Housing Choice Communities Capital Grant Program

Program Information and Guidelines FY2022

Commonwealth of Massachusetts

Charles D. Baker, Governor | Karyn E. Polito, Lt. Governor | Mike Kennealy, Secretary

Housing Choice Communities Capital Grant Program
Supported by MassWorks
FY 2022

Introduction

The Housing Choice Initiative provides incentives, rewards, technical assistance and targeted legislative reform to encourage and empower municipalities to plan and build the diverse housing stock that the Commonwealth needs to continue to thrive. The Housing Choice Community Capital Grant Program rewards municipalities that have produced a significant number of housing units in the last five years and that have adopted or established Best Practices that encourage housing production. For Fiscal Year 2022, $4 Million is available in grants for qualifying municipalities.

What's New for FY 2022

Housing Choice Community grants will be part of the Community One Stop for Growth consolidated application process. Program funds continue to be provided through MassWorks, the state's well-known capital program for public infrastructure that helps spur economic and housing development and/or address roadway safety concerns.

Starting with the Fiscal Year 2022 grant round, which opens in spring 2021, the program will be accepting proposals through a new application process – The **Community One Stop for Growth** – which is a single application portal and collaborative review process for several state grant programs that make targeted investments based on a housing and economic development continuum.

The Community One Stop for Growth application has been created through a partnership among the Executive Office of Housing and Community Development (EOHED), Department of Housing & Community Development (DHCD) and MassDevelopment. The funding round will open in January 2021 with a series of informational webinars. Prospective applicants will be able to submit an **Expression of Interest**, through April 2, 2021, outlining priority projects to receive feedback and suggestions on the best path for submitting proposals through a **Full Application** for funding consideration. Full Applications will be due by June 4, 2021.

As in FY2021, the Housing Choice Community grant program for FY2022 will operate in accordance with the MassWorks statute (M.G.L. c.23A, §63), which states that the primary purpose of the program is: *to issue grants to municipalities and other public instrumentalities for design, construction, building, land acquisition, rehabilitation, repair and other improvements to publicly-owned infrastructure including, but not limited to, sewers, utility extensions, streets, roads, curb-cuts, parking, water treatment systems, telecommunications systems, transit improvements, public parks and spaces within urban renewal districts, and pedestrian and bicycle ways.*

- **Expenditures allowed under this statute may differ from what has been allowed in Housing Choice guidelines issued for earlier funding rounds that had a different capital source.** Carefully read the Eligible Applicants and Use of Funds sections below for details.
- **Grant funded Projects must be completed no later than June 30, 2023.**
- Two or more municipalities may apply jointly, with one municipality or another public entity acting as fiscal agent.
- Regional Planning Agencies will be consulted about grant requests.
- Review criteria will consider the project's support of the Commonwealth's Sustainable Development Principles and CAPITAL projects to respond to COVID-19.

Commonwealth's Sustainable Development Principles
(*See Appendix 1 below for full description of the principles.*)

The Commonwealth shall care for the built and natural environment by promoting sustainable development through integrated housing and economic development, energy and environment, 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.

Furthermore, the Commonwealth shall seek to advance these principles in partnership with regional and municipal governments, non-profit organizations, business, and other stakeholders.

Eligible Applicants: Only Massachusetts municipalities with the following attributes are eligible for consideration of an FY 2022 Housing Choice Community capital grant:

- **Designated as a Housing Choice Community** through the Designation application process. A Housing Choice Community designation lasts for 2 years.
- **Must not have received an FY 2021 grant**.
- Has conducted an ADA Self Evaluation or Transition Plan or is willing to commit to conduct such planning by signing a Memorandum of Understanding with DHCD and Mass Office of Disability.
- Certifies that no housing moratoria are in effect. If a community has housing restriction bylaws (such as "growth limitations") these must allow for at least a 5% increase in housing units over a single year. Contact chris.kluchman@mass.gov with questions about this eligibility factor.

Use of Funds: Grants can only fund **capital** projects - construction, modernization, or major repair of physical infrastructure, acquisition of property or interests in property; long-lived equipment; or feasibility, engineering or schematic designs for capital projects. A proposed

project may be for construction work on land and/or infrastructure that is already **publicly owned or will be acquired through public leasehold, right-of-way or easement**. Projects that use grants to municipalities, for public infrastructure provided by this section, shall be procured by the municipality in accordance with chapter 7, section 39M of chapter 30, chapter 30B and chapter 149. Program investments will be targeted to projects that require the infrastructure improvements or expansion to support and/or facilitate new growth or address safety issues.

Housing Choice capital grants supported by MassWorks are disbursed on a cost-reimbursement basis. Eligible costs may include any expenses related to an element(s) of the awarded public infrastructure construction project as approved by a contract with DHCD. Program funds are for the following types of projects that are **located on publicly owned land, leasehold, easement or right -of- way, or are for the purchase of public land:**

- Pre-construction, survey, design and engineering
- Construction costs
- Construction Administration: Project management, traffic control, public safety details, etc
- Project administration costs
- Feasibility studies for publicly owned land, related to future capital projects
- Public land acquisition
- Projects that create or support housing will score higher (see the scoring criteria below)

Funding will no longer be available for projects that are not on publicly owned/controlled lands. For example,

- A sewer upgrade in a public right-of-way that would accommodate several multi-family, mixed-use or smart growth development projects **WOULD** be eligible. However, an on-site septic system for an affordable housing project owned by a non-profit entity would NOT be eligible.
- Funding for a project to convert offices to public housing units at a local Housing Authority-owned and operated building **WOULD** be eligible, but a similar conversion in a privately owned and operated building would **NOT** be eligible. (Note: creation of new public housing units remains subject to Federal and/or state limits as applicable.)
- Capital equipment purchases and improvements to municipal buildings are **NOT** eligible unless here is a clear connection to economic development, housing rehabilitation or production or local transportation options. For example, repaving a Town Hall parking lot would NOT be eligible, but building a municipal parking garage near a transit station to serve residents and businesses of a smart-growth district **WOULD** be eligible.

Maximum Award Amount: $250,000 is the maximum grant award. DHCD reserves the right to reduce the amount of the award from the original request. Funding availability is subject to approval of state budgets.

Community One Stop for Growth Application

The new Community One Stop for Growth application is a single online application portal designed to allow applicants to apply for consideration of multiple sources of funding to support multiple phases and facets of a project. The application is organized into the following sections:

- Core Questions (Sections 1, 2, 3, and 4), plus site information, if applicable,
- Additional Questions (Sections 5 through 10), based on the development continuum and the project components selected by the applicant,
- Additional Questions for Special Projects (Sections 11 and 12), only for communities designated as Housing Choice; Rural, and/or Small Town,
- Certification of Application Submission Authority (Section 13),
- Required Attachments (Section 14), primary repository for required attachments, and
- Other Attachments (Section 15), for attachments related to special projects.

A full proposal packet for consideration of **Housing Choice Community** funding must include complete responses to all applicable questions in the following sections:

Section 1 - Applicant Information: Identifying information of the applicant, and partners, if applicable.
Section 2 - Applicant / Community Background: Information about the applicant main goals, challenges, and past projects. Section seeks information about the community's engagement in state initiatives and includes a checklist of various economic and housing development tools and strategies.
Section 3 - Project Summary: Identification of all the categories for which the applicant seeks funding support, including Infrastructure. Includes the project name, abstract, and project type.
Section 4 - Project Details / Core Information: Main project narrative and questions about leadership and ability to execute the project as well as progress to date. Includes questions related to the project timeline and anticipated outcomes. Applicants to the Infrastructure category must complete the Site Information questions, which include identification of the specific site, ownership, zoning, as well as responses to the climate resiliency questions.

Section 11 – Housing Choice Community Additional Questions: This is the section that a project requesting funding under the Housing Choice funding "bucket" must complete. This section of the application is similar to past Housing Choice Community grant applications, with questions about Housing Choice best practices.

Section 13 - Certification of Application Submission Authority: Signature page certifying the authority to submit the application on behalf of the entity, and attesting that all responses are true and accurate.

Section 15 - Attachments: This section is for uploading attachments. Housing Choice applicants will need to upload files as follows:

Section - Attachment Name	Referenced Question #	Description
Summary: Municipal CEO Letter	3.16	Letter from the municipal CEO outlining support for the applicant and/or proposed project.
Housing Choice: Additional Budget (if needed)	11.7	OPTIONAL: in addition to budget information provided in the application, upload additional budget estimates
Housing Choice: Demonstration of Project Need	11.10	Provide evidence of Community prioritization of project, such as inclusion in a CIP or inclusion in a Master Plan
Housing Choice Best Practices	11.11, 11.12 and 11.13	Upload demonstration of implementation of Housing Choice Best Practices. This will be used for a qualitative review of how your community is achieving the Housing Choice Best Practices.

Applicants may also submit optional attachments such as, other site photos or illustrations and general support letters. However, these will not be scored or assessed as part of the formal evaluation of the proposal.

IMPORTANT: The sections outlined above relate only to the Rural and Small Town Development Fund category. Applicants may be required to complete other sections of the Community One Stop application, depending on the other categories they may have selected. Please review the instructions for the One Stop carefully.

- All applications must be submitted electronically. The online application portal, *IGX*, can be accessed at https://eohed.intelligrants.com. An online webinar outlining the use of the system will be available on the site. (*See Appendix 2 for additional guidance on accessing online application.*)
- The application form template and link to the portal will also be available on the EOHED webpage. Applicants will have at least 12 weeks to review the application questions and prepare their project proposal.
- Eligible applicants may submit funding requests for more than one project in the same round. However, a separate application, and completed Section 11, is required for each project. Each proposal will be evaluated independently against the criteria and will be competing directly with all other proposals.

- It is the responsibility of the applicant to be aware of all requirements and deadlines, and to ensure that their application is complete and submitted on time. All applications will be logged as to date and time received and kept on file as public record. Late submissions will not be considered.
- DHCD reserves the right to 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 is made within a specified timeframe.

Grant Distribution and Invoicing: At the option of the municipality, DHCD may provide 25% of granted funds upon contract execution. The balance of granted funds will be disbursed on a reimbursement basis. Reimbursement requests should be submitted at least quarterly. Only work completed during the period of the executed contract will be eligible for reimbursement. Upon receipt of all required deliverables the community will be reimbursed for the balance of any outstanding grant funds.

Contract with DHCD and Award of Funds: Successful applicants must enter into a contract with DHCD within 30 days after receiving contract documents. Funding is subject to approval of the DHCD operating and capital budgets. Grant projects may begin as of the date of the grant award announcement. If selected, the municipality will be required to submit the following forms to complete a contract:

- Commonwealth Standard Contract Form, filled out and signed by the Respondent
- Commonwealth Scope and Budget Form (available from DHCD)
- Completed Contractor Authorized Signature Verification Form.

A link to these forms can be found here.

Housing Choice Capital Grant Evaluation Criteria FY 2022

Grant proposals will be scored as follows:

Base score Capital Project Criteria: Up to 80 points
Base score Best Practices: Up to 20 points
Base score total possible: 100 points
Bonus Points for ***implementing*** Best Practices: 65 points
Total possible score: 165 points

Base Scoring: Capital Project Criteria

Project Need, **Project Readiness** and **Financial Feasibility**.

Project Need (maximum total 30 points)

Project need is scored based on demonstration of one or more of the following:

1. Project results in net new increase in housing units, project directly supports an approved housing project, or one built within the last 5 years, or ADA accessibility for housing and addresses 5 or more of the Commonwealth's Sustainable Development Principles (see below) and / or clearly relates to a COVID-19 capital need. (30 points)
2. Project is needed to respond to pressing local priorities such as CAPITAL projects that address a need from COVID-19, or is included in an adopted capital improvements plan, capital expenditures plan or ADA self-evaluation and transition plan or Project included in strategic plan (housing, economic development, local transportation options) or other adopted method of identifying the particular project as a priority for the applicant community addresses fewer than 5 Sustainable Development Principles (25 Points)
3. Other municipally identified and documented capital projects related to your community's increase in housing units/residents over the last 5 years and addresses fewer than 2 Sustainable Development Principles (20 points)
4. Other municipally identified and documented capital projects supporting housing, economic development, or local transportation options and does not clearly address Sustainable Development Principles (15 points)

Project Readiness (maximum total 30 points)

Readiness will be scored based on demonstration of one or more of the following:

1. Project is eligible for feasibility, design and/or engineering services by a contractor already under contract with the applicant, or for real estate acquisition, applicant has site control (an executed purchase and sale agreement, option, or right of first refusal) (30 points)

2. Project will commence upon award using established purchasing consortia, municipal material and equipment bid results or other immediately available sources for capital items and the project has complete design and/or specifications and **will proceed to bid** upon grant award (25 points)
3. Consultant selection RFP process **will commence upon notice of grant award** OR property acquisition project where further action(s) are needed to secure site control (20 points)
4. Project RFP has not been written but will proceed upon notice of grant award (15 points)

Financial Feasibility (maximum total 20 points)

Financial Feasibility will be scored based on demonstration of one or more of the following:

1. The project request fully funds the project or fills the last funding gap in an otherwise fully funded project (15 points)
2. The project requests a portion of the funds necessary to complete the project and evidence of other funding/grant applications and potential award schedule is provided (10 points)
3. Project request includes an approved draft warrant article or recommended community preservation funds request to pursue remaining funding with a funding award schedule, with alternative sources identified, that allows for completion by June 30, 2022. (5 points)
4. The project includes more than 10% local match in funding (5 points)

Base Score: Best Practices Criteria (up to 20 points)

Best Practices scoring in the Base Score is based whether your community meets Housing Choice Best Practices. Best Practices related to Affordable Housing are worth 2 points and other Best Practices are worth 1 point. This is Yes/No scoring (have achieved the Best Practice or not).

BONUS Points for Implementation of Housing Choice Best Practices (up to 65 points)

In addition to the Base Score, additional points will be awarded for implementation of 13 of the Housing Choice Best Practices. This is qualitative scoring, with up to 5 points for each Best Practice, for a total possible 65 points. The list of Best Practices is shown below.

Housing Choice Best Practices for FY 22 Grants - Affordable practices are shown in *Italics*

1. Have at least one zoning district that allows multifamily by right (in addition to 40R districts) where there is capacity to add units and that allows for family housing that is not age restricted and does not restrict units with more than 2 bedrooms (or have a pattern of approving such developments over the last 5 years)

2. *Have Inclusionary Zoning that provides for reasonable density increases so that housing is not unreasonably precluded*
3. *Have an approved 40R Smart Growth or Starter Homes district. Please note, that if your community repealed its only 40R district, it no longer qualifies for this best practice.*
4. Have zoning that allows mixed use or cluster / Open Space Residential development by right that is not part of a 40R district (or have a pattern of approving such developments over the last 5 years)
5. Have zoning that allows for accessory dwelling units by right (or have a pattern of approving ADUs over the last 5 years)
6. *Designated local resources for housing such as established an Affordable Housing Trust, donated land, or spent substantial Community Preservation Act (CPA) funds for community housing over the last 5 years.*
7. Reduced parking requirement for Multi-Family units within the last 5 years, or require no more than 1 parking space per unit for multifamily units.
8. Education and training for a majority of members on a land use board (Planning Board, Board of Appeals, Select Board and/or City Council) from **Citizen Planner Training Collaborative**, Massachusetts Housing Partnership's **Housing Institute**, Community Development Partnership's **Lower Cape Housing Institute**, or Urban Land Institute's (ULI's) **Urban Plan Public Leadership Institute** over the last 5 years.
9. *Have units currently eligible for inclusion in the Subsidized Housing Inventory (SHI) that equal or exceed 10% of total year round housing stock according to the DHCD subsidized housing inventory, where such 10% was not reached based on units for which local comprehensive permit(s) were denied or conditioned and had the denial or condition overturned by the Housing Appeals Court (HAC).*
10. *Have increased your community's SHI by at least 2.5% points in the last 5 years where such increase was not reached based on units for which local comprehensive permit(s) were denied or conditioned and had the denial or conditions overturned by HAC.*
11. Selected a housing best practice as part of a Community Compact
12. *Participate in the Housing Development Incentive Program (HDIP), have adopted an Urban Center Housing Tax Increment Financing district, approved District Improvement Financing (DIF) related to housing, have adopted an Urban Renewal Plan that includes a significant Housing element.*
13. *Have adopted local option property tax relief programs for income eligible seniors either as provided for by statute (MGL c. 59 section 5) or through a home rule petition; OR have adopted a Community Impact Fee for short term rentals (MGL c. 64G, section 3D) where your community has committed in writing to using a portion of such revenues for affordable housing.*
14. *Have a CERTIFIED Housing Production Plan which means that you have an DHCD approved Housing Production Plan and have subsequently seen an increase of 0.5% or 1% in your year round housing units (see https://www.mass.gov/service-details/chapter-40-b-housing-production-plan for more information)*

APPENDIX 1: MASSACHUSETTS SUSTAINABLE DEVELOPMENT PRINCIPLES

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.

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.

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

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.

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.

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.

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.

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.

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.

APPENDIX 2: ACCESSING THE ONLINE APPLICATION

All applications to the Housing Choice Communities Capital Grant Program must be submitted electronically through the **Community One Stop for Growth application process**. The application will be available and accepted through the IGX Platform, which is the upgraded version of IntelliGrants. The new system can be accessed at https://eohed.intelligrants.com. A user account is required. Below are the steps for getting into the system. **This is the same system that the MassWorks grant program has used since 2018.**

The municipality should activate a primary account with the municipal CEO and/or designee(s) as a "Grant Administrator". This person(s) can then add other users, as necessary. Please refer to the IGX Grantee User Manual for technical instructions.

Current Admin Users – Municipal CEOs and/or designees who have used the IntelliGrants system in any of the past three MassWorks rounds (2018-2020) may be able to use their existing usernames to access the new application as a Grant Administrator in the IGX system. However, you must use the "Forgot Username/Password" function to reset your password when you first login and/or if you do not remember your username.

New Admin Users – If your community, or public entity, has not accessed the Intelligrants system in the past three years, a new registration is required. Similarly, this should be done by the municipal CEO and/or a designee. Click the "New User? Register Here" link to complete and submit a registration request. When that account is approved by EOHED, an email notification will be sent from the system confirming designation as a Grant Administrator.

> **NOTE:** All new requests for Grant Administrator must be approved by EOHED. These will be reviewed as they are received. Applicants will get an email notification from the system confirming the approval. If confirmation not received after 48 hours, please contact onestop@mass.gov to request assistance.

Other Users – Once a Grant Administrator is established for your organization, that user(s) may then create and/or approve additional accounts for municipal staff and/or consultants, such as grant writers, engineers, etc. Requests for access to IGX should be made directly to your community's Grant Administrator.

Starting an application – Once accounts are registered and/or approved, a Grant Administrator will be able to start an application(s), from the "My Opportunities" panel, and following the prompts in the portal. Any designated user may access, edit, and/or save an application on behalf of their organization, and are encouraged to save their work often, particularly after completing each section. However, only a Grant Administrator will be able to formally submit the application(s).

Submitting an application – Applications may be edited in IGX at any time up until the deadline. Official submissions to the Community One Stop for Growth will only be accepted

during the posted dates. During that timeframe, the "Application Submitted" option will become available (**to Grant Administrators only**), to officially submit an application. Applicants will receive an email confirming receipt within 24 hours. If an email is not received after 24 hours, please contact onestop@mass.gov for assistance.

> **NOTE:** If an application is erroneously submitted prior to being finished, the applicant may contact EOHED to reopen the application for further editing and completion, as long as it is before the deadline. Staff will try to accommodate these requests as they are received but may not be able to respond to all requests immediately. DHCD is not responsible for delays or missed deadlines due to applicant errors.