

Office of Massachusetts Attorney General Maura Healey



**Abandoned Housing Initiative
Strategic Demolition Fund (SDF)
Grant Announcement**

Rolling Application Period 1: 11/19/2018 to 6/30/2019

Rolling Application Period 2: 7/1/2019 to 6/30/2020



Abandoned Housing Initiative Strategic Demolition Fund

Grant Announcement – Strategic Demolition Fund

Utilizing up to \$250,000 in funds recovered by the Office of Massachusetts Attorney General (AGO) through a nationwide state-federal settlement resolving allegations that certain banks engaged in unlawful foreclosure practices on residential properties in Massachusetts, Attorney General Maura Healey is pleased to re-launch the Abandoned Housing Initiative Strategic Demolition Fund (SDF).

In keeping with the mission of the Abandoned Housing Initiative (AHI) to ensure safer neighborhoods through blight reduction and the creation of safe, habitable homes, grant awards made under SDF will provide assistance to communities that suffer from the negative health and economic impacts of severely blighted residential properties.

Abandoned properties that exist in an extreme state of disrepair create community safety hazards, drag down surrounding property values, and often produce large municipal tax delinquencies. In many cases, this type of property blight cannot be remedied through traditional avenues of rehabilitation due to the economic infeasibility of necessary repairs. When demolition becomes the only viable option for remediation, project cost can often prove prohibitive. The goal of SDF is to allow eligible applicants, as defined in the SDF Terms and Conditions, to leverage additional project funds for residential demolition projects while incentivizing post-demolition revitalization.

While SDF facilitates the remediation of dangerous blight through demolition, the return of the post-demolition lot to an appropriate use is a cornerstone of the fund's intent to revitalize neighborhoods.

This grant is administered by the AGO. Please refer to the following SDF Terms and Conditions document for grant requirements and application instructions.



Abandoned Housing Initiative Strategic Demolition Fund

Strategic Demolition Fund – Terms and Conditions

Demolition grant awards under the Abandoned Housing Initiative’s Strategic Demolition Fund (SDF) must satisfy the following Terms and Conditions.

Property Eligibility

Properties are eligible for consideration of grant funding if they are:

- Vacant
- In a severe state of blight that makes rehabilitation and repair economically infeasible
- Residential
 - Mixed-use properties with a residential component may be considered
 - Non-residential demolition may be considered when the post-demolition redevelopment plan includes the construction of affordable or market-priced residential housing
 - Garages, outbuildings, or other structures adjacent to the primary structure marked for demolition may be included in the application if these secondary structures reside on the same lot as the primary structure

Properties will be considered ineligible if they have been demolished or if demolition has been fully funded before an SDF grant has been awarded.

Applicant Eligibility

Applications may be submitted by the following entities for demolition grant funding consideration:

- Massachusetts Community Development Corporations (CDC)
- Massachusetts Community Development Financial Institutions (CDFI)
- Municipal Governments
- Municipal Housing and Redevelopment Authorities
- Nonprofit organizations

Applicants must meet all filing requirements with the Internal Revenue Service and the [Attorney General’s Non-Profit Organizations/ Public Charities Division](#), if applicable.

Grant Amount

Grants will be awarded in amounts of up to \$25,000 per demolition project with each award not to exceed 50% of the project’s total eligible demolition costs.



Abandoned Housing Initiative Strategic Demolition Fund

Affordable Housing Supplementary Grant

At the discretion of the AGO, up to an additional \$25,000 in matching grant funds may be awarded to post-demolition redevelopment projects in which affordable housing is the primary end-use. Affordable housing projects proposed for supplementary grant funding should be consistent with standards or programs administered by the Commonwealth of Massachusetts, Massachusetts quasi-public agencies, or the federal government. Applicants are responsible for providing evidence that their affordable housing project is consistent with applicable programs or standards.

Applicants must clearly state in their application whether the funds requested for post-demolition redevelopment will be used for the construction of an affordable housing structure. Any request to utilize the Affordable Housing Supplementary Grant must include robust plans which detail the affordable housing construction project's scope, timeline, and cost. Successful demolition grant applications with post-demolition redevelopment plans eligible for the Affordable Housing Supplementary Grant are not guaranteed matching grant funding under this supplement.

Rolling Application Periods

Applications will be accepted on a rolling basis during two open application periods until each application period's awards have been allocated. It is expected that \$125,000 will be available during each application period.

- Application Period 1: 11/19/2018 to 6/30/2019
 - Up to \$125,000 expected to be available
- Application Period 2: 7/1/2019 to 6/30/2020
 - Up to \$125,000 expected to be available
 - Unexpended funds from Application Period 1 may increase amount available during Application Period 2

General SDF Project Requirements

1. Budget

- Applicants must provide an itemized project budget and the total amount of grant funds being requested

2. Need

- Applicants must also demonstrate the following to be considered for a grant award:
 - That all rehabilitation strategies have been exhausted or that repairs are financially infeasible
 - That demolition is not possible without grant award
 - That the project fits within the mission of the Abandoned Housing Initiative to ensure safer neighborhoods through blight reduction and the creation of safe, habitable homes or a municipally-supported strategic redevelopment plan



Abandoned Housing Initiative Strategic Demolition Fund

3. Community Support

- Applicants must provide evidence of following:
 - The demolition project represents an immediate community need
 - There is an appropriate level of municipal support

4. Post-Demolition Redevelopment Plan¹

- Applicants must provide a post-demolition redevelopment plan that includes:
 - Redevelopment project overview, scope, and cost
 - Reasonable and realistic timeline for redevelopment after demolition has occurred

5. Project Compliance

- Applicants must provide evidence of the following:
 - Authority to demolish the blighted structure
 - Clean title to the property or convincing evidence that the property must be immediately demolished on an emergency basis under relevant municipal powers
 - If there are any title issues surrounding the property, they must be disclosed in writing to the AGO with a plan to remedy them. The AGO reserves the right to reject applications where clear title to the property designated for demolition has not been demonstrated
 - Certification that demolition will not cause undue environmental harm or impact
 - Applicant must disclose if any part of the property lot is contained in wetlands or a buffer zone
 - Demolition contractor's construction supervisor license, certificate of liability insurance, and workers' compensation insurance
 - Appropriate permitting and, if applicable, appropriate plan for hazardous material disposal
 - Certification that project complies with all relevant Massachusetts laws and that any hazardous material removal work is supervised by a Licensed Site Professional
 - Demolition completion and redevelopment completion respectively
 - Clear photographs showing the pre-demolition site, post-demolition site, and redeveloped space

6. Project Timelines

- Applicants should provide a reasonable timeline for project completion. It is expected that funded demolition projects will be completed in a timely manner consistent with the scope of the project.

¹The AGO is committed to repurposing post-demolition lots into productive spaces. Past redevelopment projects have included affordable housing, public parks, and public safety enhancements for neighboring properties. Any redevelopment plan that includes the development of a new affordable or market-priced residential property will be given special consideration.



Abandoned Housing Initiative Strategic Demolition Fund

AGO Site Visits and Request for Documentation

As a compliance measure, the AGO may request to visit the project site at any time during the application review process, property demolition, or redevelopment phase. Documentation of project status may be requested if agreed upon timelines are exceeded.

Eligible Costs

Supplemental Grants may be utilized to reimburse demolition costs after the completion of demolition. Eligible demolition costs include the demolition of the building, disposal of hazardous and non-hazardous materials, and permitting for the project.

Under the Affordable Housing Supplementary Grant, eligible costs for matching grant funds include the permitting and general construction costs associated with the creation of an affordable housing structure on the resulting post-demolition lot.

Geographic Diversity

SDF is available throughout the entirety of Massachusetts. The AGO will give special consideration to eligible projects that increase the geographic diversity of awards throughout the Commonwealth.

Evaluation

Any application that does not meet the submission requirements may be considered non-responsive and may be disqualified without further evaluation. All funding decisions and amounts of funding will be made at the sole discretion of the AGO. Applicants may receive no funding or less funding than requested.

Grant Disbursement

Grant funds will only be disbursed after the award recipient has provided the appropriate evidence that all project compliance measures have been satisfied and certifies that grant funds are reimbursing work already completed.

Under the Affordable Housing Supplementary Grant, awarded matching grant funds may be disbursed after initial permits have been acquired by the applicant for the construction of the affordable housing structure to be built on the post-demolition lot.

Application Limit

A maximum of one SDF application may be approved per applicant per application period. An applicant can submit multiple applications for different properties, but may only receive one award, if any.



Abandoned Housing Initiative Strategic Demolition Fund

Application Instructions

Applications should include the following:

- Applicant mission statement and contact information
- General applicant information:
 - Organizational summaries for nonprofits and CDCs; or
 - Description of entity's primary functions for housing or redevelopment authorities and quasi-state entities; or
 - Department of municipal government serving as applicant
- Description of property targeted for demolition
- Narrative supporting the decision and need to demolish the property with significant attention paid to how the demolition satisfies the SDF Terms and Conditions
- A post-demolition redevelopment plan that satisfies the SDF Terms and Conditions along with a commitment to complete the redevelopment plan in a timely manner
- Clear and organized budget documents outlining the itemized costs for demolition and redevelopment

All applications should be submitted in .pdf, .doc, or .docx format to abandonedhousing@state.ma.us. Supporting documents in spreadsheet format may be submitted in a file format compatible with Microsoft Excel.

Reasonable Accommodation

Applicants that seek reasonable accommodation, which may include the receipt of the Grant Announcement information in an alternative format, must communicate such requests in writing to abandonedhousing@state.ma.us throughout the full term of the grant.

Questions

All questions regarding grant terms, project eligibility, and the application process should be directed to:

Nathan Gardner
Program Manager, Abandoned Housing Initiative
Office of the Attorney General
One Ashburton Place, 18th Floor
Boston, MA 02108
(617) 963-2150
abandonedhousing@state.ma.us