

# Neighborhood Stabilization Program

## Round 2 Application

MassHousing is pleased to offer a second round of Neighborhood Stabilization Program (NSP) funding.

Neighborhood Stabilization Program (NSP) grant funds are offered to cities and towns along with Non-profits and CDCs to address substandard properties. The funds must be used for reconstruction, repairs, acquisition and/or improvements to properties which have been cited for building and safety code violations or otherwise have been identified and documented as being blighted or substandard.

The NSP program funds projects that create 1-4 unit homebuyer opportunities, protect existing homeowner properties with substantial rehabilitation needs, or rehabilitate small rental developments.

Applications must identify specific properties to be addressed with NSP funding and may include multiple properties. The Neighborhood Stabilization Program can provide up to \$250,000 per affordable restricted unit. Overhead and Profit allowances are detailed in the *NSP Guidelines*. See <https://www.masshousing.com/-/media/Files/NSP/nsp-guidelines.ashx>

In support of MassHousing's longstanding commitment to confront the housing challenges facing the Commonwealth and to improve the lives of its people, we expect the organizations with which we do business to support our core principles of diversity, equity, and inclusion.

### Eligible Projects

- 1-4-unit projects creating opportunities for low, moderate and middle-income homebuyers
- Rehabilitation of substandard homeowner properties that cannot be addressed through other programs
- Rehabilitate or redevelop small rental properties (15 units or less)

**Program Preferences** (See <https://www.masshousing.com/-/media/Files/NSP/nsp-guidelines.ashx> for the complete descriptions of preferences)

- 1-4 unit homebuyer opportunities
- Local Non-profit or CDC sponsored projects
- Organizations that secure a local match for eligible activities
- Projects that have the greatest impact on weak markets including rural communities and communities disproportionately affected by the 2019 novel coronavirus pandemic, disinvestment, or abandonment, or census tracts with foreclosure rates higher than the state foreclosure rate
- Development teams that include Minority Businesses (MBE's) and/or Women Businesses (WBE's)
- Projects that promote and support minority homeownership
- Projects which include sustainable materials and/or designs

### **Readiness Requirements**

- MassHousing encourages applications for projects ready to start construction within 3 months of grant award.
- Applications for projects that are not shovel ready must include at least one proposed project that is expected to be in construction within 9 months of grant award.
- All projects must be completed within a 3-year grant contract period.

# Application Submission and Information Sessions

## Submission

Applications must be filled out in their entirety (See Note below) and all required and relevant attachments listed in Section 5 below, must be submitted via email to [neighborhoodstabilization@masshousing.com](mailto:neighborhoodstabilization@masshousing.com).

Threshold and Comparative Criteria to be used in application review is provided in Section 6.

**NOTE: The application does not allow you to save your progress and come back at a later time. A full list of application questions can be found here: <https://www.masshousing.com/-/media/Files/NSP/nsp-questions.ashx>**

## Application Timeline and Information Sessions

- **Application Launch: Tuesday, November 1, 2022**
- **Informational Session and Budget Workshops on ZOOM:**
  - November 10, 2022 10-11:30 AM Information Session
  - November 14, 2022 1:30-3 PM Informational Session
  - November 16, 2022 10-11:30 AM Informational Session
  - December 6, 2022 10-11 AM Budget Development Workshop
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- Application Close date: ***Tuesday, January 10, 2023, at 5 pm***
- **Application Review:** January-February 2023
  - Applications will be reviewed using the ***Threshold and Comparative Criteria*** in Section 6.
- **Awards Announced:** March 2023
- Grant Contracts signed: April - June 2023

## Applicant Information

### 1. Lead Applicant Organization Name and Address \*

### 2. Lead Applicant type \*

- Municipality
- Community Development Corporation
- Non-Profit

### 3. Partner Organization(s) with Contact Information

### 4. Partner Type(s)

- Municipality
- Community Development Corporation
- Non-Profit
- For-Profit Developer
- Other

5. Name of Applicant's Chief Administrative Official \*

6. Chief Administrative Official address and contact information \*

## Primary Contact Information

7. Name \*

8. Title \*

9. Organization \*

10. Email \*

11. Phone Number \*

## Activity Information

### 12. Activity Type \*

Check all that apply

- 1-4 unit Homebuyer opportunity
- Rental Rehab
- Substandard Homeowner Property

### 13. Total Grant Amount requested \*

### 14. # of Properties/Projects \*

### 15. # of Homebuyer Units

### 16. # of Homeowner Rehab Units

17. # Rental Units

18. Income ranges to be served \*

Check all that apply

- = <80% AMI (Rental projects)
- = <80% AMI (1-4 homeowner/buyer units)
- 81%-100% AMI (1-4 homeowner/buyer units)
- 101%-120% AMI (1-4 homeowner/buyer units)
- Market (unrestricted) units

19. Activity Location (4,000 characters) \*

List location(s) of all proposed project sites, including address, neighborhood, municipality and census tract.

20. Conditions Narrative (4,000 characters) \*

*Describe the conditions of property(ies), neighborhood and/or community that meet the NSP program criteria and preferences. Is there a Plan or Strategy for addressing blight in the area(s)?*



## 21. Activity Narrative (4,000 characters) \*

Provide details about the activity and how NSP funds would be used. Explain how this activity will impact property and neighborhood conditions. If there is a Strategic Plan for the area, how does this project impact the needs identified in the plan? Is this a shovel ready project or is this request for funds to be used as projects become construction-ready? How does this activity address your Diversity, Equity and Inclusion Plan's goals?

## 22. Activity Readiness Narrative (4,000 characters) \*

Are all proposed projects listed in the Activity Location section? Does the applicant have site control? If no, what is the plan and timeline for obtaining site control? What other funding sources are anticipated and what is the status—awarded or committed? If federal funds are included, what is the status of environmental clearance? What is the status of plans/design? Has a contractor been selected, or has a contractor list been generated? What is the expected timing for project(s) construction? Note that construction must commence on at least one property within 9 months of the NSP funding commitment. Please describe any other relevant readiness concerns.

## 23. Activity Schedule (4,000 characters) \*

Please provide a brief timeline for your project, including any milestones. Note that projects that can start within 3 months of a signed grant agreement are strongly encouraged and that one property must be in construction no later than 9 months after grant commitment. Schedule should include such tasks as acquisition, environmental clearance, zoning, bidding, permits, financing commitments, construction (start and completion) and close-out.

Please send all required attachments to [neighborhoodstabilization@masshousing.com](mailto:neighborhoodstabilization@masshousing.com) (<mailto:neighborhoodstabilization@masshousing.com>), including:

**A. Letters of Support:**

- Letter of Support from the Municipality is required if applicant is a CDC or Non-Profit Organization.
- Municipalities and municipal organization applicants are strongly encouraged to obtain letters of support from local CDCs and/or non-profit organizations. Please provide details of partnership (partnership agreements, memorandums of agreement, etc) with CDCs or non-profits if relevant.
- Other letters of support from elected officials, neighborhood organizations, residents, etc. may be included.

**B. List applicant team members and provide qualification documentation including:**

- Team member resumes
- List of relevant projects underway and/or successfully completed

**C. Budget:**

- Provide sources and uses estimate for planned project(s). If market units are included in a project, clearly show that NSP funds will not be used to support those units.
- For 1-4 Unit Homebuyer developments, please submit <https://www.masshousing.com/-/media/Files/NSP/NSP-1-4-Unit-Budget.ashx>
- For 1-4 Unit Homeowner assistance projects, please submit <https://www.masshousing.com/-/media/Files/NSP/NSP-Homeowner-Rehab-Budget.ashx>
- For Rental Rehab Projects, please submit One Stop Sections 1, 3 and 4 (available at [http://mhc.com/onestop\\_downloads.cfm](http://mhc.com/onestop_downloads.cfm))
- For Rental projects with mixed income/mixed use, please also submit <https://www.masshousing.com/-/media/Files/NSP/NSP-Mixed-Income-Rental-Budget.ashx>
- BUDGET NARRATIVE: Provide written information and calculations as needed to show how home prices and/or rents were determined, as applicable.

**D. Additional items (as applicable):**

- Site Map—showing all proposed projects
- Photos and other documentation of site and area conditions/contextual conditions
- Schematic plans and/or proposed scope of work.
- Proposed elevations for new construction or major exterior rehab projects

- Evidence of site control
- Letters of interest/commitment from funders, investors, operating subsidies, etc.
- Audited Financials--most recent 2 years
  - If not available, provide most recent 2 years corporate tax returns and

**E. Diversity, Equity & Inclusion Plan should discuss:**

- Does your development team include MWBEs? Is the lead organization an MWBE?
- What are your proposed spending goals and commitments regarding the anticipated budget to be allocated to MWBE contractors and/or sub-contractors? Describe the strategy for achieving these goals.
- Describe your marketing efforts that promote minority homeownership.

# Application Evaluation Criteria

## Threshold Criteria

- Completed Application and all relevant attachments submitted
- Homebuyer/Homeowner project is 1-4 units, or Rental project is 20 or fewer units
- NSP Funding request is no more than \$250,000 per affordable restricted unit, up to \$2M per project
- Evidence that Property conditions meet one or more guideline requirements
  - Cited for building/sanitary code violations
  - Subject to loss of insurance
  - Blighted or substandard conditions
- Activity meets one or more guideline requirements
  - Reconstruction renovation, redevelopment of eligible property which create or preserve units
  - Bring property into compliance with state codes and laws
  - Other capital improvements that mitigate blighted or substandard conditions

## Comparative Criteria

- Project Alignment with Program Preferences
  - Highly Advantageous: The project aligns with 3 or more program preferences
  - Advantageous: The project aligns with 1-2 program preferences
  - Not Advantageous: The project does not align with any program preferences
- Team Qualifications
  - Highly Advantageous: Project manager/developer and all team members have at least 5 years of relevant experience and at least 3 completed projects of similar scope
  - Advantageous: Project manager/developer and one or more team members have at least 3 years of relevant experience and 1-2 completed projects of similar scope
  - Not Advantageous: Project manager (developer)/project team does not have relevant experience completing projects of similar scope
- Readiness
  - Highly Advantageous: Activity can be ready for construction within 3 months of grant commitment
  - Advantageous: Activity can be ready for construction within 9 months of grant commitment
  - Not Advantageous: Activity is unlikely to be ready for a commitment of funds within 9 months of grant commitment
- Diversity & Inclusion
  - Highly Advantageous: Lead Project developer or manager is an MWBE and/or team includes one or more MWBE members. Diversity and Inclusion Plan provides a detailed strategy for achieving construction hiring goals and for promoting minority homeownership.
  - Advantageous: No current MWBE team members but Diversity and Inclusion Plan includes a strategy for offering opportunities for MWBEs as part of development team and provides a strategy for achieving construction hiring goals and promoting minority homeownership.
  - Non-responsive: No detailed plan for MWBE involvement or for promoting minority

- ~ non-responsive. no detailed plan for MWDL involvement or of promoting minority homeownership.

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