All tenants in HTF-assisted units meet the income limits as required by program guidelines
- The recipient will comply with rent limits, determined to be no more than 30% of 30% of area median income

### **VII. Maximum Per-Unit Subsidy Amount**

The U.S. Department of HUD requires all HTF allocating agencies to establish maximum per-unit subsidy limits for all projects that include HTF assistance. The HUD guidance on establishing per-unit limits gives allocating agencies the option of developing and implementing new per-unit subsidy limits or using per-unit limits established for other federal programs, such as the Low Income Housing Tax Credit program (LIHTC).

The Massachusetts Department of Housing and Community Development has served as the allocating agency for the LIHTC and the federal HOME program for over 24 years and maintains an extensive database of multifamily rental projects funded through federal and state resources. The database currently contains information on more than 5,000 multifamily projects with 40,000 units and is updated with each new DHCD funding award or modification to an existing project. The information contained in the data base has been invaluable to DHCD in the development of numerous affordable housing policies. For example, during the past decade, the Department has been engaged in an ongoing effort to better manage the cost of developing affordable housing in Massachusetts. The information contained in the data base has helped DHCD make various determinations relative to appropriate project costs. Using the database and working with its quasi-public affiliate, the Massachusetts Housing Partnership, DHCD regularly updates statistics on cost. Each year, in DHCD's Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credit (LIHTC), the Department uses the updated data to establish recommended cost limits per unit, based on project type, location, and size. The recommended cost limits per unit that apply to tax credit projects also apply to all other DHCD housing resources, including the HOME program and ten state-funded bond programs. The recommended cost limits per unit also will apply to the new Housing Trust Fund. The current recommended cost limits per unit are included with this document as Attachment C.

As indicated, the recommended cost limits take into account geography as well as other project characteristics, such as construction type and bedroom mix. For example, the

DHCD database confirms what many lenders and developers understand anecdotally: projects located in certain regions of the state – particularly western Massachusetts and northern Worcester County – cost less to build or preserve than projects located within the city of Boston and the immediate metropolitan area. The recommended cost limits reflect these differences. As another example, DHCD maintains different per-unit cost limits depending on the size of the project as defined by the bedroom mix. DHCD categorizes projects that primarily feature studios and one-bedroom units as “smaller” projects. Projects with a significant number of two- and three-bedroom units are characterized as “larger” projects. In every region of the state, recommended cost limits are lower for smaller projects than for larger.

For DHCD, there is a direct correlation between the recommended cost limits per unit and the Department’s commitment of subsidy per unit. Historically, DHCD is willing to award subsidy to support approximately 25% of the cost of producing or preserving an affordable unit. It is the Department’s long-standing practice to inform recipients that they must obtain the balance of the financing per unit from other private and/or public sources. DHCD intends to follow its long-standing policy on subsidy per-unit in making HTF awards. For example, if a recipient seeks HTF for a “small” production project located in Berkshire County, DHCD typically will hold the recipient to a recommended TDC per unit of \$199,000 and an HTF award, if the project meets all criteria, not to exceed \$49,750. If a recipient seeks HTF for a “larger” production project located in Suffolk County (City of Boston), DHCD typically will hold the recipient to a recommended TDC per unit of \$399,000 and an HTF award not to exceed \$99,750. If a recipient seeks other DHCD resources in addition to HTF, as many are expected to do, the amount of HTF may be reduced below the typical limit as DHCD awards other sources to the project. In general, recipients should assume that DHCD typically will cap all HTF awards at approximately \$50,000 to \$100,000 per unit, depending on project characteristics and at \$500,000 per project.

### **VIII. Additional Information**

Sponsors of potential HTF projects for 2017 should note the following:

- In order to fund as many HTF units as possible, DHCD typically will cap the amount of HTF per eligible unit. Details on per-unit caps are included in the previous section of this plan. However, as previously indicated, recipients also may seek certain additional state resources to complete their financing packages. Overall, recipients should assume that DHCD will cap all Department assistance, other than state rental assistance, at \$125,000 per HTF unit, inclusive of the HTF per-unit cap.
- In order to support multiple projects with HTF units, DHCD typically will cap the amount of HTF per project at \$500,000.

- Priority will be given to applicants who propose rents that are affordable to ELI households through the use of project-based rental assistance or other means such as cross subsidization of rents within the project. DHCD will set aside MRVP vouchers to be available to HTF applicants in 2017.
- During the HTF competition, DHCD will consider both new construction and preservation/rehabilitation projects for HTF. Design and scope of work standards apply to both types of projects. Sponsors who previously have received DHCD assistance on affordable housing projects are familiar with DHCD's various standards. The design and scope standards are delineated in the Department's annual Qualified Allocation Plan (QAP) for the Low Income Housing Tax Credit. Standards also are delineated in the document entitled, "HTF Rehabilitation Standards" and included within this document as Attachment B. DHCD's architects will review the design and scope components of all applications for HTF and state resources.
- The Department believes that there is a need for supportive housing units in every region of the state. However, in Massachusetts, the number of homeless and extremely low income families and individuals is greatest in the City of Boston and the surrounding metropolitan area. In DHCD's view, this area would be well served by HTF projects. In addition, DHCD always encourages the creation of units for ELI individuals and families in so-called "areas of opportunity." The Department defines an area of opportunity, in part, as a neighborhood or community with a relatively low concentration of poverty based on U.S. Department of HUD data. In addition, DHCD identifies an area of opportunity as a neighborhood or community that offers access to jobs, health care, high performing school systems, higher education, retail and commercial enterprise, and public amenities.

Additionally, sponsors interested in seeking HTF to support eligible units within their projects should review all the following materials related to HTF or to DHCD's recent rental rounds:

- The HUD interim rule for HTF at <https://www.gpo.gov/fdsys/pkg/FR-2015-01-30/pdf/2015-01642.pdf>
- DHCD's Qualified Allocation Plan (QAP) for LIHTC (posted at <http://www.mass.gov/hed/docs/dhcd/hd/lihtc/2016draftqap.pdf>)
- DHCD's NOFA for the March 2016 rental funding competition (posted at <http://www.mass.gov/hed/docs/dhcd/hd/lihtc/winter-2016-rental-funding-round-nofa.pdf>)

For additional information on this allocation plan, please contact Catherine Racer or Ayana Gonzalez of DHCD at 617-573-1322 or 617-573-1305, respectively.

# **ATTACHMENT A**

## **DHCD and Support Services**

## ATTACHMENT A

### **DHCD and Support Services**

The standards and policies described below apply to services to be funded through the HTF as well as other DHCD sources.

Support services for individuals or families living in service-enriched housing units must be based on an individualized and detailed assessment of the individual or family's strengths and areas of needed support and improvement. In order for the assessments to be effective, the service provider must be experienced at individual or family outreach and engagement. As part of any application to DHCD for supportive housing (SH) funds, the recipient is expected to describe the method to be used to prepare individual or family assessments.

DHCD will give preference in funding decisions to qualified applicants who intend to create SH units for individuals or families who face multiple barriers to securing permanent housing. Multiple barriers may include poor credit, prior evictions, past criminal offenses, poor rental history, and multiple shelter placements.

Effective stabilization and case management should assist an individual or family in maintaining a successful tenancy and increasing self-sufficiency. After an initial assessment of each tenant household, the service provider will develop an individualized service plan with measurable goals and objectives. The service plan should address the following: 1) maintaining a successful tenancy; 2) securing quality childcare, education, healthcare and recreational activities for any children in the household, 3) securing or improving adult education attainment and employment; 4) improving and maintaining behavioral and physical health; 5) improving financial and asset management skills; and 6) improving community connections.

The entity providing stabilization services and case management must document the individual or family's initial assessment and work plan and also must track and document the individual or family's engagement and progress toward the goals and measures outlined in the work plan. The services to be provided as well as the reporting requirements are subject to further DHCD guidance.

If the service provider is a different entity from the owner of the property receiving DHCD funds, the provider and the owner should have a successful record of previous collaboration and should provide DHCD with documentation (such as an MOU) of their previous work together.

Persons with disabilities will not be required to accept any medical or disability related services, although exceptions may apply to treatment for people with addictions.



# **ATTACHMENT B**

## **HTF REHABILITATION STANDARDS**

**ATTACHMENT B**  
**HTF REHABILITATION STANDARDS**

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## ATTACHMENT B

### HTF REHABILITATION STANDARDS

In May 2016, the U.S. Department of HUD issued Frequently Asked Questions (FAQs) on the rehabilitation standards to be established by state allocating agencies for rental or homebuyer housing with HTF assistance. Although the Massachusetts Department of Housing and Community Development (DHCD) has had extensive experience in establishing and implementing rehabilitation standards for programs including HOME and the Low Income Housing Tax Credit, DHCD has modified its existing rehabilitation standards in order to conform as closely as possible to the guidance published by HUD in the May 2016 FAQs.

During the first implementation year for HTF, DHCD will allocate the new funds only to multifamily rental projects. All recipients of multifamily rental projects seeking HTF assistance must ensure that their projects conform to all the rehabilitation standards identified in this memorandum.

#### **I. Health and Safety In Occupied Rehabilitation Projects**

As part of the funding application to DHCD, each recipient of an occupied project must provide a narrative describing the existing condition of the property and must identify any life-threatening deficiencies and a plan for addressing such deficiencies prior to commencement of renovation activities. The recipient must describe how residents who will remain in structures under renovation will be assured of safe egress, protection from fire hazards, noxious fumes, exposure to hazardous materials, and loss of security for themselves and their possessions. This narrative is a mandatory requirement for occupied rental projects whose recipients are seeking HTF. The narrative will be reviewed by DHCD's architects as well as other Department staff, and DHCD will conduct an inspection of the property prior to making a funding decision.

Certain health and safety issues must be addressed immediately when a unit is already occupied. These items include:

- Air Quality - Propane/Natural Gas/Methane Gas Detected
- Blocked Egress/Ladders
- Electrical Hazards - Exposed Wires/Open Panels
- Electrical Hazards - Water Leaks on/near Electrical Equipment
- Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable
- Missing Outlet Covers
- Missing/Damaged/Expired Extinguishers
- Misaligned Chimney/Ventilation System
- Outlets/Switches/Cover Plates - Missing/Broken
- Smoke Detector - Missing/Inoperable
- Windows - Security Bars Prevent Egress

For a complete list of health and safety requirements, please see Attachment D.

## **II. Major Systems**

The HUD FAQs from May 2016 identify major systems as structural support; roofing; cladding and weather proofing (e.g., windows, doors, siding, gutters); plumbing; electrical; heating, ventilation, and air conditioning. As part of the application to DHCD for HTF, each recipient – regardless of the size of the project – must commission a capital needs study to be performed by a third party entity acceptable to DHCD. The capital needs study must address all major systems as defined by HUD as well as other components of the proposed project including fire suppression and/or detection, security, tel/data, stormwater management systems, basic livability requirements mandated by the Massachusetts State Sanitary Code, as well as requirements of the Massachusetts Architectural Access Board and applicable Federal accessibility standards. In addition, each recipient’s architect must complete a systems checklist identifying each major system, its current condition, the proposed scope of rehabilitation, and the expected useful life of the system following rehabilitation. DHCD’s reviewing architects will evaluate the capital needs assessment as well as the systems checklist and all other components of the recipient’s design and scope submission.

The term of affordability for all DHCD-funded HTF projects will be at least 30 years. If DHCD and its reviewing architects conclude that the useful life of one or more major systems in the proposed project does not meet the minimum period of affordability, the Department will require the recipient to establish an appropriately-funded replacement reserve. If the project is funded, the Department will monitor the performance of the various systems over time and the recipient’s response to systems deficiencies. Every DHCD-funded HTF project must meet health and safety standards as well as all applicable code requirements throughout the term of HTF affordability.

## **III. Energy Conservation and Green Design**

DHCD has a long history of encouraging and requiring recipients of affordable housing projects to incorporate energy conservation measures and other thoughtful approaches to green design into their projects. Recipients of rehabilitation projects seeking HTF will be required to provide information on energy efficiency and green design in their applications to DHCD, in particular, aspects of developments that exceed requirements of the base Massachusetts Building Code, or the “Stretch Code” if adopted by the locality

- The project recipient must address how the site layout and site design adequately address environmental issues; vehicular and pedestrian circulation, parking needs; stormwater management; trash management, appropriate open space requirements; landscaping, outdoor amenities appropriate for the target population, accessibility to public ways and common amenities, visitability, etc.
- The project recipient must address whether the project complies with energy efficient building envelope guidelines such as EPA’s Energy Star

standards (including regular quality control inspections during construction), for appliance and light fixture selection as well as air sealing and insulation measures.

- The project recipient must address how the project will incorporate materials and equipment consistent with promoting a healthful interior environmental quality, including mechanical ventilation measures to provide fresh air, control humidity, exhaust bathrooms and kitchens, and generally promote good indoor air quality.
- The project recipient must confirm that the project will provide interior CO detectors as mandated by state regulations.
- The project recipient must confirm that the proposed project, at a minimum, will conform to state and local code-mandated regulations for water conservation (low flush volume toilets, low-flow faucet and showerhead devices, etc.) as well as storm water management. The recipient should identify all water conservation measures that go beyond state/local regulations.
- The project recipient must confirm that there will be sufficient construction oversight, building envelope testing, and building system commissioning to ensure that all systems are properly installed, adjusted, and meet all specified performance criteria. .
- The project recipient must confirm that he/she has employed effective cost management techniques in the design process, including but not limited to Integrated Project Delivery methods, and significant involvement by contractors or other cost estimation professionals early on, and throughout the design process. In rehabilitation (as in new construction), DHCD strongly prefers project designs that incorporate site planning, exterior envelope, detailing, and mechanical system technologies to achieve energy efficiency. DHCD strongly encourages demolition and rehabilitation processes that result in waste reduction and conservation of resources. DHCD also encourages the use of building materials that are local in origin and durable and that incorporate recycled content. DHCD also strongly encourages recipients to avoid the use of toxic materials.

#### **IV. Lead-Based Paint**

Recipients of rehabilitation projects seeking HTF from DHCD must conform to all applicable provisions of 24 CFR Part 35 regarding lead-based paint. Recipients also must conform to all Massachusetts laws and regulations, as well as EPA requirements regarding lead-based paint, including protection of workers who may be exposed to lead paint during the construction process. .

## **V. Accessibility**

Recipients of all rehabilitation projects seeking HTF must conform to all accessibility requirements of 24 CFR Part 8 (<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:1.1.1.1.8>) implementing Section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act implemented at 28 CFR Parts 35 and 36)

For “covered multifamily dwellings”, as defined at 24 CFR 100.205 ([http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr100\\_main\\_02.tpl](http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title24/24cfr100_main_02.tpl)), DHCD will require recipients to meet the design and construction requirements at 24 CFR 100.205.

In addition, recipients must conform to any and all applicable Massachusetts laws and regulations regarding accessibility, including, in renovation projects, obtaining all necessary variances from the Massachusetts Architectural Access Board. Recipients must complete the DHCD accessibility checklist appended to this memorandum.

## **VI. Disaster Mitigation**

Recipients must ensure that projects conform or exceed all federal and state requirements and best practices to mitigate the potential impact of disasters or disruptions, such as extended power outages, earthquakes, hurricanes, floods, and wildfires in accordance with state or local codes, ordinances, and requirements. Recipients shall submit a “resiliency narrative” that describes all such measure incorporated into the project.

## **VII. State and Local Codes**

All recipients seeking HTF from DHCD must meet all applicable Massachusetts state and local codes, ordinances, and requirements including but not limited to the following:

- Local Zoning Ordinances
- Massachusetts State Building Code
- National Electrical Code
- Massachusetts Fuel Gas and Plumbing Code
- Massachusetts Fire Regulations
- Massachusetts Elevator Regulations
- Massachusetts Sanitary Code
- Massachusetts Department of Public Health Requirements
- Massachusetts Historic Commission Regulations
- U.S. Department of Energy Regulations
- Massachusetts Department of Environmental Protection Regulations
- HUD Rehabilitation Guidelines
- HUD Section 8 Housing Quality Standards

- Americans with Disabilities Act
- Massachusetts Architectural Access Board Regulations
- Local, State and Federal Requirements Related to Sewage/Septic Systems
- Requirements for Housing Trust Fund Environmental Provisions

### **VIII. Uniform Physical Condition Standards (UPCS)**

DHCD will require all recipients to ensure that HTF-assisted housing will be decent, safe, sanitary, and in good repair as described in 24 CFR 5.703 (<http://www.ecfr.gov/cgi-bin/text-idx?rgn=div5&node=24:1.1.1.1.5>). As it monitors HTF-assisted projects, DHCD will include the UPCS inspectable items and observable deficiencies for the site, building exterior, building systems (multifamily housing only), common areas (multifamily housing only), and units identified on the following. Recipients should review the HTF FAQ appendices: Uniform Physical Condition Standards for Multifamily and Single Family Housing Rehabilitation (/onecpd/assets/File/HTF-FAQ-Appendices-UPCS-for-Multifamily-and-Single-Family-Housing-Rehabilitation.pdf) as well as Attachment E to the HTF Allocation Plan, Uniform Physical Condition Standards for Multifamily Housing Rehabilitation - August 2016.

### **IX. Additional DHCD Standards for Multifamily Rehabilitation Projects**

As indicated, the Department has maintained design and scope standards for multifamily rental rehabilitation projects for many years. DHCD encourages recipients of multifamily rental projects to follow its standards as closely as possible and to discuss their projects -- prior to submission -- with Department staff.

#### **Overall Unit Size:**

- SRO: 120 square feet (sf)
- Enhanced SRO: 175 sf (includes food preparation area and bathroom)
- One-bedroom unit: 600 sf (or applicable HUD program standards; for example for Section 202)
- Two-bedroom unit: 850 sf
- Three-bedroom unit: 950 sf
- Four- or more bedroom unit: 1,100 sf

#### **Minimum Room Size:**

Rooms in rehabilitation projects shall meet the following minimums (including a dimensional minimum):

- Primary bedrooms: 120 sf (10.5 ft.)
- Secondary bedrooms: 100 sf (9.5 ft.)
- Living room: 150 sf (12 ft.)
- Dining room: 100 sf (10 ft.)
- Living/dining room combo: 200 sf (12 ft.)

- Full bathroom: 40 sf (5 ft.)

If a room has a sloped ceiling, any portion of the room measuring less than 5 feet from the finished floor to the finished ceiling shall not be included in the measurements of the floor area.

Closets and storage cannot be included in the measurement of the floor area.

**Kitchen:**

The size of the unit should determine the amount of counter space to be provided:

	<i>counter space length</i>	<i>minimum circulation width</i>
• One-bedroom unit	6 linear feet	4 feet
• Two-bedroom unit	8 linear feet	4 feet
• Three or more bedroom unit	10 linear feet	4 feet

The minimum total linear feet of counter cannot include the space occupied by the sink, stove, and refrigerator.

**Bathrooms:**

The number of bedrooms within the unit determines the number of bathrooms:

• One-bedroom unit	One bathroom
• Two-bedroom unit	One bathroom
• Three bedroom unit	One-and-a-half bathrooms (minimum)
• Four or more bedroom units	Two bathrooms

**Reusable and Sustainable Material Use:**

Recipients are asked to:

- Use fewer building materials thorough advanced framing techniques or other systems approach to building construction.
- Use recycled content such as:
  - High fly ash content concrete in foundations, wall systems and finish floors.
  - Cementitious siding or stucco with high fly ash content.
- Composite framing such as engineered joists instead of dimensional lumber:
  - Light-gauge steel in whole house or interior walls. (Verify that thermal bridging is avoided if steel is used in exterior walls.)
  - Rapidly renewable resource materials for flooring and finishes, such as wheat straw board.

- Insulation made of renewable, easily recyclable material or recycled content such as recycled newspaper (cellulose), soy-based foam, cotton fiber, or other when appropriate.
- Use locally available building materials, such as:
  - Locally produced masonry
  - Recycled lumber or locally milled timber or Forest Stewardship Council (FSC) certified lumber or other recycled materials.
  - Recycled aggregate from demolition of existing site work or structure or nearby source.

### **Energy Efficiency:**

Recipients are asked to:

- Use properly sized and designed sealed combustion boilers or furnaces and distribution systems or other low-energy use heating.
- Use tankless water heaters, indirect water heaters, sealed combustion water heaters, or solar hot water heaters.
- Specify LED fixtures.
- Specify insulation as required by Energy Star standards and above code where feasible and contributing to significant energy savings.
- If possible, avoid or minimize air-conditioning with natural ventilation or other passive cooling strategy. Ensure that adequate cooling is included in all elderly developments.
- Consider renewable energy sources such as solar thermal collectors, photovoltaics (or pre-wire and provide adequate roof structure so that systems can be added when feasible), or wind turbines, using research grants and rebates when possible.

### **Indoor Environmental Quality – Healthy Buildings:**

Recipients are asked to:

- Detail building envelope to shed water with adequate flashing and a continuous drainage plane (rain-screen). Design walls to be able to dry to the interior, exterior, or both as appropriate.
- Provide operable windows with screens to take advantage of natural cross-ventilation when possible.
- Provide continuously running, dual-speed exhaust fans in all bathrooms.
- Provide kitchen range hoods that are ducted to the outdoors, preferably exhausted at roof level.
- Use air sealing techniques during construction to compartmentalize units to minimize unwanted air transmission.

- Provide mechanical ventilation to remove excess moisture and indoor pollutants from living spaces and to provide an adequate amount of outside air, preferably individually supplied to each dwelling unit.
- Specify sealed combustion boilers, furnaces, and water heaters.
- Use only low volatile organic compound (VOC) paints, sealants, and finishes.
- Use paperless gypsum board or cement board substrates at all damp areas.
- Install flooring with low or no off-gassing such as concrete, ceramic tile, FSC certified wood flooring, linseed-oil based resilient flooring, or bamboo with low urea formaldehyde content. If wood flooring is finished on site, use low VOC water-based polyurethane finish.
- Minimize the use of carpeting, which can hold dirt, mold, and other allergens. If carpeting is necessary, specify carpet with low VOCs recyclable fiber and backing content. If available, install carpeting that can be recycled.
- Install carbon monoxide detectors in living areas as well as garages.
- Perform fresh air flushing before occupancy.
- Educate tenants or owners by providing user manuals on use of systems, their required maintenance such as changing of filters and batteries. Use filters that remove allergens in forced-air units.
- Protect onsite building materials from rain during construction to prevent mold growth.
- Design wall and ceiling assemblies to mitigate impact sound and air-borne sound transmission between units, preferably at a level that exceeds building code requirements. .

### **Additional Design Considerations for Multifamily Rehabilitation Projects:**

Recipients should note:

- Rehabilitation projects funded with federal funds must be demonstrably improved in order to mitigate the impact of potential natural disasters or service disruptions (e.g., significant power outages, earthquakes, hurricanes, floods) in accordance with applicable state and local ordinances.
- Kitchens must be designed with a pantry or broom closet.
- All applicable appliances must be Energy Star\* rated.
- Range hood vented to outdoors.
- Garbage disposal, ¾ HP minimum.
- 30" range with self-cleaning oven.
- Dishwasher, if the unit includes a full kitchen and is larger than one-bedroom.
- Refrigerator sized for maximum energy savings.
- Storage space within units or in central storage spaces should be provided wherever possible.

- The design should optimize the use of space. Unit size and layout should maximize efficiency and minimize circulation (hallways), provide spacious furnishable main living areas and provide adequate storage.
- For all buildings under rehabilitation, designs shall include durable, low maintenance, energy efficient systems and materials. Electric heat is not acceptable.
- Cementitious siding materials, such as Hardi-plank or Cem-plank is the preferred exterior siding, as opposed to vinyl cladding for residential buildings.
- Specifications should include fiberglass/asphalt roofing shingles with a minimum of a 25-year warranty or light-colored TPO membrane for flat roofs. All pitched roofs must have a ridge and soffit venting system when appropriate.
- Window guards, window sash limiters, and heavyweight screening must be installed in windows of housing units where a child age 6 or under may live or regularly visit.
- Painted finishes should have a one-coat primer and two finish coats.
- Bathroom floors must be tiled with a floor grade, non-slip glazed or unglazed ceramic tile or sheet vinyl. VCT is not approved for bathrooms. If carpeting is installed, 26 oz. minimum fabric face weight per square yard is the standard. Specify carpet with low VOCs and recyclable fiber and backing content. If available, install carpeting that can be recycled.
- Stacked plumbing with suitable shut-offs to facilitate maintenance is strongly recommended in order to reduce material and construction costs, centralize water supply and drain lines.
- All outdoor mechanical equipment should be located and installed so that it cannot be seen from the surrounding street. Special attention must be given to adhere to all standards promulgated to prevent excessive noise or other kinds of annoyance from any mechanical equipment.
- As previously indicated, if the useful life of one or more major systems (including structural support, roofing, cladding, weatherproofing, plumbing, electrical and HVAC) is less than the applicable period of affordability, the recipient must ensure that a replacement reserve is established to replace systems as needed.

Any proposed deviations from design recommendations should include a narrative describing why an alternative approach/material is preferred.

#### **X. Required Architectural Submission (Multifamily Rental Rehabilitation Projects)**

This section outlines the type of drawings and other documentation that recipients must submit for rehabilitation projects that fall within these guidelines. DHCD requires that an architect and/or construction cost estimator prepare the plans and construction budgets for each project.

**Site Plan:** Indicate the location of the building, property lines, access to the building from the street, landscape, curb cuts, driveways, orientation (north arrow), at an appropriate scale.

**Existing Floor Plan:** Include plans for each floor, including basement and roof. Drawings should be drawn at an appropriate scale. The existing floor plans should include the following information:

- Structural elements such as existing bearing walls, columns (indicate this with a note or graphically, e.g.: shade in the structural walls).
- Direction of floor joists if structural changes are being made.
- Existing plumbing, ventilation chase, fireplaces and any other information that affects design.

**Proposed Floor Plans:** Drawings should address changes of layout, removal of walls or structural elements, or any other changes. The proposed floor plans should include the following information:

- Unit Floor Area (i.e., the total area within the unit exterior walls).
- Room Areas (i.e., the area within the perimeter wall of the room excluding storage and closet space).
- Critical overall and interior dimensions.
- Vertical structural elements.
- Wall thickness to scale.
- Location and size of windows, indicating the window-sill height (measured from the finished floor).
- Ceiling heights.
- Location of mechanical equipment, meters, and electric service panels.
- Location of water, gas, sewer, and electric services.
- In the case of attic renovation, drawings should be provided indicating ceiling heights, knee wall heights, dormers location, etc.
- All units should be built with internet connectivity, COAX cable for TV and CAT5e or better for tel/data.

**Elevations:** Drawings should include all elevations impacted by the scope of work. .

## **XI. Landscaping Guidelines**

This section outlines suggestions for site improvements and landscaping for projects that all under these guidelines.

### **Site Design:**

- Where possible and feasible, provide usable areas such as the following where the community can meet and gather:
  - Safe play areas for children in multifamily developments.

- Community garden areas, including planters for vegetables, herbs, flowers. .
- Semi-public open spaces.
- Patios, front yards, porches, or balconies to encourage community interaction and provide eyes-on-the-street surveillance.
- Provide for alternative transportation, e.g., bike paths and storage, pedestrian links, car shares.
- Provide all required accessible routes of travel, and in general, avoid use of stairs, wherever the terrain permits.

Prioritize pedestrian over vehicular traffic and use traffic calming devices. Incorporate attractive well-lit pedestrian paths wherever possible

#### **Site Demolition and Clearing:**

- Remediate all hazardous materials such as asbestos (ACMs), lead (LCMs), PCB's, VOC's, Arsenic, etc. carried out in accordance with all applicable local, state and federal regulations.
- Provide a summary and accurate estimate of the site remediation plan, if applicable, along with grading plans.

#### **Tree/Shrub Pruning and Removal:**

- Remove trees that originate at foundation wall of building or present a hazard to the structure.
- Remove dead trees.
- Trim stump to below grade.
- Prune back branches that overhang roof or brush walls of building.
- Prune branches that may threaten utility connections.
- Clean up and properly dispose of brush and wood.
- Remove shrubs that are diseased, those that obstruct walkways, drives and pathways, and those that obstruct windows.

**Grading:** Restore grade to include, when appropriate, a 6" minimum deep planting bed of clean loam/topsoil. New grade should slope away from buildings and fit the existing neighboring grades, particularly at street or sidewalk. Grades for usable lawn areas should not exceed twenty percent. The grade across paved areas should not exceed four percent, or any applicable maximum slope required by accessibility or applicable site engineering standards.

#### **Paving, Fencing and Walls:**

- Restore walks and driveways to good condition.
- Fences should generally never exceed a height of 6 feet. Material and style should be appropriate to surrounding neighborhood.

#### **Lawns:**

- Sod or seed new lawns. If seeded, pegged cloth or salt hay should be used to prevent erosion on slopes in excess of six percent. If lawn area is shady, seed or sod should include appropriate mix of fescues or other low-maintenance grasses, which will tolerate shade.
- Require general contractor to maintain all lawns throughout applicable warranty periods.

**Plantings:** Select hardy, maintainable, regional stock. All plantings should be placed in a manner that enhances the appearance of the property and is in keeping with the surrounding neighborhood.

**All recipients and/or other development team members should contact DHCD staff in advance of submitting applications for HTF assistance. DHCD staff members are available to answer questions on rehabilitation standards as well as other aspects of HTF.**

# **ATTACHMENT C**

## **Recommended Cost Limits for Massachusetts Multifamily Rental Projects With DHCD Assistance**

ATTACHMENT C

**Recommended Cost Limits for Massachusetts  
Multifamily Rental Projects with DHCD Assistance**

The Massachusetts Department of Housing and Community Development has implemented recommended cost limits per unit for multifamily rental projects, based on extensive data analysis, project location, and bedroom configuration. These limits typically are updated annually and will apply to HTF projects.

<b>Production Project</b>	<b>(Residential TDC/Unit)</b>
<b><i>Outside Metro Boston*</i></b>	
Single Room Occupancy/Group Homes/Assisted	
Living/Small Unit** Supportive Housing	\$199,000
Suburban/Rural Area with Small Units	\$279,000
Suburban/Rural Area* with Large** Units	\$319,000
Urban* Area with Small Units	\$359,000
Urban Area with Large Units	\$379,000
<b><i>Within Metro Boston*</i></b>	
Single Room Occupancy/Group Homes/Assisted	
Living/Small Unit Supportive Housing	\$259,000
Suburban Area with Small Units	\$329,000
Suburban Area with Large Units	\$349,000
Urban Area with Small Units	\$379,000
Urban Area with Large Units	\$399,000
<b>Preservation Project</b>	<b>(Residential TDC/Unit)</b>
<b><i>Outside Metro Boston*</i></b>	
Single Room Occupancy/Group Homes/Assisted	
Living/Small Unit Supportive Housing	\$139,000
Suburban/Rural Area, All Unit Sizes	\$199,000
Urban Area with Small Units	\$209,000
Urban Area with Large Units	\$219,000

***Within Metro Boston\****

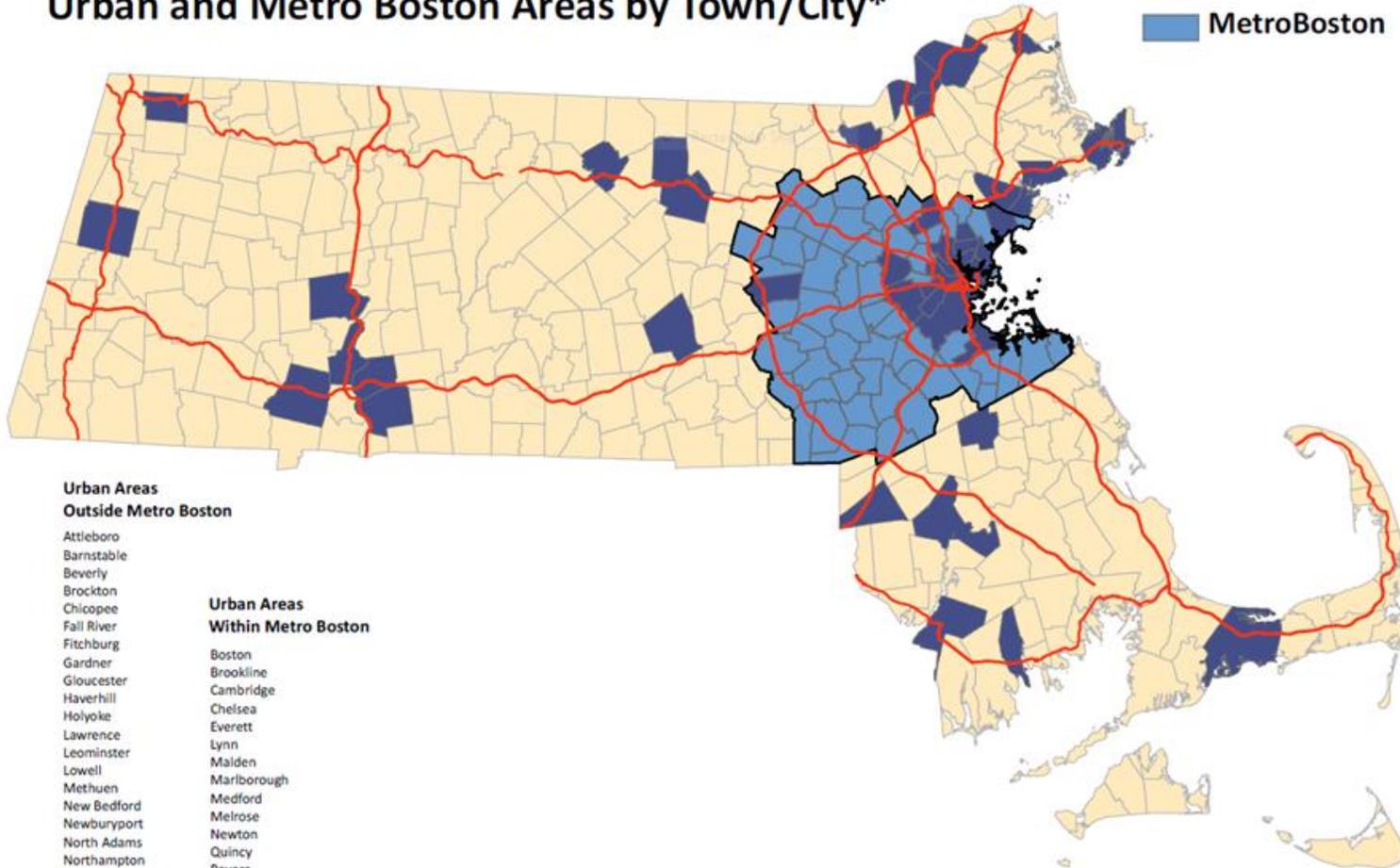
Single Room Occupancy/Group Homes/Assisted	
Living/Small Unit Supportive Housing	\$189,000
Suburban/Rural Area, All Unit Sizes	\$229,000
Urban Area with Small Units	\$299,000
Urban Area with Large Units	\$299,000

\*See the map below to determine the proper geographic category for each project based on its location.

\*\*Large Unit projects must have an average of at least two bedrooms per unit or consist of at least 65% two or more bedroom units and 10% three or more bedroom units. All other projects are considered Small Unit projects.

# Urban and Metro Boston Areas by Town/City\*

- Urban Areas
- MetroBoston



## Urban Areas Outside Metro Boston

- Attleboro
- Barnstable
- Beverly
- Brockton
- Chicopee
- Fall River
- Fitchburg
- Gardner
- Gloucester
- Haverhill
- Holyoke
- Lawrence
- Leominster
- Lowell
- Methuen
- New Bedford
- Newburyport
- North Adams
- Northampton
- Peabody
- Pittsfield
- Salem
- Springfield
- Taunton
- Westfield
- Worcester

## Urban Areas Within Metro Boston

- Boston
- Brookline
- Cambridge
- Chelsea
- Everett
- Lynn
- Malden
- Marlborough
- Medford
- Melrose
- Newton
- Quincy
- Revere
- Somerville
- Waltham
- Woburn

\* Metro Boston is the MassBenchmarks Region as defined by the Donahue Institute (UMass Boston).

# **ATTACHMENT D**

## **MA DHCD HTF**

### **Uniform Physical Condition Standards for Multifamily Housing Rehabilitation August 2016**

**MA DHCD HTF Rehab Standards Appendix E: Uniform Physical Condition Standards for Multifamily Housing Rehabilitation - August 2016**

NOTE: Deficiencies highlighted in blue are life-threatening and must be addressed immediately, if the housing is occupied.	
<b>Requirements for Site</b>	
<b>Inspectible Item</b>	<b>Type and Degree of Deficiency that must be addressed</b>
Fencing and Gates	Fence or gate is missing or damaged to the point it does not function as it should
	Holes
	Hole in fence or gate is larger than 6 inches by 6 inches
	Missing Sections
	An exterior fence, security fence or gate is missing a section which could threaten safety or security
Grounds	Runoff has extensively displaced soils which has caused visible damage or potential failure to adjoining structures or threatens the safety of pedestrians or makes the grounds unusable
	Erosion/Rutting Areas
	Vegetation has visibly damaged a component, area or system of the property or has made them unusable or impassable
	Overgrown/Penetrating Vegetation
	There is an accumulation of more than 5 inches deep and/or a large section of the grounds more than 20% is unusable for its intended purpose due to poor drainage or ponding
Health & Safety	Ponding/Site Drainage
	Air Quality - Sewer Odor Detected
	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Air Quality - Propane/Natural Gas/Methane Gas Detected
	Strong propane, natural gas or methane odors that could pose a risk of explosion/fire and/or pose a health risk if inhaled
	Electrical Hazards - Exposed Wires/Open Panels
	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment
	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Flammable Materials - Improperly Stored
	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Too much garbage has gathered more than the planned storage capacity, or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors
	Hazards - Other
	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges
	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping
	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects
	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin
	Evidence of rats or mice-sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
	Mailboxes/Project Signs
	Mailbox cannot be locked or is missing
	The project sign is not legible or readable because of deterioration or damage
	Signs Damaged
	Cracks that are large enough to affect traffic ability over more than 5% of the property's parking lots/driveways/roads or pose a safety hazard
Parking Lots/Driveways/Roads	Cracks
	3 inches or more of water has accumulated making 5% or more of a parking lot/driveway unusable or unsafe
	Ponding
	Potholes/Loose Material
	Potholes or loose material that have made a parking lot/driveway unusable/unpassable for vehicles and/or pedestrians or could cause tripping or falling
	Settlement/Heaving
	Settlement/heaving has made a parking lot/driveway unusable/unpassable or creates unsafe conditions for pedestrians and vehicles
Play Areas and Equipment	Damaged/Broken Equipment
	More than 20% of the equipment is broken or does not operate as it should or any item that poses a safety risk
	Deteriorated Play Area Surface
	More than 20% of the play surface area shows deterioration or the play surface area could cause tripping or falling and thus poses a safety risk
Refuse Disposal	Broken/Damaged Enclosure-Inadequate Outside Storage Space
	A single wall or gate of the enclosure has collapsed or is leaning and in danger of falling or trash cannot be stored in the designated area because it is too small to store refuse until disposal
Retaining Walls	Damaged/Falling/Leaning
	A retaining wall is damaged and does not function as it should or is a safety risk
Storm Drainage	Damaged/Obstructed
	The system is partially or fully blocked by a large quantity of debris, causing backup into adjacent areas or runoffs into areas where runoff is not intended
Walkways/Steps	Broken/Missing Hand Railing
	The hand rail is missing, damaged, loose or otherwise unusable
	Cracks/Settlement/Heaving
	Cracks, hinging/tilting or missing sections that affect traffic ability over more than 5% of the property's walkways/steps or any defect that creates a tripping or falling hazard
	Spalling/Exposed rebar
	More than 5% of walkways have large areas of spalling-larger than 4 inches by 4 inches-they affect traffic ability
<b>Requirements for Building Exterior</b>	
<b>Inspectible Item</b>	<b>Observable Deficiency</b>
Doors	Damaged Frames/Threshold/Lintels/Trim
	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
	Damaged Hardware/Locks
	Any door that does not function as it should or cannot be locked because of damage to the door's hardware surface, or broken/missing glass
	Damaged Surface (Holes/Paint/Rusting/Glass)
	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
	Damaged/Missing Screen/Storm/Security Door
	Any screen door or storm door that is damaged or is missing screens or glass-shown by an empty frame or frames or any security door that is not functioning or is missing
	Deteriorated/Missing Caulking/Seals
	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should

Fire Escapes	Missing Door Blocked Egress/Ladders Visibly Missing Components	Any exterior door that is missing Stored items or other barriers restrict or block people from exiting Any of the functional components that affect the function of the fire escape—one section of a ladder or railing, for example—are missing
Foundations	Cracks/Gaps Spalling/Exposed Rebar	Large cracks in foundation more than 3/8 inches wide by 3/8 inches deep by 6 inches long that present a possible sign of a serious structural problem, or opportunity for water penetration or sections of wall or floor that are broken apart Significant spalled areas affecting more than 10% of any foundation wall or any exposed reinforcing material—rebar or other
Health and Safety	Electrical Hazards - Exposed Wires/Open Panels Electrical Hazards - Water Leaks on/near Electrical Equipment	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk) Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Flammable/Combustible Materials - Improperly Stored	Too much garbage has gathered—more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors Hazards - Other	Any general defects or hazards that pose risk of bodily injury Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Sharp Edges Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk Evidence of infestation of insects—including roaches and ants—throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Insects	
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice—sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
Lighting	Broken Fixtures/Bulbs	10% or more of the lighting fixtures and bulbs surveyed are broken or missing
Roofs	Damaged Soffits/Fascia Damaged Vents Damaged/Clogged Drains	Soffits or fascia that should be there are missing or so damaged that water penetration is visibly possible Vents are missing or so visibly damaged that further roof damage is possible The drain is damaged or partially clogged with debris or the drain no longer functions
	Damaged/Torn Membrane/Missing Ballast Missing/Damaged Components from Downspout/Gutter	Ballast has shifted and no longer functions as it should or there is damage to the roof membrane that may result in water penetration Drainage system components are missing or damaged causing visible damage to the roof, structure, exterior wall surface, or interior
	Missing/Damaged Shingles Ponding	Roofing shingles are missing or damaged enough to create a risk of water penetration Evidence of standing water on roof, causing potential or visible damage to roof surface or underlying materials
Walls	Cracks/Gaps	Any large crack or gap that is more than 3/8 inches wide or deep and 6 inches long that presents a possible sign of serious structural problem or opportunity for water penetration
	Damaged Chimneys	Part or all of the chimney has visibly separated from the adjacent wall or there are cracked or missing pieces large enough to present a sign of chimney failure or there is a risk of falling pieces that could create a safety hazard
	Missing/Damaged Caulking/Mortar Missing Pieces/Holes/Spalling	Any exterior wall caulking or mortar deterioration that presents a risk of water penetration or risk of structural damage Any exterior wall deterioration or holes of any size that present a risk of water penetration or risk of structural damage
	Stained/Peeling/Needs Paint	More than 20% of the exterior paint is peeling or paint is missing and siding surface is exposed thereby exposing siding to water penetration and deterioration
Windows	Broken/Missing/Cracked Panes Damaged Sills/Frames/Lintels/Trim Damaged/Missing Screens Missing/Deteriorated Caulking/Seals/Glazing Compound	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane Sills, frames, lintels, or trim are missing or damaged, exposing the inside of the surrounding walls and compromising its weather tightness Missing screens or screens with holes greater than 1 inch by 1 inch or tears greater than 2 inches in length
	Peeling/Needs Paint Security Bars Prevent Egress	There are missing or deteriorated caulk or seals—with evidence of leaks or damage to the window or surrounding structure More than 20% of the exterior window paint is peeling or paint is missing and window frame surface is exposed thereby exposing window frame to water penetration and deterioration The ability to exit through egress window is limited by security bars that do not function properly and, therefore, pose safety risks
<b>Requirements for Building Systems</b>		
<b>Inspectable Item</b>		
Domestic Water	Leaking Central Water Supply Missing Pressure Relief Valve	Leaking water from water supply line is observed There is no pressure relief valve or pressure relief valve does not drain down to the floor
	Rust/Corrosion on Heater Chimney Water Supply Inoperable	The water heater chimney shows evidence of flaking, discoloration, pitting, or crevices that may create holes that could allow toxic gases to leak from the chimney There is no running water in any area of the building where there should be
Electrical System	Blocked Access/Improper Storage Burnt Breakers	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency Carbon residue, melted breakers or arcing scars are evident



Electrical - Blocked Access to Electrical Panel	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
Electrical - Burnt Breakers	Carbon residue, melted breakers or arcing scars are evident
Electrical - Evidence of Leaks/Corrosion	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidence of water leaks in the enclosure or hardware
Electrical - Frayed Wiring	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
Electrical - Missing Breakers	Any open and/or exposed breaker part
Electrical - Missing Covers	A cover is missing, which results in exposed visible electrical connections
Floors - Bulging/Buckling	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
Floors - Floor Covering Damaged	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
Floors - Missing Floor Tiles	More than 5% of the flooring or tile flooring is missing
Floors - Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface
Floors - Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6 inches by 6 inches
Floors - Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew—such as a darkened area—covering a flooring area greater than 1 foot square
GFI - Inoperable	The GFI does not function
Graffiti	Any graffiti on any exposed surface greater than 6 inches by 6 inches
HVAC - Convection/Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans
HVAC - General Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration—or a pit or crevice
HVAC - Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
HVAC - Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
HVAC - Noisy/Vibrating/Leaking	HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
Lavatory Sink - Damaged/Missing	Sink has extensive discoloration or cracks in over 50% of the basin or the sink or associated hardware have failed or are missing and the sink can't be used
Lighting - Missing/Damaged/Inoperable Fixture	More than 10% of the permanent lighting fixtures are missing or damaged so they do not function
Mailbox - Missing/Damaged	The US Postal Service mailbox cannot be locked or is missing
Outlets/Switches/Cover Plates - Missing/Broken	Outlet or switch is missing or a cover plate is missing or broken, resulting in exposed wiring
Pedestrian/Wheelchair Ramp	A walkway or ramp is damaged and cannot be used by people on foot, in wheelchair, or using walkers
Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
Range Hood /Exhaust Fans - Excessive Grease/Inoperable	A substantial accumulation of dirt or grease that threatens the free passage of air
Range/Stove - Missing/Damaged/Inoperable	One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or even not functioning
Refrigerator - Damaged/Inoperable	The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance
Restroom Cabinet - Damaged/Missing	Damaged or missing shelves, vanity top, drawers, or doors that are not functioning as they should for storage or their intended purpose
Shower/Tub - Damaged/Missing	Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing
Sink - Missing/Damaged	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
Smoke Detector - Missing/Inoperable	Smoke detector is missing or does not function as it should
Stairs - Broken/Damaged/Missing Steps	A step is missing or broken
Stairs - Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
Ventilation/Exhaust System - Inoperable	Exhaust fan is not functioning or window designed for ventilation does not open
Walls - Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment
Walls - Damaged	Any hole in wall greater than 2 inches by 2 inches
Walls - Damaged/Deteriorated Trim	10% or more of the wall trim is damaged
Walls - Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing
Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew—such as a common area—covering a wall area greater than 1 foot square
Water Closet/Toilet - Damaged/Clogged/Missing	Fixture elements—seat, flush handle, cover etc.—are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed
Windows - Cracked/Broken/Missing Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane
Windows - Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
Windows - Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
Windows - Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals—with evidence of leaks or damage to the window or surrounding structure
Windows - Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing
Windows - Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks
Health & Safety	Evidence of mold or mildew is observed that is substantial enough to pose a health risk

	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion, fire and/or pose a health risk if inhaled
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable/Combustible Materials - Improperly Stored	Flammable or combustible materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermin	Evidence of rats or mice-sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
	Fencing - Damaged/Not Intact	Any damage that could compromise the integrity of the fence
	Chutes - Damaged/Missing Components	Garbage has backed up into chutes, because the collection structure is missing or broken or compactors or components-chute, chute door, and other components-have failed
	<b>Requirements for Unit</b>	
	<b>Inspectable Item</b>	
	Bathroom	Damaged or missing shelves, vanity tops, drawers, or doors that are not functioning as they should for storage or their intended purpose
	Bathroom Cabinets - Damaged/Missing	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
	Lavatory Sink - Damaged/Missing	Drain or faucet is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Clogged Drains, Faucets	A steady leak that is adversely affecting the surrounding area
	Plumbing - Leaking Faucet/Pipes	Any cracks in tub or shower through which water can pass or extensive discoloration over more than 20% of tub or shower surface or tub or shower is missing
	Shower/Tub - Damaged/Missing	Shower fan is not functioning or window designed for ventilation does not open
	Ventilation/Exhaust System - Absent/Inoperable	Fixture elements-seat, flush handle, cover etc.-are missing or damaged or the toilet seat is cracked or has a broken hinge or toilet cannot be flushed
	Water Closet/Toilet - Damaged/Clogged/Missing	The system does not function as it should
	Inoperable	Bulging, buckling or sagging ceiling or problem with alignment
	Bulging/Buckling/Leaking	Any holes in ceiling, missing tiles or large cracks wider than 1/4 of an inch and greater than 6 inches long
	Holes/Missing Tiles/Panels/Cracks	More than 10% of ceiling has peeling paint or is missing paint
	Peeling/Needs Paint	Evidence of a leak, mold or mildew-such as a darkened area-over a ceiling area greater than 1 foot square
	Water Stains/Water Damage/Mold/Mildew	Any door that is not functioning or cannot be locked because of damage to the frame, threshold, lintel or trim
	Damaged Frames/Threshold/Lintel/Trim	Any door that does not function as it should or cannot be locked because of damage to the door's hardware
	Damaged Hardware/Locks	Any screen door or storm door that is damaged or is missing screens or glass-shown by an empty frame or frames or any security door that is not functioning or is missing
	Damaged/Missing Screen/Storm/Security Door	Any door that has a hole or holes greater than 1 inch in diameter, significant peeling/cracking/no paint or rust that affects the integrity of the door surface, or broken/missing glass
	Damaged Surface - Holes/Paint/Rusting/Glass/Rotting	The seals/caulking is missing on any entry door, or they are so damaged that they do not function as they should
	Deteriorated/Missing Seals (Entry Only)	Any door that is required for security (entry) or privacy (Bathroom) that is missing or any other unit door that is missing and is required for proper unit functionality
	Missing Door	One or more fixed items or items of sufficient size and weight impede access to the building system's electrical panel during an emergency
	Blocked Access to Electrical Panel	Carbon residue, melted breakers or arcing scars are evident
	Burnt Breakers	Any corrosion that affects the condition of the components that carry current or any stains or rust on the interior of electrical enclosures or any evidenced water leaks in the enclosure or hardware
	Evidence of Leaks/Corrosion	Any nicks, abrasion, or fraying of the insulation that exposes any conducting wire
	Frayed Wiring	The GFI does not function
	GFI - Inoperable	Any open and/or exposed breaker part
	Missing Breakers/Fuses	A cover is missing, which results in exposed visible electrical connections
	Missing Covers	Any flooring that is bulging, buckling or sagging or a problem with alignment between flooring types
	Bulging/Buckling	
	Floors	

	Floor Covering Damage	More than 10% of floor covering has stains, surface burns, shallow cuts, small holes, tears, loose areas or exposed seams.
	Missing Flooring Tiles	Any flooring or tile flooring that is missing
	Peeling/Needs Paint	Any painted flooring that has peeling or missing paint on more than 10% of the surface
	Rot/Deteriorated Subfloor	Any rotted or deteriorated subflooring greater than 6 inches by 6 inches
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew—such as a darkened area—covering a flooring area greater than 1 foot square
Health & Safety	Air Quality - Mold and/or Mildew Observed	Evidence of mold or mildew is observed that is substantial enough to pose a health risk
	Air Quality - Sewer Odor Detected	Sewer odors that could pose a health risk if inhaled for prolonged periods
	Air Quality - Propane/Natural Gas/Methane Gas Detected	Strong propane, natural gas or methane odors that could pose a risk of explosion/fire and/or pose a health risk if inhaled
	Electrical Hazards - Exposed Wires/Open Panels	Any exposed bare wires or openings in electrical panels (capped wires do not pose a risk)
	Electrical Hazards - Water Leaks on/near Electrical Equipment	Any water leaking, puddling or ponding on or immediately near any electrical apparatus that could pose a risk of fire, electrocution or explosion
	Emergency Fire Exits - Emergency/Fire Exits Blocked/Unusable	The exit cannot be used or exit is limited because a door or window is nailed shut, a lock is broken, panic hardware is chained, debris, storage, or other conditions block exit
	Emergency Fire Exits - Missing Exit Signs	Exit signs that clearly identify all emergency exits are missing or there is no illumination in the area of the sign
	Flammable Materials - Improperly Stored	Flammable materials are improperly stored, causing the potential risk of fire or explosion
	Garbage and Debris - Indoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Garbage and Debris - Outdoors	Too much garbage has gathered-more than the planned storage capacity or garbage has gathered in an area not sanctioned for staging or storing garbage or debris
	Hazards - Other	Any general defects or hazards that pose risk of bodily injury
	Hazards - Sharp Edges	Any physical defect that could cause cutting or breaking of human skin or other bodily harm
	Hazards - Tripping	Any physical defect in walkways or other travelled area that poses a tripping risk
	Infestation - Insects	Evidence of infestation of insects-including roaches and ants-throughout a unit or room, food preparation or storage area or other area of building substantial enough to present a health and safety risk
	Infestation - Rats/Mice/Vermis	Evidence of rats or mice-sightings, rat or mouse holes, or droppings substantial enough to present a health and safety risk
Hot Water Heater	Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	Inoperable Unit/Components	Hot water from hot water taps is no warmer than room temperature indicating hot water heater is not functioning properly
	Leaking Valves/Tanks/Pipes	There is evidence of active water leaks from hot water heater or related components
	Pressure Relief Valve Missing	There is no pressure relief valve or pressure relief valve does not drain down to the floor
	Rust/Corrosion	Significant formations of metal oxides, flaking, or discoloration—or a pit or crevice
HVAC System	Convection/Radiant Heat System Covers Missing/Damaged	Cover is missing or substantially damaged, allowing contact with heating/surface elements or associated fans
	Inoperable	HVAC does not function. It does not provide the heating and cooling it should. The system does not respond when the controls are engaged
	Misaligned Chimney/Ventilation System	Any misalignment that may cause improper or dangerous venting of gases
	Noisy/Vibrating/Leaking	The HVAC system shows signs of abnormal vibrations, other noise, or leaks when engaged
Kitchen	Rust/Corrosion	Deterioration from rust or corrosion on the HVAC system in the dwelling unit
	Cabinets - Missing/Damaged	10% or more of cabinet, doors, or shelves are missing or the laminate is separating
	Countertops - Missing/Damaged	10% or more of the countertop working surface is missing, deteriorated, or damaged below the laminate -- not a sanitary surface to prepare food
	Dishwasher/Garbage Disposal - Inoperable	The dishwasher or garbage disposal does not operate as it should
	Plumbing - Clogged Drains	Drain is substantially or completely clogged or has suffered extensive deterioration
	Plumbing - Leaking Faucet/Pipes	A steady leak that is adversely affecting the surrounding area
	Range Hood/Exhaust Fans - Excessive Grease/Inoperable	A substantial accumulation of dirt or grease that threatens the free passage of air
	Range/Stove - Missing/Damaged/Inoperable	One or more burners are not functioning or doors or drawers are impeded or on gas ranges pilot is out and/or flames are not distributed equally or even not functioning
	Refrigerator-Missing/Damaged/Inoperable	The refrigerator has an extensive accumulation of ice or the seals around the doors are deteriorated or is damaged in any way which substantially impacts its performance
Laundry Area (Room)	Sink - Damaged/Missing	Any cracks in sink through which water can pass or extensive discoloration over more than 10% of the sink surface or sink is missing
Lighting	Dryer Vent - Missing/Damaged/Inoperable	The dryer vent is missing or it is not functioning because it is blocked. Dryer exhaust is not effectively vented to the outside
Outlets/Switches	Missing/Inoperable Fixture	A permanent light fixture is missing or not functioning, and no other switched light source is functioning in the room
	Missing	An outlet or switch is missing
	Missing/Broken Cover Plates	An outlet or switch has a broken cover plate over a junction box or the cover plate is missing
Patio/Porch/Balcony	Baluster/Side Railings Damaged	Any damaged or missing balusters or side rails that limit the safe use of an area
Smoke Detector	Missing/Inoperable	Smoke detector is missing or does not function as it should
Stairs	Broken/Damaged/Missing Steps	A step is missing or broken
	Broken/Missing Hand Railing	The hand rail is missing, damaged, loose or otherwise unusable
Walls	Bulging/Buckling	Bulging, buckling or sagging walls or a lack of horizontal alignment
	Damaged	Any hole in wall greater than 2 inches by 2 inches

	Damaged/Deteriorated Trim	10% or more of the wall trim is damaged
	Peeling/Needs Paint	10% or more of interior wall paint is peeling or missing
	Water Stains/Water Damage/Mold/Mildew	Evidence of a leak, mold or mildew covering a wall area greater than 1 foot square
Windows	Cracked/Broken/Missing Panes	Any missing panes of glass or cracked panes of glass where the crack is either greater than 4" and/or substantial enough to impact the structural integrity of the window pane
	Damaged Window Sill	The sill is damaged enough to expose the inside of the surrounding walls and compromise its weather tightness
	Missing/Deteriorated Caulking/Seals/Glazing Compound	There are missing or deteriorated caulk or seals--with evidence of leaks or damage to the window or surrounding structure
	Inoperable/Not Lockable	Any window that is not functioning or cannot be secured because lock is broken
	Peeling/Needs Paint	More than 10% of interior window paint is peeling or missing
	Security Bars Prevent Egress	The ability to exit through the window is limited by security bars that do not function properly and, therefore, pose safety risks