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Commonwealth of Massachusetts

Department of Housing &

Community Development

Charles D. Baker, Governor ♦ Karyn E. Polito, Lt. Governor ♦ Janelle Chan, Undersecretary

Gateways Housing Rehabilitation

Program

**NOTICE OF FUNDING AVAILABILITY**

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Boston, Massachusetts 02114 617.573.11001

Issued: October 1, 2019

Response due: October 31, 2019

**NOTICE OF FUNDING AVAILABILITY**

**Gateways Housing Rehabilitation**

**Program**

1. **INTRODUCTION**

Chapter 99 of the Acts of 2018 (the Act), item 7004-0052, provides authorization for Affordable Housing Trust Fund monies to be expended on the rehabilitation of 1- to 4-unit housing in Gateway cities and other similarly situated communities. The Act targets units that have been cited for building or sanitary code violations or that are subject to commercial insurance cancellation due to substandard property conditions.

The Department of Housing and Community Development (the Department) has created the Gateways Housing Rehabilitation Program (GHRP) in response to this funding authorization.

Under the GHRP, eligible cities may apply for funds to provide rehabilitation loans to property owners within their communities.

In fiscal year 2020, the Department has made $3,000,000 available for GHRP applicants.

1. **ELIGIBLE APPLICANTS**

Gateway municipalities are legislatively defined by M.G.L. Ch. 23A, Sec. 3A. This statutory definition results in a list of 26 Gateway cities. The Department has identified five additional cities as similarly situated communities, for a total of 31 eligible applicant communities. See Exhibit 1 for the list of eligible cities.

Properties eligible for rehabilitation assistance must have been cited through code enforcement activities within the applicant community or be the subject of a notice of insurance cancellation provided to the community. Applicant communities must provide with their application an existing list of cited or noticed properties that will be used to select properties for rehabilitation assistance.

In addition, the Department requires applicant communities, or a lead applicant community applying on behalf of itself and others, to demonstrate that they have a suitable housing rehabilitation loan program in operation at the time of application for funding.

1. **USE OF FUNDS**

For this program year, the Department has determined that GHRP funds must be provided to eligible recipients for the purpose of rehabilitating 2-4-unit housing, in which at least one unit must be permanent, year-round rental housing. At a minimum, the scope of the rehabilitation assistance must address the code violations cited by local code enforcement or identified as the basis for insurance cancellation as well as any lead paint that has not been encapsulated or removed in accordance with state law and EPA standards.

GHRP-assisted housing rehabilitation projects must benefit low-, moderate- or middle- income households (incomes not to exceed 110% of area median income) by providing them with safe, decent and sanitary housing. For such projects, grantees must collect and maintain information on household size and income to demonstrate that a low-, moderate- or middle-income household occupies housing units to be assisted with GHRP loans. Assisted units will be subject to a 15-year rental restriction, a 15-year resale/recapture restriction, or both.

In buildings with multiple units, GHRP assistance may only assist those units occupied by eligible households and such units’ proportional share of common area work. Applicants must describe the specific steps to be taken to ensure compliance with this requirement, including the income information that will be obtained from property owners, and the standards used to determine eligibility at the time of application to the local program.

Housing rehabilitation projects generally are limited to GHRP-funded amounts of $35,000 per unit and $75,000 per property. GHRP-funded programs may allow single case waivers of these amounts. Applicants must have written policies describing such waiver processes.

Administrative funds to assist in operating the local rehabilitation program, not to exceed five percent of any GHRP award, are an eligible use of funds.

1. **FUNDING AWARD AMOUNTS**

Individual communities seeking FY2020 GHRP funds may request up to $275,000. Multi-community or regional applicants may request up to $500,000. DHCD reserves the right to waive these caps if determined necessary to fully allocate available funds. The amounts awarded to individual applicants may vary. DHCD reserves the right to reduce the amount of the award from the requested amount. DHCD reserves the right to make conditional awards. Additionally, DHCD reserves the right to reject any applications submitted.

If less than 100% of available FY2020 funds are initially awarded in this funding round, DHCD reserves the right to make additional awards during FY2020 on a rolling basis to applicants that are awarded funds through this round. DHCD may also make initial awards on a rolling basis to applicants that applied but did not receive an award through this round. In both instances, applicant communities must meet the submission requirements of this NOFA and have demonstrated adequate utilization of prior GHRP fund awards, if appropriate.

1. **APPLICATION PROCESS**

All applications to MA GHRP **are submitted online** using DHCD’s web-based system. Further application details and information will be available as guidance materials and details are released.

**Evaluation and Award Criteria**

Application review and awards will be governed by the criteria and procedures described above under Section II, Eligible Applicants, and Section III, Use of Funds, and the following criteria, process rules and special requirements. Additional detail on evaluation criteria and the review process will be in the FY2020 Gateways Housing Rehabilitation Program Application Package. The criterion are described below. Please be advised that applicants must meet a minimum threshold for Program Feasibility -- i.e., proposed rehabilitation activities must appear to be feasible to be undertaken and completed in a twelve-month grant period, or the other criteria will not be scored. Programs 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 rehabilitation projects. Proposals must also provide information that demonstrates the rehabilitation projects are feasible and ready to go forward upon grant award.

Program Need – (up to 35 points) requires applicants to document and describe the needs that will be addressed by the housing rehabilitation projects to be carried out with GHRP funds and the severity of those needs. Applicants will also be asked to describe and document how they have determined the scope and severity of needs overall and to identify potential projects that would use GHRP funds to satisfy the needs. Program need will be evaluated based on both the documented severity of need and the impact the potential projects will have on those needs.

Program Feasibility – (up to 30 points) requires applicants to document and describe an understanding of the permitting and project management tasks necessary for the proposed rehabilitation activities, the procurement processes required to carry out the local program, the availability of all necessary funds and the readiness of the program to proceed, and completeness and reasonableness of timeline. Program feasibility will be evaluated on the applicant’s ability to demonstrate the overall readiness of the rehabilitation program, management capacity and the ability of the applicant to make final selection of rehabilitation projects and to complete selected rehabilitation projects on a timely basis based upon a submitted schedule.

Program Design – (up to 35 points) GHRP proposals must leverage local funds or property owner matching funds. Program proposals must favor properties that are owner-occupied as opposed to investor-owned. Program proposals must provide sliding scale repayment schedules based on income(s) of the recipient of the assistance.

Additional Award Criteria - In the event of tied scores resulting from the above criteria, GHRP proposals with the following characteristics will be ranked higher for funding awards:

Applications from communities with higher percentages of housing units built prior to 1939

Applications from communities with higher percentages of 2-4 unit housing

Applications from communities with higher percentages of housing units built prior to 1978

Regional or multi-city applications

Applications with higher local matching funds per property

All applications must be received by DHCD’s web-based application system by **Thursday, October 31, 2019**, at 11:59 PM.

**However,** one hard copy of the required application cover page, and the joint authorization page (if applicable), with original signatures of the appropriate Chief Elected Official(s) must be post-marked no later than Thursday, October 31, 2019.

**Other Materials**

All applicants may submit a limited amount of additional materials – press coverage, maps, charts, budgets and exhibits in support of an application as attachments.

1. **Application Submission Procedures**

Applications for FY2020 requests submitted by 11:59 PM on October 31, 2019, will be reviewed for grant award.

1. The completed application cover page, with the original signature(s) in ink, must be sent via U.S. mail or other delivery and postmarked by October 31, 2019. Cover pages should be sent to:

MA Department of Housing and Community Development

Office of the Undersecretary

100 Cambridge Street, Suite 300

Boston, MA 02114

Attention: Mark Siegenthaler

1. It is the responsibility of the applicant to ensure that its application is received by DHCD.
2. DHCD reserves the right to request additional information from applicants during the review process and to use other available information as may be necessary in order to complete its review.
3. Applicants are encouraged to consult with DHCD staff to discuss their proposals in advance of application submission. Please contact Mark Siegenthaler, Program Coordinator, at (617) 573-1331 or [Mark.Siegenthaler@mass.gov](mailto:Mark.Siegenthaler@mass.gov), if you have any questions.
4. **General**

GHRP applicants must be in good standing with DHCD with respect to other Department programs. DHCD also reserves the right to use other available information regarding an applicant’s history, experience and past performance as a DHCD grantee or borrower (as applicable) when evaluating applications, including whether the applicant has:

* Met prior work plan objectives in a timely and proper manner in accordance with an approved budget, and otherwise performed effectively;
* Complied with the terms and conditions of previous contracts;
* Conducted due diligence, closed loans and constructed projects in accordance with applicable requirements, and;
* Maintained compliance with applicable programmatic and legal requirements for any required period of affordability.

Exhibit 1

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| --- |
| Eligible GHRP applicant communities |

Agawam

Attleboro

Barnstable

Brockton

Chelsea

Chicopee

Everett

Gardner

Gloucester

Greenfield

Fall River

Fitchburg

Haverhill

Holyoke

Lawrence

Leominster

Lowell

Lynn

Malden

Methuen

New Bedford

Peabody

Pittsfield

Quincy

Revere

Salem

Springfield

Taunton

Westfield

West Springfield

Worcester