



Barnstable Affordable Housing/Growth & Development Trust Notice of Funding Availability (NOFA)

Updated May 13, 2024

Overview

The Affordable Housing Growth & Development Trust (the “Trust”) is pleased to issue this updated 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 Committee’s Annual Action 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 both Pre-Development and Development Activities will be received and reviewed on a rolling basis.

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 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 and real estate taxes) shall not exceed 30% of the targeted AMI approved by the Trust for the proposed development.

Affordability Term – In perpetuity, with terms and resale/rent deed restrictions issuing and recorded with each initial grant, and each subsequent transfer of property.

Foreclosure Affordability Termination- Pursuant to EOHLC Requirements, re-sale and rent restrictions survive foreclosure.

Eligible Activities

The Trust is committed to meeting Barnstable’s affordable and community housing needs. Currently (as of May 1, 2024), a total of \$4,687,120 is 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, engineering and consultant fees; forecasting; Fair Marketing and Monitoring compliance; financial feasibility analyses; pro-forma projections; 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.

Determination of Funding Award.

The funding levels stated in this NOFA are meant to guide applicants in formulating requests to the Trust Board. Award amounts are determined at the discretion of the Trust Board based on a project’s adherence to established priorities and criteria.

The initial maximum funding per project for Pre-Development 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: \$200,000

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
- Evidence of internal capacity to monitor and produce periodic reports, or evidence identifying and assuring the availability of a certified professional responsible for affordability compliance, monitoring, and fair marketing
- 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 are on public land.
- Projects that convert existing buildings and structures into new affordable/community housing units.
- Projects that provide housing to vulnerable populations and offer supportive services
- Projects that propose the creation of affordable and community housing homeownership units in Hyannis

Development Activities

Project Eligibility:

Funds will be available to support gap funding, where there is a demonstrated 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 Executive Office of Housing & Livable Communities 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.

Units required to be deed-restricted affordable by Chapter 9 Inclusionary Housing of the Town Code will not be considered eligible for funding unless they are more deeply affordable than required.

Determination of Funding Award:

The funding levels stated in this NOFA are meant to guide applicants in formulating requests to the Trust Board. Award amounts are determined at the discretion of the Trust Board based on a project's adherence to established priorities and criteria.

Affordable Housing: Funding per affordable unit will be initially considered at \$75,000. 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. Point allocation is at the discretion of the Trust Board. Projects that show the greatest adherence to the criteria may be eligible for funding of up to \$150,000 per unit. Projects which score additional bonus points for their context and approach to meeting local priorities may be eligible to receive additional funding 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 is \$2,000,000.

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 (10) 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 \$100,000. 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 and rationale which form the basis for the deviation.

Total Funding for this category: \$3,500,000.

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:

- Projects that leverage other funding sources.
- In consideration of the maximum award per project, projects that have a greater percentage of overall units in the development designated affordable.
- Projects that provide a deeper level of affordability, particularly rental units that are affordable to households at or below 50% Area Median Income (AMI).
- Affordable rental housing in areas outside of Hyannis in a location, scale, and design consistent with other town priorities.
- Projects that are on public land.
- Infill, reuse, and redevelopment projects, particularly that convert existing buildings and structures into new affordable/community housing units.
- Projects that provide housing to vulnerable populations and offer supportive services
- Projects that propose the creation of affordable and community housing homeownership units.

Additional criteria that will be used in consideration of whether to fund a project and the amount of funding to be provided include the following:

- 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
- 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
- Whether the project incorporates sustainable design principles and energy efficiency measures
- 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 (15) 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. 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

All applications will be reviewed on a rolling basis.

All applications will be reviewed for completeness. Once 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 (10) or more housing units shall be evaluated by the Trust's evaluation instrument and point allocation system. Evaluation forms can be found at:

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 a separate monitoring services agreement, the cost of which must be included in the projects budgeting. 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.