

Barnstable Affordable Housing Growth & Development Trust Fund

Notice of Funding Availability (NOFA)

FY2021

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 and non-profit 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 will be received and reviewed on a rolling basis. A separate NOFA will be issued for a First Time Homebuyer Buydown Assistance Program.

Applicable Definitions.

Income Definitions	Affordable Housing: $\leq 80\%$ of Area Median Community Housing: $\leq 100\%$ of Area Median
Affordability Term	Perpetuity
Loan Term/Interest Rate	30 Years/0%-Applicable Federal Rate
Foreclosure Affordability Termination	Pursuant to DHCD Requirements

Eligible Activities:

The Trust is committed to meeting Barnstable's affordable and community housing needs. For the current funding round, a total of \$1,500,000 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. Funds allocated for pre-development activities will be secured by a mortgage and promissory note. The project sponsor must have a demonstrated ability to develop a project of the type, size, and complexity proposed. The maximum funding per project for Predevelopment Activities shall be \$25,000.

Total Funding for this category: \$150,000

Evaluation Criteria.

- Evidence of successful completion of other housing developments including developments that contained affordable/community housing units
- Strength of development team
- Proof of financial viability to undertake development once predevelopment activities are completed
- Land held by a public entity shall be given priority

Development Activities:

Project Eligibility:

Funds will be provided 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. The potential funding per affordable unit for Development Activities may be up to \$100,000 based on the Trust's evaluation of the demonstrated need and the potential funding per community housing unit may be up to \$65,000 based upon the Trust's evaluation of the demonstrated need. Total potential maximum funding per project will be \$500,000 for a project which is affordable and \$260,000 for a community housing project. 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.

Affordable units created with Trust funds must meet and comply with requirements established by the Massachusetts Department of Housing and Community development for Subsidized Housing Inventory. All units so created are subject to a restriction ensuring that the affordable / community housing is restricted in perpetuity.

The proposed project must be new production (new construction or adaptive re-use) resulting in additional affordable or community housing homeownership or rental units.

The project sponsor must have a demonstrated ability to develop a project of the type, size, and complexity proposed.

Total Funding for this category: \$1,000,000.

Evaluation Criteria

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

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 under the criteria described above
- Evidence of readiness to proceed

Affordable Homeownership Preservation Program:

Project Eligibility: Funds would be available to assist a for profit or non-profit entity to purchase and rehabilitate distressed bank owned deed-restricted affordable homeownership units in order to make them habitable for resale to eligible homebuyers at a purchase price that is affordable to an individual or family with an income at 80% of the Area Median Income subject to an Affordable Housing Restriction (AHR) in perpetuity.

Maximum Purchase Price per Unit: \$350,000.

Total Funding for this category: \$350,000.

Evaluation Criteria.

- Experience in rehabilitating units that have been abandoned or vacant for a prolonged period of time
- Experience in developing affordable housing units
- Experience in affirmatively marketing affordable housing units

- Amount of other funds to leverage Trust investment

SCHEDULE

Funds will be available on a rolling application basis beginning August 1, 2020. The Trust will evaluate the success of the program quarterly.

FUNDING ADMINISTRATION

All successful applicants for Trust funds must execute a Grant Agreement with the Trust. The Grant Agreement will memorialize the terms and conditions of the Trust funding, including the procedure for the disbursement of Trust funds.

Trust funds will be made available to selected projects through deferred payment loans. Assuming a project is meeting its Trust requirements under the applicable legal documents, the deferred payment loan will have no interest or principal payments during its term and will be discharged in full at the end of the loan term.

APPLICATION PROCESS

Applications can be accessed at:

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

Application and all required attachments should be sent to:

Barnstable AHG&DTF
Barnstable Town Hall
367 Main Street
Hyannis MA 02601
ATTN: Ruth Weil
ruth.weil@town.barnstable.ma.us

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 Board.