

# Barnstable Affordable Housing Growth & Development Trust Fund

## Notice of Funding Availability (NOFA)

### FY 2022-FY 2023

#### Overview:

The Affordable Housing Growth & Development Trust (the "Trust") is pleased to issue this Notice of Funding Availability (NOFA), which is being funded by Community Preservation Act (CPA) funds to provide access to Trust resources that will support qualified proposals as identified below from developers, property owners, profit, non-profit and public entities and individuals for the creation, preservation, rehabilitation and support of affordable rental and homeownership housing. Projects will be evaluated with respect to criteria that are consistent with the Town's Local Comprehensive Plan, Housing Production Plan, the Community Preservation 2021 Plan and the Trust's Rules and Regulations, as they are from time-to-time updated. In addition to the specific eligibility criteria outlined herein, to be eligible, all proposals shall comply with Community Preservation Act fund requirements.

Applications for Predevelopment Activities will be received and reviewed on a rolling basis.

Applications for Development Activities will be reviewed in rounds with the first round of applications due on March 1, 2022.

**Out-of-Round Exception.** By a majority vote of the Trust, an out-of-round application for funding for Development Activities may be considered, if the applicant demonstrates that waiting to submit an application during the prescribed round may lead to the loss of a development or funding opportunity for which funds are being sought. Examples of a loss of a development or funding opportunity may include, but are not limited to: funds for land acquisition where the delay will preclude the applicant from purchasing the property; vacant market rate unit(s) that the applicant wants to convert to affordable rental or for-sale unit(s), but for which the lapse of time will make the conversion financially infeasible; a state grant application with a submission deadline for which a local match is required.

A separate NOFA will be issued for a First Time Homebuyer Assistance Program.

#### Applicable Definitions.

##### Income Definitions

**Affordable Housing:** As used herein shall mean housing that is affordable to a household having an income of not more than the income of 80% of the area median household income (AMI), adjusted for household size. For rental units, the rent (including utilities) shall not exceed 30% of the targeted AMI approved by the Trust for the proposed development. For homeownership units, the mortgage payment for the unit

(including condominium fees or homeowners' fees, if applicable, insurance, utilities and real estate taxes) shall not exceed 30% of the targeted AMI approved by Trust for the proposed development.

**Community Housing:** As used herein shall mean housing that is affordable to a household having an income of not more than 100% of the area median household income (AMI) adjusted for household size. For rental units, the rent (including utilities) shall not exceed 30% of the targeted AMI approved by the Trust for the proposed development. For homeownership units, the mortgage payment (including condominium fees and homeowners fee, if applicable, insurance, utilities and real estate taxes) shall not exceed 30% of the targeted AMI approved by the Trust for the proposed development.

**Affordability Term**

Perpetuity

**Foreclosure Affordability Termination**

Pursuant to DHCD Requirements, restriction survives foreclosure.

**Eligible Activities:**

The Trust is committed to meeting Barnstable's affordable and community housing needs. For the current funding round, encompassing FY 2022-2023, a total of \$2,625,000 will be made available to fund the following priorities:

**Predevelopment Activities:**

**Project Eligibility:** Funds will be available for pre-development work to determine the viability of residential development on a particular site, whether the site is vacant or developed. Funds will be made available for costs related to architect and engineering fees, financial feasibility analyses, appraisals, 21E reports, and other costs associated with examining the feasibility of an affordable housing and/or community housing development.

For non-public proposals, funds allocated for pre-development activities will be secured by a mortgage and promissory note, which mortgage will be converted into a grant, if at least 20% of housing units developed on the site are affordable.

The project sponsor must have a demonstrated ability to develop a project of the type, size, and complexity proposed. The initial maximum funding per project for Predevelopment Activities shall be \$50,000. Recipients of pre-development funds may request additional funding if they can demonstrate that the initial site assessment identified site issues which require further investigation.

Recipients of pre-development funds must pay vendors first, then submit copies of paid invoices for reimbursement.

Recipients of predevelopment funds may subsequently apply for Development Activity Funds.

**Total Funding for this category: \$225,000**

**Evaluation Criteria.**

- Evidence of successful completion of other housing developments including developments that contained affordable/community housing units
- Evidence of a demonstrated ability to develop a project of the type, size, and complexity proposed
- Strength of overall concept
- Strength of development team
- Proof of financial viability to undertake development once predevelopment activities are completed

In evaluating applications and in determining the amount of funding to be awarded, priority will be given to the following types of projects:

- Affordable rental housing in areas outside of Hyannis
- Rental units that are affordable to households at or below 50% Area Median Income (AMI)
- Projects that propose the creation of affordable and community housing homeownership units in Hyannis
- Projects that provide housing to vulnerable populations and offer supportive services
- Projects that are on public land.
- Projects that convert existing buildings and structures into new affordable/community housing units.

## **Development Activities:**

### **Project Eligibility:**

Funds will be available to support gap funding, where there is a shortfall of private and public funding to support the development of affordable/community housing, rental or homeownership units. Development activities include land acquisition, new construction, redevelopment of existing structures or buildings, the conversion of market units to affordable housing units and may include mixed-use development opportunities.

Affordable units created with Trust funds must meet and comply with requirements established by the Massachusetts Department of Housing and Community development for the Subsidized Housing Inventory.

All affordable/community housing units created are subject to a use restriction ensuring that the affordable /community housing is restricted in perpetuity.

### **Determination of Funding Award. Affordable Housing.**

The potential funding *per affordable unit* for Development Activities may be up to a maximum of \$75,000 unless the applicant demonstrates that the proposed development activity meets at least one of the established housing priorities listed below, in which case, the maximum funding may be up to \$100,000 per unit.

Where an applicant is converting an existing vacant market rate unit into an affordable rental unit, a successful applicant may also seek reimbursement for the vacancy period in an amount of up to three months' rent and for a percentage of the costs of hiring a consultant to conduct a lottery and openly and fairly market the unit.

The maximum funding per project of \$1,000,000

The specific amount to be awarded will depend on the Trust's evaluation of the particular aspects of each project as they relate to the established priorities and criteria referenced in this document and the Trust's evaluation instrument and point allocation system, which applies to housing developments containing ten or more housing units. For projects where the evaluation and point allocation system are applicable, the application must receive an average point score of at least 65 (not including bonus points) to be considered for funding.

**Community Housing:** The potential funding per community housing unit may be up to \$50,000 with a maximum funding per project of \$500,000. The specific amount to be awarded will depend on the Trust's evaluation of the particular aspects of each project as they relate to the established priorities and criteria referenced in this document and the Trust's evaluation instrument and point allocation system..

**Deviation from Funding Guidelines.** Where there is a deviation from the established funding parameters, the Trust shall specifically articulate the circumstances which form the basis for the deviation.

**Total Funding for this category: \$2,400,000.**

## Evaluation Criteria

**HOUSING PRIORITIES:** In evaluating applications and in determining the amount of funding to be awarded, priority will be given to the following types of projects:

- Affordable rental housing in areas outside of Hyannis
- Rental units that are affordable to households at or below 50% Area Median Income (AMI)
- Projects that propose the creation of affordable and community housing homeownership units in Hyannis
- Projects that provide housing to vulnerable populations and offer supportive services
- Projects that are on public land.
- Projects that convert existing buildings and structures into new affordable/community housing units.

In determining whether to fund a project and the amount of funding to be provided, the following evaluation criteria will be used:

- Whether acquisition costs are at or below appraised value
- Number of units to be reserved as affordable, the level of affordability and the percentage of the total number of units created that are affordable
- Amount of other funds to leverage Trust investment
- Strength of overall concept
- Whether the development costs are reasonable and consistent for a project of its size
- Number and percentage of units which are accessible to individuals with disabilities
- Strength of development team and their demonstrated ability to develop a project of the type, size, and complexity
- Evidence of readiness to proceed
- Whether the housing is harmonious in design with the surrounding community
- Where new affordable units are being created in an existing building, whether the units meet all the requirements of the Housing Quality Standards established by HUD and the Massachusetts State Sanitary Code Minimum Standards for Human Habitation and whether the mechanical systems and building envelope have a minimum useful life of at least fifteen years.

#### **APPLICATION, SCHEDULE AND REVIEW PROCESS.**

Applications can be accessed at:

<https://townofbarnstable.us/boardscommittees/AffordableHousingGrowth/>

Submit completed application with attachments and cover letter electronically to: [AffordableHousingTrust@town.barnstable.ma.us](mailto:AffordableHousingTrust@town.barnstable.ma.us). If you are unable to make an electronic submission, please send one copy of the completed application to:

Affordable Housing/Growth & Development Trust Fund  
Office of the Town Manager  
367 Main Street  
Hyannis, MA 02601

Applications for Predevelopment funds will be reviewed on a rolling basis.

Applications for Development Funds will be reviewed in rounds, with the first-round applications being due on March 1, 2022. Subsequent rounds will require application submissions by June 1, 2022 and September 1, 2022.

All applications will be reviewed for completeness. If complete, the applicant will be scheduled to appear before the Trust Board to present the request and answer questions from the Trust. In the course of reviewing an application, the Trust may vote to retain certain outside consultants to provide information and analysis to assist the Trust in its review. Applicants are advised that the Trust may seek reimbursement for such costs from successful applicants including but not limited to the cost of appraisals and the cost of an outside housing consultant reviewing an applicant's *pro forma*.

Development creating ten or more housing units shall be evaluated by the Trust's evaluation instrument and point allocation system. <https://townofbarnstable.us/boardscommittees/AffordableHousingGrowth/>

Once the Trust members determine that they have received all information necessary to evaluate the application, the Trust will decide by majority vote whether to fund the application and the amount of

funding to be provided.

All successful applicants for Trust funds must execute a Grant Agreement with the Trust and if required by the Board, a separate monitoring services agreement. The Grant Agreement will memorialize the terms and conditions of the Trust funding, including the procedure for the disbursement of Trust funds. Trust funds may be made available to selected eligible projects through deferred payment loans, secured by a mortgage and promissory note.