



Updated 2/6/2025

Funding Tool Kit For Housing Development In partnership through the Neighborhood HUB Program

PREPARED FOR: City of Holyoke, Office of Planning and
Economic Development



Prepared by:
LYNNE D. SWEET, MANAGING MEMBER
ELIZABETH CHAPUT, RE MARKET ANALYST/PLANNER
781-943-3963

LDS CONSULTING GROUP, LLC – WBE/DBE
170 WORCESTER STREET, SUITE 206
WELLESLEY, MA 02481

Contents

2025 Funding Application Deadlines.....	4
Components of Multi-Family Rental Development Funding.....	4
Pre-Development Funds	5
Rental Housing Soft Debt:	5
Equity Financing/ Low Income Housing Tax Credit (“LIHTC”).....	5
Developer Fees	6
Hard Debt: Construction and Permanent Funds:.....	7
New Market Tax Credit Program:	7
Massachusetts Housing Investment Corporation:	8
Equitable Developers Fund:	8
Massachusetts Equitable Development Technical Assistance Program:	8
Rental Funding Resources	10
Predevelopment Funding Programs (Help with acquisitions, studies etc.).....	10
Housing Planning Funds	10
Rental Housing Soft Debt:	13
Hard Debt: Construction and Permanent Funds:.....	15
PACE Massachusetts	17
MHP Working Capital Line of Credit (WCLOC) Program for Emerging Developers	17
Subsidies for electric vehicle charging installation	20
Renter Resources	18
Emergency Housing Payment Assistance	18
Locating Affordable Rental Housing	18
Homeownership Resources.....	19
The Commonwealth Builder Program	19
FHLBB Affordable Housing Funds	19
Rural Housing, Inc./Northeast RCAP	19
Get the Lead Out Program.....	19
MassWorks - public infrastructure	20
Energy Burden Resources	20
Locating an Affordable Home:.....	21

Homebuyer Education Classes:	21
Homebuyer Downpayment Assistance	22
Local Community and/or Economic Development Programs:	23
Community Development Block Grant Program.....	23
HOME Consortium.....	23
Massachusetts Preservation Projects Fund (MPPF)	24
Community Preservation Act.....	24
Liabilities to Assets Program.....	24
National Housing Trust Fund	24
CHAPA Municipal Engagement Initiative (MEI)	24
TDI Equity Investment Program.....	25
HUD’s HOPE VI Main Street Program	25
Federal Reserve Bank of Boston.....	25
Massachusetts Historical Commission Preservation Projects Fund	25
Exhibit 1- City of Holyoke TIE Process for HDIP.....	27

2025 Funding Application Deadlines

Below is a list of statewide funding sources and with application deadlines in 2025 and/or information from the past years deadlines as new dates have yet to be announced. These programs have set deadlines and funding rounds while there are other programs that accept applications on a rolling basis. More information on each of these programs can be found in the following toolkit.

- Community One Stop for Growth application:
 - o The Expression Of Interest will remain open through March 26, 2025
 - o They will begin accepting Full Application submissions on May 5, 2025
 - o **The submission deadline is Wednesday, June 4, 2025, at 11:59 p.m**
- Neighborhood Stabilization Program:
 - o Potentially will be announced in April 2025
 - o There may be 2 smaller rounds this year, if so the second will be in the fall of 2025
- Housing Development Incentive Program:
 - o The 2025 schedule has not been released yet, the 2024 application deadlines were:
 - April 2, 2024- round 1
 - August 23, 2024- round 2
 - December 13, 2024- round 3
- Federal Home Loan Bank of Boston Affordable Housing Program:
 - o The online application period opens on Monday, June 2, 2025.
 - o **All applications and supporting documentation must be electronically submitted by 3:00 p.m. on Thursday, July 17, 2025.**
- Low Income Housing Tax Credit (typically follows the same schedule annually)
 - o Winter round due in February
 - o Mini round for projects determined to be high readiness due in September
 - o Supportive Housing round due in December

Components of Multi-Family Rental Development Funding

- 1) Acquisition Cost
- 2) Sources
 - a. Predevelopment Funds
 - b. Equity
 - c. Soft Debt
 - d. Hard Debt
 - i. Construction
 - ii. Permanent
 - e. Other Sources: rebates etc.
- 3) Uses
 - a. Hard Costs
 - i. Construction

- ii. Site work
 - b. Soft Costs
 - i. Items such as financing fees, engineering fees, building permit fees etc. not relations the bricks and mortar, carrying costs
 - ii. Developer Fees
 - iii. Reserves
- 4) Income
- 5) Operating Costs

Pre-Development Funds

The pre-development phase is usually the first step in the process when you are trying to secure land or buildings for affordable housing and need resources to pay for such items as environmental testing, soil testing, market research, zoning review, permitting review, option fees and legal fees for site control. Usually, funds are dispersed at pre-determined milestones as the development progresses, and at the time of construction funding, funds are typically paid back to the funding source. For this reason, these types of funds are sometimes referred to as revolving funds. Some are required to be repaid at construction closing and some are forgiven. The following are agencies that provide low cost or no cost pre-development funding and/or technical assistance.

Rental Housing Soft Debt:

This type of funding, in most instances, has no requirement for repayment if you follow the terms of the loan which often include leaving the affordability in place. In most instances, the debt is deferred or forgiven. In some instances, the loan earns interest and may be repayable from net cash flow and/or proceeds of sale. There are many affordable housing programs. Some are only available to non-profits or public agencies. Most are awarded through competitive funding rounds.

Equity Financing/ Low Income Housing Tax Credit ("LIHTC)

The Low-Income Housing Tax Credit provides a tax incentive to construct or rehabilitate affordable rental housing for low-income households. The Low-Income Housing Tax Credit (LIHTC) subsidizes the acquisition, construction, and rehabilitation of affordable rental housing for low- and moderate-income tenants. The LIHTC was enacted as part of the 1986 Tax Reform Act and has been modified numerous times. Since the mid-1990s, the LIHTC program has supported the construction or rehabilitation of about 110,000 affordable rental units each year (though there was a steep drop-off after the Great Recession of 2008–09)—over 2 million units in all since its inception.

The federal government issues tax credits to state and territorial governments. State housing agencies then award the credits to private developers of affordable rental housing projects through a competitive process. Developers generally sell the credits to private investors to obtain funding. Once the housing project is placed in service (essentially, made available to

tenants), investors can claim the LIHTC over a 10-year period and there is a five year look back period.

This program generates equity investment in affordable rental housing. It essentially fills the gap between the amount of hard debt that is needed, the soft debt obtained, and the amount of funds needed to develop a project. This is because the rents are lower than market due to the affordability restriction.

Essentially, the state awards the credits in a very competitive process, and the developer sells the credits to an investor who buys them. An example of how the tax credit amount is calculated is as follows:

Allowable Development	
Costs	\$ 25,000,000
9% credit at current rate 8.35	\$ 2,087,500
Sale of credit at .94	\$ 1,962,250
Over 10 Years	\$ 19,622,500

Developer Fees

The developer fee is **compensation to the project developer** for the time and resources spent to develop the project. This is basically the incentive for developers (often for-profit developers) to develop affordable housing. This is because LIHTC projects, due to the low rents, typically give off very little cash flow.

The maximum allowable Developer's Fee and Overhead consists of the sum of "Developer's Fee Payable", "Developer's Fee Loaned" and "Developer's Fee Contributed" as defined below:

Developer's Fee Payable: Developer's Fee Payable equals that portion of the Developer's Fee and Overhead which can be drawn from available capital resources. The maximum allowable Developer's Fee Payable is calculated as follows:

- 5% of project acquisition cost; plus
- 15% of the first \$3 million of Fee-Based Development Costs; plus
- 12.5% of Fee-Based Development Costs between \$3 and \$5 million; plus
- 10% of Fee-Based Development Costs in excess of \$5 million.

The Developer's Fee Payable will be reduced from the maximum allowable Developer's Fee Payable to the extent that capital resources are insufficient to pay the maximum.

For transactions receiving funding from the Department of Housing and Community Development (EOHLC) together with Low Income Housing Tax Credits, the Maximum Developer Fee and Overhead calculation and Developer's Fee Payable must be in accordance with EOHLC's Tax Credit Qualified Allocation Plan.

Note that, in accordance with EOHLC policy, 80% of those capitalized reserves which are anticipated to be released during the first five years, and all development consultant fees, are considered part of the Developer's Fee Payable.

The 80% factor applied to capitalized reserves is intended to approximate the present value of such reserves which might not be released for up to five years. The five-year holding period is assumed to begin on the first day that the development has achieved sustaining occupancy.

Developer's Fee Loaned: Developer's Fee Loaned (also often referred to as deferred developer's fee) equals the amount, if any, by which the Developer's Fee Payable (including development consultant fees and the present value estimate of capitalized reserves) is less than the maximum allowable Developer's Fee Payable.

Developer's Fee Loaned may be counted as Owner's Equity for purposes of calculating Limited Dividend (see Limited Dividend Policy for Definitions of Owner's Equity and Limited Dividend). **Developer's Fee Contributed:** The estimated present value of capitalized reserves, if any, by which Developer's Fee Payable is reduced, as described above, will be counted as Developer's Fee Contributed.

Timing of Payment of Developer's Fee and Overhead

Up to 50% of Developer's Fee Payable may be paid at construction loan closing, up to 40% at final loan closing, and the remaining amount of the fee may be paid at sustaining occupancy (i.e., projected full occupancy at pro-forma rents). Modifications to this payment schedule may be made on a case-by-case basis to reflect requirements of a project's equity investor provided that, in the state's discretion, sufficient performance-based incentives are maintained to achieve timely construction completion, final closing and rent-up of the project.

Hard Debt: Construction and Permanent Funds:

For rental apartments, you need to obtain funding for both the construction and the permanent loan once the project has been built. You may go to one source for both, or different sources. Unlike soft debt, these loans are repayable with principal and interest, and amortized. Construction loans typically run for a few years from construction through stabilization (90% sustained occupancy) and are interest only. Permanent debt then goes into place and can be for 5-40 years.

New Market Tax Credit Program:

The NMTC program was created specifically to stimulate investment in businesses and commercial projects in eligible low-income communities. Most types of businesses serving low-income communities, such as small technology firms, retail stores, restaurants, manufacturing, and small business centers, could qualify if they are active or located in low-income communities. At least half of the business's gross income must come from the eligible area. Also, a substantial portion of its tangible property and the services performed by employees of the business must be in an eligible community. A mixed-use development with less than 80%

of the property's gross income is rental income from housing units, is allowed. This program would be a very good option for property owners that have a mix of retail, office and residential.

Massachusetts Housing Investment Corporation: MHIC offers permanent first mortgage loans, acquisition loans for both vacant and existing structures, equity investments, and subordinate loans. Based on project characteristics, equity funding can support up to 25% of total development costs. www.mhic.com

Equitable Developers Fund:

Partnership between MassHousing and MHIC to launch and grow a new \$50 million fund to provide enterprise level financing to active developers from socially and economically disadvantaged backgrounds and communities. The Fund will address disparities in capital access by providing interested developers with predevelopment and growth capital, through lines of credit and other financial assistance.

Questionnaires are accepted on a rolling basis and if deemed eligible you may be invited to apply. We note that applications from the initial round in 2024 are still being reviewed as the program attracted many applicants.

Massachusetts Equitable Development Technical Assistance Program:

This program is offered by Smart Growth America (SGA) and is designed to equip community-based organizations in Massachusetts with the skills and tools to advance sustainable, equitable development and affordable housing in their own communities. This program is open to Massachusetts community-based organizations (including 501c3s, faith-based organizations, community land trusts, and non-profit organizations) based in Commonwealth-designated Gateway Cities and Housing Choice Initiative Communities, like Holyoke.

Developers must commit to regular meetings with SGA over a 3-5 month period and SGA will provide a \$10,000 sub-grant to support community-based organizations in the technical assistance process. Topics that can be addressed are:

- Recommendations on zoning innovations, such as by-right multi-family housing, form-based codes, Accessory Dwelling Units, Missing Middle housing, and parking minimums.
- Strategies to preserve affordability and prevent displacement of low- and moderate-income housing and small businesses.
- Wealth-building strategies for low- and moderate-income households, including shared equity homeownership and Accessory Dwelling Units.
- Approaches for integrating housing and transportation investments.

Sample Deliverables include:

- Training on best practices for advocating to municipal leaders
- A policy scan of current local zoning and housing policies
- Development of national case studies on relevant zoning and housing policies

- One-page advocacy scripts for promoting equitable development at various events, including local planning meetings and municipal gatherings
- Coaching and support for writing op-eds on housing and zoning topics

The 2024-2025 funding round is over at this time and it is unknown when the next application period will be. You can check with website for updates:

<https://smartgrowthamerica.org/zoning/massachusetts-equitable-development-technical-assistance-program/>

Rental Funding Resources

Predevelopment Funding Programs (Help with acquisitions, studies etc.)

www.mhpfund.org (Massachusetts Housing Partnership Fund)

www.cedac.org (Community Economic Development Assistance Corporation)

www.massdevelopment.com (Massachusetts Development Corporation)

www.liscnet.org (Local Initiative Support Corporation)

www.bluehubcapital.org (BlueHub Capital)

<https://lifeinitiative.com> (The Life Initiative) Mollye Lockwood 617-536-3905

mlockwood@masscapital.com (they will fund for profits with a mission)

Housing Planning Funds

Planning for Housing Production Grant Program (for Municipalities)

<https://www.masshousing.com/en/programs-outreach/planning-programs/planning-housing-production>

MassHousing will fund pre-development activities on priority housing development sites by contracting directly with third-party consultants, then matching consultants with municipalities based on their respective expertise and local needs. The program prioritizes the reuse and redevelopment of municipally owned properties; exceptionally positioned privately owned sites may also be eligible for funding. The program assists municipalities in capitalizing on zoning changes for equitable, transit-oriented multifamily development; and progressing toward, achieving and exceeding Chapter 40B's 10 percent affordable housing goal. In disproportionately impacted communities, the program unlocks new opportunities for affordable homeownership development. Applications are accepted on a rolling basis. Grants generally range from \$25,000 to \$100,000.

Community One Stop for Growth

The community one stop for growth encompasses a variety of funding grants, many of which can benefit gateway cities and for profit and not for profit developers wishing to create housing. Below is the link to application followed by the programs which will be funded and the 2023 time line. We have highlighted the planning grant program and underutilized properties program.

<https://www.mass.gov/guides/community-one-stop-for-growth>

Executive Office of Housing and Economic Development

- [MassWorks Infrastructure Program](#)
- [Urban Agenda Grant Program](#)

Department of Housing and Community Development

- [Housing Choice Grant Program](#)
- [Massachusetts Downtown Initiative](#)
- [Community Planning Grant Program](#)
- [Rural and Small-Town Development Fund](#)

MassDevelopment

- [Brownfields Redevelopment Fund](#)
- [Site Readiness Program](#)
- [Underutilized Properties Program](#)
- [Collaborative Workspace Program](#)
- [Real Estate Services Technical Assistance](#)
- [Commonwealth Places Programs](#)

Community Planning Grant

<https://www.mass.gov/how-to/community-planning-grant-program>

Community Planning grants may be used for a variety of activities related to community planning such as a Master Plan, Housing Production Plan, Neighborhood Plan, Regional Plan, Corridor Plan, Urban Renewal Plan, Downtown Plan, Municipal Surplus Property Disposition Plan, District Improvement Financing (DIF) Plan, Parking Management Plan, and other strategic plans, and zoning revisions such as Zoning Revisions to Comply with M.G.L. Chapter 40A, Section 3A, Zoning Review & Revision, and other zoning revisions. As these are community planning and zoning revision grants projects must use the funds to produce planning or zoning document(s) and/or related materials in draft, phased, or final product. For FY2024, approximately \$2.5 Million is available in grants.

Grants in this category will likely be \$50,000-\$100,000.

Examples of these projects include, but are not limited to:

- Create a housing production plan to better understand housing needs of the community and identify strategies to reduce gaps in existing housing relative to identified needs.
- Create a multi-family zoning district near a transit station to comply with M.G.L. Chapter 40A, Section 3A.
- Create a corridor study of a commercial area that seeks land use alternatives to promote multi-modal access, introduce mixed-use, and achieve more compact commercial development.
- Review current zoning to identify and remove language that excludes certain housing types.
- Develop 40R/40Y Smart Growth or Starter Home districts.
- Review zoning ordinances and create a plan to update zoning rules to unlock potential housing production and economic development growth.

Underutilized Properties Program

(part of community one stop for growth see time period above)

<https://www.massdevelopment.com/what-we-offer/real-estate-services/underutilized-properties-program>

The 2021 Economic Development Bill authorizes \$40M for the Underutilized Properties program, to be administered by MassDevelopment, for the purpose of funding “*projects that will improve, rehabilitate or redevelop blighted, abandoned, vacant or underutilized properties to achieve the public purposes of eliminating blight, increasing housing production, supporting economic development projects, increasing the number of commercial buildings accessible to persons with disabilities.*” The program focuses on funding capital improvements and code compliance projects, along with the design of these improvements.

The Underutilized Properties program is part of the Community One Stop for Growth, a single application portal and collaborative review process of community development grant programs that makes targeted investments based on a Development Continuum.

Through the Community One Stop, municipalities, municipal agencies or authorities, economic development and industrial corporations, economic development authorities, nonprofit entities, and for-profit entities can apply for funding. All applications must include a letter of support from the municipality clearly articulating the proposed funding's public purpose/benefit. Applicants must be able to demonstrate ownership of the property that would benefit from grant funding. For-profit entities will need to make clear the public purposes advanced by their proposed funding request.

Capital Improvements

Grant funds may be used for capital improvements that are essential to the occupancy or increased occupancy of existing structures. Such improvements may address building stabilization, roof repair, HVAC system improvements (provided that they are fully integrated elements of a building structure or site), tenant improvements and fit-out expenses, and other similar purposes. Funds may also be used to facilitate compliance with building code(s), fire/life safety system regulations, accessibility requirements, seismic code, and other similar regulations.

Predevelopment: Buildings

Grant funds may be used to engage the services of architects, engineers, landscape architects, and other related professionals to assess building conditions and to develop design and construction documents for capital improvement and code compliance projects described in the Buildings section.

For more information:

Shay Plummer, Assistant Development Manager

Direct: 413-731-8848 x1359

Email: splummer@massdevelopment.com

Rental Housing Soft Debt:

Gateway Housing Rehabilitation Program

<https://www.masshousing.com/en/programs-outreach/gateway-housing-rehab-program>

In cooperation with the Massachusetts Department of Housing and Livable Communities (EOHLC), MassHousing is providing the Gateway Housing Rehabilitation Program (GHRP). The GHRP addresses code violations and blighted conditions in residential properties in Gateway Cities and other similarly situated communities, as identified by EOHLC. Grant funds may be used for the rehabilitation of blighted 1-4 unit residential properties and buildings that are suitable for conversion to 1-4 unit residential use.

Funding is offered to emerging developers, nonprofits and municipalities to create new affordable homebuyer opportunities or to assist small landlords and homeowners struggling with major property repairs.

The \$2.2 million in GHRP funding will be offered on a rolling basis, and applications will be accepted until all funds are expended. Future funding allocations will be announced on this page. Applicants may request up to \$125,000 per affordable unit.

Housing Stabilization Funds

HSF monies can be used for the acquisition and/or rehabilitation of existing structures for rental use, including distressed or failed properties, or for the new construction of rental projects. Projects seeking HSF funds must have a minimum of 5 HSF-assisted units. EOHLC will award the lesser of \$1,000,000 per project and up to \$50,000 per HSF-assisted unit in HOME entitlement/consortium communities. In non-entitlement or non-consortium communities, the maximum award is up to \$65,000 per HSF-assisted unit, up to a per project maximum of \$1,000,000.

<https://www.mass.gov/service-details/housing-stabilization-fund-hsf>

FHLBB Affordable Housing Funds

The Affordable Housing Program (AHP) awards grants and low-cost financing to our members for affordable housing creation and preservation. The maximum AHP subsidy per application is \$650,000, including both the AHP direct subsidy and the advance interest-rate subsidy. The maximum direct subsidy for homeownership is \$40,000 per unit.

Housing Innovations Fund

HIF provides funding for the production and preservation of alternative forms of affordable housing such as: Supportive Housing for Veterans, Elders, Single Person Occupancy, Limited equity cooperatives, transitional and permanent housing for formerly homeless households, housing for survivors of domestic violence. Loans are limited to not more than 50% of the total development costs, with a maximum HIF loan of \$1,000,000. <https://www.mass.gov/service-details/housing-innovations-fund-hif>

Community Based Housing

CBH provides funding for the development of integrated housing for people with disabilities, including elders, with priority for individuals who are in institutions, nursing facilities or at risk of institutionalization. CBH funds can be used for: the acquisition and/or rehabilitation of existing structures for rental use for new construction of rental projects. All units receiving CBH assistance must be occupied by Persons Certified Eligible by the Massachusetts Rehabilitation Commission (MRC) with incomes no greater than 80% of the area median income. EOHLC will award no more than 50% of total project development costs per CBH unit, with a recommended limit of \$750,000 per project.

<https://www.mass.gov/service-details/community-based-housing-cbh#:~:text=The%20Community%20Based%20Housing%20program,or%20at%20risk%20of%20institutionalization>.

Workforce Housing Program: MassHousing

Workforce units are an affordable option for renters who earn too much to qualify for traditional subsidized housing but are still burdened by high market rents. MassHousing has set aside resources out of the Agency's Opportunity Fund for the provision of subordinate debt to create new workforce housing units. These resources will be available to projects on a rolling basis. Borrowers must be able to demonstrate that the project has local support (as evidenced by local approvals and/or significant financial support); is meeting a market need; and is creating new affordability. Up to \$100,000 per workforce unit, with a per project limit of \$3,000,000. MassHousing expects to lend the workforce housing funds at an interest rate of between 0% and 3%. Repayment of principal (and interest if applicable) will be based on an established amortization schedule or through a cash flow sharing mechanism.

<https://www.masshousing.com/en/developers/workforce-housing>

Equity and Other Financing Sources:

www.enterprisefoundation.org The Enterprise Foundation

www.michelltd.com Michel Associates

Massachusetts Housing Investment Corporation

MHIC offers permanent first mortgage loans, acquisition loans for both vacant and existing structures, equity investments, and subordinate loans. Based on project characteristics, equity funding can support up to 25% of total development costs. www.mhic.com

BlueHub Capital

BlueHub Loan Fund provides loans to organizations and private developers for projects that provide housing, community facilities, and social services for low-income people and neighborhoods. The Loan Fund lends to community-based development projects that preserve or increase the supply of affordable rental and ownership housing and supports the stabilization of the community. The Loan Fund provides a range of real estate loans including acquisition, bridge, construction and permanent mortgage loans as well as loans within the structure of a New Markets Tax Credit projects. www.bluehubcapital.org

Hard Debt: Construction and Permanent Funds:

Massachusetts Housing Partnership Fund

The Massachusetts Housing Partnership small scale rental housing program. This is available to non-profit and for profit borrowers. These loans are earmarked for the new production of rental housing, or the preservation of existing affordable rental housing. Minimum project size is 5 units, and the minimum number of affordable housing units is 3. Loans range from \$250,000 to \$15,000,000. For example, MHP provided funding to the Eddies supermarket development in Worcester. The project involved ground floor retail and three stories of apartments. Eddies supermarket partnered with Worcester Common Ground. Worcester Common Ground served as lead developer and handled the complicated financing including City of Worcester Home Funds, Affordable Housing Trust Funds, Section 8 mobile vouchers and a permanent loan by MHP. The ground floor lease to the supermarket supplements the loan payments to MHP. Although this program is currently not available, MHP is working with the state on a new small deal program. www.mhpfund.com

The Property and Casualty Initiative. In 1999, as the result of state legislation, thirteen Massachusetts-based property and casualty insurance companies established the Property and Casualty Initiative, LLC (PCI) as a state wide community loan fund. PCI's express purpose is to promote economic development by providing loans that improve the health and welfare of low income residents and communities across the Commonwealth. Loans range in size from \$250,000 to \$5,000,000. It provides growth capital and equipment financing for businesses and organizations for community re-investment. Loans are typically 7-10 years, for construction and acquisition. Interest rates run below market rate, currently 7% for housing and 8% for businesses. Its mission is broader than the community re-investment act since it has the ability to fund a mixed use building consisting of retail and residential. This program provides lower cost, longer term financing than most commercial banks. www.pcifund.com

www.hud.org ("Federal Department of Housing and Community Development")

www.masshousing.com ("Massachusetts Housing Finance Agency")

www.massdevelopment.com ("Massachusetts Development Corporation")

www.mhic.com (Massachusetts Housing Investment Corporation, Construction)

Holyoke Rental Neighborhood Improvement Program

OneHolyoke CDC runs this program which provides funding for moderate rehab projects to landlords of multi-family properties with 3+ units. The Program provides low interest loans (3% with a 20 year term) to rental property owners to provide quality housing in the City of Holyoke. Loans may be used to make building improvements including energy saving rehab like windows, doors and HVAC systems or to address code/building violations and are up to \$21,500 per unit.

The Housing Development Incentive Program

The Housing Development Incentive Program (HDIP), established by M.G.L., Chapter 40V, provides Gateway Cities with a tool to develop market rate housing while increasing residential growth, expanding diversity of housing stock, supporting economic development, and promoting neighborhood stabilization in designated areas. The program provides two tax incentives to developers to undertake new construction or substantial rehabilitation of properties for lease or sale as multi-unit market rate residential housing:

- A local-option real estate tax exemption on all or part of the increased property value resulting from improvements (the increment), and
- State tax credits for Qualified Project Expenditures (QPEs) that are awarded through a rolling application process.

EOHLC may:

- Approve an executed Housing Development Tax Increment Exemption (TIE) Agreement between a developer and a Gateway City under M.G.L. c. 59 section 5M of no less than 10% and no more than 100% of the increment on market rate residential units in a project for no less than five years and no more than 20 years, and
- Award state Housing Development (HD) Tax Credits of up to \$2 million to the developer of a project under M.G.L. c. 62 section 6(q) and chapter 63 section 38BB, not to exceed 25% of the QPEs of the market rate residential units.

<https://www.mass.gov/service-details/housing-development-incentive-program-hdip>

City of Holyoke HDIP Zone

The City of Holyoke has established an HDIP Zone which includes much of the land in and around High Street. The TIE process for the city is a multi-step process. It does not need to be complete for the preliminary HDIP application, but it does need to be completed for the final HDIP application.

Please see *Exhibit 1* for the city's TIE process for the Housing Development Incentive Program Summary. Please contact John Dyjach if you have any questions on the process for applying for a TIE: adyjachi@holyoke.org.

Neighborhood Stabilization Funds

The federal Department of Housing and Urban Development (HUD) has awarded millions of dollars from the Housing and Economic Recovery Act (HERA) to Massachusetts and its gateway cities. These NSP funds are to be used primarily for the acquisition and rehabilitation of abandoned and foreclosed properties. Cities, Community Development Corporations and non-profit organizations can apply for funding.

The Neighborhood Stabilization Program addresses disinvestment and blighted conditions in communities across Massachusetts, offering capital grant funds for small homeownership or rental construction, reconstruction, renovation or repair of substandard properties. The Neighborhood Stabilization Program helps cities and towns, non-profits and community development corporations to create new homeownership opportunities in 1-4 unit properties; assist homeowners in need of extensive home repairs; or help rehab rental properties with 15 units or less.

MassHousing is administering the Neighborhood Stabilization Program utilizing a \$6.4 million allocation of state bond funds this fiscal year. Neighborhood Stabilization Program funds can be used for activities where the scope of work includes construction, reconstruction, renovation, repair or improvement of eligible properties. Work can include hazardous materials abatement, mobility adaptations and other work that will mitigate blighted or substandard conditions. Funds may be used to rehab or create 1-4-unit homeownership properties or small-scale (15 units or less) rental properties. NSP funds must be used for eligible Activities and Projects involving only eligible properties. Up to \$250,000 in NSP funds is available per each affordable homeownership or rental unit (that will be subject to an Affordability Restriction), dependent upon the documented need. Generally, funding awards will be capped at \$2M, although larger awards may be considered for projects of extraordinary merit.

<https://www.mass.gov/service-details/neighborhood-stabilization-program-nsf>

<https://www.masshousing.com/en/programs-outreach/neighborhood-stabilization-program>

PACE Massachusetts

<https://www.massdevelopment.com/what-we-offer/key-initiatives/pace>

Property Assessed Clean Energy (PACE) Massachusetts is administered by Mass Development and is available for multifamily housing developments of 5 or more units.

It helps commercial and industrial property owners in Massachusetts finance energy improvements by agreeing to a betterment assessment and lien on your property, sufficient to repay the financing extended by a private capital provider. PACE enables owners to use energy savings to undertake more comprehensive energy upgrades with financing terms of up to 20 years.

MHP Working Capital Line of Credit (WCLOC) Program for Emerging Developers

This program provides emerging housing developers with working capital lines of credit of up to \$250,000 to help them expand their affordable rental housing development efforts. The lines are available on an unsecured, recourse basis to qualified developers with a one-year draw period (with draw period extension of up to one year upon request) and up to a four-year term for repayment.

Eligible Borrowers: Developers with a minimum of 3 years' experience in commercial real estate, including development, construction management, project management, property

management, or commercial lending; who have developed or have under construction at least one multifamily rental housing project (5+ housing units); with at least one multifamily affordable rental housing project in their pipeline in Massachusetts. Eligible borrowers may have developed no more than 3 affordable multifamily rental projects.

Affordability: At least 20% of the units in the subject affordable rental housing must be affordable to households earning less than 80% of the area median income (“AMI”) through a recorded restriction. Alternatively, for developments approved pursuant to an Inclusionary Zoning District or other municipal zoning requirement, at least 10% of the units must be affordable to households earning less than 80% AMI.

Available Credit Line: Up to \$250,000 per organization; minimum line of \$50,000.

Renter Resources

Emergency Housing Payment Assistance

<https://www.mass.gov/how-to/how-to-apply-for-emergency-housing-payment-assistance>

Locating Affordable Rental Housing

Housingnavigatorma.org

www.massaces.org

Homeownership Resources

The Commonwealth Builder Program

Intended to spur the construction of single-family homes and condominiums that are affordable to households with moderate incomes, particularly in communities of color. This program is for gateway communities including Holyoke. It is for homeownership developments with 10 or more unit and condominium development with 15 or more units. It has grant funding of \$250,000 per unit at 70%-100% of AMI and \$150,000 per units at 110%-120% of AMI with a program cap of \$10M. It also can provide site condition assistance grants of up to \$2M.

<https://www.masshousing.com/en/developers/commonwealth-builder>

FHLBB Affordable Housing Funds

The Affordable Housing Program (AHP) awards grants and low-cost financing to our members for affordable housing creation and preservation. The maximum AHP subsidy per application is \$650,000, including both the AHP direct subsidy and the advance interest-rate subsidy. The maximum direct subsidy for homeownership is \$40,000 per unit.

<https://www.fhlbboston.com/fhlbank-boston/affordable-housing-program#/>

Rural Housing, Inc./Northeast RCAP

The mission of RHI, the Northeast RCAP, is to assist disadvantaged areas and residents of the rural Northeast to preserve and build their communities through environmentally sensitive development and programs leading towards greater self-sufficiency and an improved quality of life.

Today, RCAP Solutions is headquartered in Gardner, Massachusetts and has nearly 100 people at work in nine states, Puerto Rico and the U.S. Virgin Islands, providing safe affordable housing; building and managing water and wastewater facilities; helping communities develop the critical infrastructure they need to thrive; advocating on their behalf; and providing the training and education that helps build know-how, expertise, and capacity. In order to best assess a community's needs, RCAP Solutions performs comprehensive surveys, data collection, and analysis. They also use data to project funding needs and sources, information that is necessary for the provision of grants or loans. Their work seems to be geared more towards homeownership. RCAP may be a good resource for a property owner looking to provide condominium home ownership units on upper levels.

<https://www.rcapsolutions.org/>

Get the Lead Out Program

The program is offered to investor owners of 1-4 family properties if the windows and egress or other elements in the residential apartments of their building test positive for lead paint. It is a 3% loan. The owner obtains a lead paint test and the town works with the owner and a lender to determine the scope and cost of services. The town oversees the work. This would be a great resource for property owners looking to de-lead upper floors for apartment use. The link below

is contacts at participating agencies, Wayfinders in Springfield may be the right agency for Holyoke.

<https://www.masshousing.com/en/home-ownership/homeowners/lead-paint-agencies>

MassWorks - public infrastructure

The MassWorks Infrastructure Program is a competitive grant program that provides the largest and most flexible source of capital funds to municipalities and other eligible public entities primarily for public infrastructure projects that support and accelerate housing production, spur private development, and create jobs throughout the Commonwealth.

<https://www.mass.gov/service-details/massworks-infrastructure-program>

Energy Burden Resources

<https://ethereal-yogurt-358.notion.site/Clean-Energy-Programs-for-Low-and-Moderate-Income-Residents-in-Massachusetts-a3b9477f8b664e81b5c284d1f84f7bb2>

- National Grid EV Charging Stations Programs
- Mass Save Appliance Rebates
- Eversource EV Charging Station Program
- LISC Comprehensive Energy Audit Program
- Solar Massachusetts Renewable Target
- Mass Save Enhances Residential Program
- Mass Save Income Eligible Program
- HEAT Loan
- National Housing Trust Renewable Program
- LEAN Multifamily Program

Solar (Mass Clean Energy Association)

https://cleanenergyassociation.org/massachusetts-solar-association-1/?utm_source=Google&utm_medium=CPC&utm_campaign={campaign}&gclid=Cj0KCQjwjN-SBhCkARIsACsrBz62Rickola_ZFbtkPckkzxui4eQPE1LpT0aXHQFLirRrsBH7HS7--IaAh0yEALw_wcB

Subsidies for electric vehicle charging installation

- Zach Jenkins (the DOER Clean Cities Coalition Program Director) is very knowledgeable about potential rebates and incentive options that may be available.

Locating an Affordable Home:

Massaccessregisry.org

MAHAHomes.org

MetroList

Homebuyer Education Classes:

The [Holyoke Housing Authority](#) and [Wayfinders](#) offer first time home buyer education classes.

Topics include money management, securing a mortgage, avoiding scams, understanding credit, and creating individual financial plans and timelines. Classes are required for those income-eligible persons seeking down payment assistance.

Homebuyer Downpayment Assistance

The [Holyoke Housing Authority](#) also offers first time home buyer financial assistance up to \$4999. Recipients of first-time home buyer funds must meet HHA, HUD, and OCD eligibility criteria and complete a first time home buyer education class

Local Community and/or Economic Development Programs:

Community Development Block Grant Program

This funding is for physical building improvements as well as infrastructure improvements. These grants are derived from federal monies and typically used for specific community projects including neighborhood revitalization, renovation, economic development and improvement in the efficiency of delivering municipal services. These grants are geared to projects benefiting people with low and moderate-income levels. National objectives include assisting people with disabilities through the removal of architectural barriers and activities to help communities come into compliance with the goals of the Americans with Disabilities Act (ADA). This is a highly competitive program. However, often times there are strength in numbers. We suggest the Town consider partnering with other towns to demonstrate regional need and/ or apply to additional CDBG funding programs. Currently the town receives home ownership rehabilitation funds which it uses for primary residences only. We suggest that at least one grant a year be given to a downtown business owner for purposes of rehabilitating upper floor units to affordable rental apartments. In addition, the town should consider applying for funds for handicapped sidewalks, walkways, accessible buildings and energy efficiency.

The Housing Development Support Program (HDSP) is a component of the Massachusetts Community Block Grant Program (CDBG) and is designed to assist project-specific affordable housing incentives with emphasis on creation, preservation or improvement of small-scale public and private projects which may not be cost-effective under other development assistance programs or with conventional financing. Under this program, a town can apply to the state for a building owner for up to 75% of the cost to create an affordable housing unit. The owner is then responsible for investing the additional 25%. The 75% is a deferred payment loan for 15 years. This is an ideal program for creating affordable rental housing units on upper floors.

HOME Consortium

The City of Holyoke is the Lead City in the Holyoke-Chicopee-Westfield HOME Consortium and receive annual funding from HUD. Eligible HOME funded activities include the construction of new affordable housing units, First Time Homebuyer Downpayment Assistance, Housing Rehabilitation, and tenant-based rental assistance for very low-income households. This funding is for physical improvements. The HOME program targets households earning 60% of area median income for rental developments and 80% of median income for homeownership developments. At least 15% of the Consortium's HOME allocation must be awarded to qualified Community Home Development Organizations (CHDO) which are certified annually by the Consortium.

Massachusetts Preservation Projects Fund (MPPF)

The MPPF is a state-funded 50% matching grant program established to support the preservation of properties, landscapes and sites (cultural resources) listed or eligible for listing in the State Register of Historic Places. Applicants must be a municipality or non-profit organization. Requests for pre-development projects can range from \$5,000 to \$30,000; requests for development or acquisition projects may range from \$7,500 to \$100,000. A study of whether the downtown area is eligible as a national register district could help property owners in the future access historic tax credits for building improvements. Once a building is designated as historic, it is eligible for historic tax credits. The tax credits can be sold to bring equity into the project.

Community Preservation Act

The Community Preservation Act is a means to collect money from both the state and the community for historic preservation, preservation of open space and recreation and preservation of affordable housing. It was approved by Holyoke voters in 2016 and funds are generated through an additional 1.5% tax and the state matches funds depending on how many communities participate in the program. In 2020 Holyoke CPA projects included restoration of the Holyoke Merry Go Round and a Jackson St. first time homebuyer. For further information, go to www.holyokecpac.org.

Liabilities to Assets Program

This EOHLIC pilot neighborhood stabilization program focuses on redeveloping blighted properties in North Central MA towns. The program is targeting one and two family homes that can be sold to income qualified owner occupants after acquisition and renovation. Eligible properties have been vacant for at least 3 years and have a negative impact on the neighborhood.

National Housing Trust Fund

Projects that receive these funds are designed to assist households that need supportive services such as homeless families, veterans, and frail elderly. Eligible applicants are non-profit organizations or sponsored by a non-profit organization. HTF funds can be allocated to particular units within larger projects.

CHAPA Municipal Engagement Initiative (MEI)

Citizen's Housing and Planning Association's MEI works with community groups and municipalities to conduct public education and engagement in support of housing production with an emphasis on affordable housing. You will create unique strategies that work for Holyoke while also getting technical assistance and support for existing community organizations. To learn more about the Initiative and to obtain an application, please go to [CHAPA's Municipal Engagement Initiative webpage](#).

TDI Equity Investment Program

MassDevelopment has introduced funding in support of ground floor commercial space in Holyoke. This opportunity is available to both nonprofit organizations and for-profit entities. This funding can be used for hard costs, soft costs, or acquisition costs for projects that are actionable in the near term. The application period for 2024 has not yet been announced. and Concept Project Plans are screened on a rolling basis. Eligible projects that are invited to apply must complete a full application by tbd. To learn more about the Investment Program and to obtain an application, please go to [the MassDevelopment informational webpage](#).

HUD's HOPE VI Main Street Program

This program provides grants to communities with populations under 50,000 to assist in the renovation of historic, traditional central business districts or "Main Street" areas by replacing unused, obsolete, commercial space in buildings with affordable housing units. The only eligible applicants are local governments whose jurisdiction includes the Main Street area. Nonprofit or for-profit entities and others can be subcontractors. The deadline is October 12. For more information, contact Susan Wilson, HUD, 202-402-4500. Credit: HAC News June 23, 2023.

Federal Reserve Bank of Boston

Inclusive Economies Labs. The Federal Reserve Bank of Boston works with leaders in New England's smaller cities, regions, and towns to build local economies that give all residents more opportunity to prosper. They are looking for projects and an application can be found at: https://frb.co1.qualtrics.com/jfe/form/SV_9zuWUCYFkTi1rNQ. They can provide a one time project investment, pilot test and idea or approach or work on a longer term initiative. Housing applications are being accepted in January 2024.

Massachusetts Historical Commission Preservation Projects Fund

The MPPF is a state-funded 50% reimbursable matching grant program established in 1984 to support the preservation of properties, landscapes, and sites (cultural resources) **listed in the State Register of Historic Places**. Applicants must be a municipality or nonprofit organization. Historic cultural resources in public and nonprofit ownership and use frequently suffer from deferred maintenance, incompatible use, or are threatened by demolition. These important resources represent a significant portion of the Commonwealth's heritage. By providing assistance to historic cultural resources owned by nonprofit or municipal entities, the funds hope to ensure their continued use and integrity.

Requests for pre-development projects can range from \$5,000 to \$30,000; requests for development or acquisition projects may range from \$7,500 to \$100,000. Work completed prior to grant award is ineligible for funding consideration.

A unique feature of the program allows applicants to request up to 75% of total construction costs if there is a commitment to establish a historic property maintenance fund by setting aside an additional 25% over their matching share in a restricted endowment fund. Due to

current limited funding, the endowment option is unlikely to be available for this MPPF round of funding.

Emergency funds are available at the Secretary's discretion for stabilization of resources considered in imminent danger. There are no deadlines for the submission of emergency fund requests.

<https://www.sec.state.ma.us/mhc/mhcmppf/mppfidx.htm#:~:text=The%20MPPF%20is%20a%20state,a%20municipality%20or%20nonprofit%20organization.>

The MHC is accepting applications for Round 30 grants with a deadline of March 15, 2024.

Exhibit 1- City of Holyoke TIE Process for HDIP