

Action Plan

Grantee: Massachusetts Housing Investment Corporation

Grant: B-09-CN-MA-0006

LOCCS Authorized Amount:	\$ 21,822,940.00
Grant Award Amount:	\$ 21,822,940.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 2,617,208.00
Total Budget:	\$ 24,440,148.00

Funding Sources

Funding Source	Funding Type
HUD NSP2 - MHIC	Other Federal Funds
HUD NSP2 - MHP	Other Federal Funds
HUD NSP1 - MHIC	Other Federal Funds

Narratives

Executive Summary:

Over a 3-year period, MHIC's neighborhood stabilization program will facilitate the reclamation of 134 foreclosed and abandoned properties in 14 distressed communities across Massachusetts, representing 22% of the REO properties in those communities. It is anticipated that more than half, or approximately 156 of the properties, will be small multi-family properties. In total, it is estimated that 314 units will be restored to the housing inventory through MHIC's neighborhood stabilization initiative. Of the 314 units, 78 will be affordable to household earning less than 50% of AMI, 140 will be affordable to households earning between 50% and 120% of AMI. MHIC's neighborhood stabilization strategy has two primary components: (1) loans to finance the acquisition and rehabilitation of foreclosed and abandoned properties and the redevelopment of vacant properties (typically 2-4 family) by approved for-profit and non-profit sponsors; and (2) a homebuyer incentive and rehabilitation program for the purchase and improvement of foreclosed properties (typically 1-3 family) by individual homebuyers. The breakdown of use of grant proceeds is anticipated to be as follows: Approximately \$18.5 million for acquisition / rehab activities (represent 184 units of housing), \$1.1 million for home ownership assistance (representing 128 units of housing) and \$2.2 million for administrative costs.

Target Geography:

The MHIC Consortium is targeting the most distressed urban neighborhoods throughout Massachusetts which have been severely impacted by the foreclosure crisis, particularly due to the foreclosure of two- and three-family properties. The Consortium identified 14 older urban communities across Massachusetts to target for neighborhood stabilization activities. These municipalities are among the hardest hit urban communities within the Commonwealth of Massachusetts where foreclosure activity and vacancies are high and homeownership rates are below the state average.

The targeted communities were chosen in consultation with local planning officials and based on a survey of information available through a variety of sources including HUD's foreclosure and vacancy risk scoring, and REO data from the Federal Reserve Bank of Boston and The Warren Group/CHAPA. The targeted communities include: Boston, Brockton, Chelsea, Fall River, Fitchburg, Holyoke, Lawrence, Lowell, Lynn, New Bedford, Revere, Springfield, Taunton and Worcester.

Program Approach:

Given the difficulties of new construction, the need for additional affordable housing, and the State's new "smart growth" policies that would invigorate urban neighborhoods, it is the goal of the MHIC Consortium to preserve existing REO housing and restore confidence to neighborhood markets through two primary NSP2 activities: (A) the establishment of financing mechanisms for purchase and redevelopment of foreclosed homes and residential properties; and (B) the purchase and rehabilitation of homes and residential properties



that have been abandoned or foreclosed upon. These activities include the following (a) financing to purchase and rehabilitate properties that would be owned by private and non-profits owners for affordable rental housing and (b) homebuyer assistance that ranges from a shallow subsidy in the form of a soft second loan to deeper assistance for rehab assistance. Homebuyer assistance, counseling and fair mortgage products are particularly needed in the target geographies given the low rates of homeownership and the past targeting of these communities by subprime lenders.

Average funding for the NSLF program is \$70,000/unit, while the average funding for homebuyer assistance is \$15,000/unit. To maximize impact, MHIC will target the deeper NSLF funding to smaller concentrated areas within the hardest hit census tracts of the 14 target communities, working with local officials to identify priority properties whose rehabilitation is essential for neighborhood transformation. Most of the highly distressed properties will be rehabilitated by CDCs and for-profit developers. Most will be retained as rental, while a small number may be sold to homebuyers. Shallower homebuyer assistance will be provided to a broader but targeted area within those communities to increase homeownership rates while facilitating the purchase of foreclosed properties bringing those neighborhoods down.

Consortium Members:

The proposed program will be implemented by a consortium of two of the state's primary housing entities. Both of these entities are well established with substantial experience implementing affordable housing programs. The Massachusetts Housing Investment Corporation ("MHIC") is the lead agency and administrator of the Neighborhood Stabilization Loan Fund. As lead agency, MHIC will be responsible for the internal audit function to ensure effective use of the NSP2 funds and ensure compliance with all NSP2 requirements. The Massachusetts Housing Partnership Fund ("MHP"), an instrumentality of the Commonwealth of Massachusetts, is the administrator of the homebuyer assistance component of the program and will assume responsibility for required environmental reviews. The lead agency, MHIC, is a non-profit 501(c)(3) organization established in 1990 to attract private capital to provide affordable housing and community development to low-income communities in Massachusetts. From the outset, MHIC has had lending programs for acquisition and construction of affordable housing. Since the early 1990's, MHIC has raised capital to finance LIHTC investments resulting in \$530 million in project investments, and has been awarded \$364 million in New Markets Tax Credit allocations that resulted in the financing of 32 projects with investments totaling \$257 million. MHIC has provided \$446 million in construction financing to rehabilitate and build 9,203 units of affordable and mixed-income housing. Between 1991 and 2008, more than \$325 million, or approximately 26%, of MHIC's \$1.23 billion of total lending and equity investments have been to projects located in the target census tracts.

The second member of the MHIC Consortium, MHP, is an instrumentality of the Commonwealth of Massachusetts. MHP's mission is to significantly expand the supply of affordable housing throughout the Commonwealth. MHP's core values and capabilities are: (1) providing financing for affordable housing on better terms and/or with greater flexibility than available elsewhere; (2) pioneering new development and financing models that make more effective use of public resources, are responsive to local needs, and achieve more impact than conventional approaches to affordable housing; and (3) fostering civic leadership on affordable housing and breaking down local barriers to housing development through effective guidance, advocacy, research and technical support. MHP achieves its mission through four primary activities: homeownership assistance; financing for rental properties; technical and financial assistance to local officials and organizations; and research and analysis.

How to Get Additional Information:

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Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
1-MHIC Acquisition	MHIC Acquisitions-General	<i>No activities in this project</i>	
2-MHIC Rehab	MHIC Rehabilitation - General	MHIC-Rehab-120	Rehab subsidy 50 - 120 AMI - MHIC
		MHIC-Rehab-50	Rehab subsidy <= 50 AMI - MHIC
		MHIC-Rehab-Market	Rehab subsidy > 120 AMI - MHIC
3-MHIC Admin	MHIC Admin Reimb	MHIC-Admin	Admin
		MHIC-Admin-C	Direct 3rd Party - Compliance
		MHIC-Admin-CI	Direct 3rd Party - Community Initiatives
		MHIC-Admin-LP	Direct Labor Ticket - Loan Processing
		MHIC-Admin-PP	Direct 3rd Party - Policies and Procedures
4-MHIC HOA	MHIC HO Assistance	MHIC-HOA-120	Homebuyer Assistance: 50 - 120 AMI
5-MHP Rehab	MHP Rehab - General	<i>No activities in this project</i>	
6-MHP Admin	MHP Admin Reimb	<i>No activities in this project</i>	
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / Title: 2-MHIC Rehab / MHIC Rehabilitation - General

Grantee Activity Number: MHIC-Rehab-120
Activity Title: Rehab subsidy 50 - 120 AMI - MHIC

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

2-MHIC Rehab

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:

UNDERWAY

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

MHIC Rehabilitation - General

Projected End Date:

03/11/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget:

\$ 7,904,555.00

Other Funds

\$ 7,904,555.00

Total Funds

\$ 15,809,110.00

Proposed Beneficiaries

of Households

Total

63

Low

Mod

63

Low/Mod%

100.00

Proposed Accomplishments

of Housing Units

Total

63

of Properties

27

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Organization Type

Proposed



Massachusetts Housing Investment Corporation

Non-Profit

\$ 6,955,019.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 7,904,555.00

Location Description:

Activity Description:



Grantee Activity Number: MHIC-Rehab-50
Activity Title: Rehab subsidy <= 50 AMI - MHIC

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

2-MHIC Rehab

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Environmental Assessment:

UNDERWAY

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

MHIC Rehabilitation - General

Projected End Date:

03/11/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 6,522,999.00
Other Funds \$ 6,498,230.00
Total Funds \$ 13,021,229.00

Proposed Beneficiaries

of Households

Total	Low	Mod	Low/Mod%
35	35		100.00

Proposed Accomplishments

of Housing Units

Total

35

ELI Households (0-30% AMI)

of Properties

15

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Massachusetts Housing Investment Corporation

Organization Type

Non-Profit

Proposed

\$ 3,863,899.00

Funding Source Name

HUD NSP1 - MHIC

HUD NSP2 - MHIC

Matching Funds

No

No

Funding Amount

\$ 0.00

\$ 6,498,230.00



Location Description:

Areas with high concentration of foreclosure throughout Massachusetts.

Activity Description:

Substantial rehabilitation of properties of two and three family houses as well as small apartment buildings.

Grantee Activity Number:	MHIC-Rehab-Market
Activity Title:	Rehab subsidy > 120 AMI - MHIC

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

2-MHIC Rehab

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:
Activity Status:

Under Way

Project Title:

MHIC Rehabilitation - General

Projected End Date:

03/11/2013

Project Draw Block Date by HUD:
Activity Draw Block Date by HUD:

Total Budget:	\$ 6,842,664.00
Other Funds	\$ 6,842,664.00
Total Funds	\$ 13,685,328.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

of Households

Total	Low	Mod	Low/Mod%
42			0.00

Proposed Accomplishments

of Housing Units

Total

42

of Properties

18

Activity is being carried out by Grantee:

No

Activity is being carried out through:
Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:
Responsible Organization

Massachusetts Housing Partnership Fund

Massachusetts Housing Investment Corporation

Organization Type

State Agency

Non-Profit

Proposed

\$ 4,636,679.00

\$ 0.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 6,842,664.00



Location Description:

Areas with high concentrations of foreclosure throughout Massachusetts.

Activity Description:

Substantial rehabilitation of properties of two and three family houses as well as small apartment buildings.

Project # / Title: 3-MHIC Admin / MHIC Admin Reimb

Grantee Activity Number:	MHIC-Admin
Activity Title:	Admin

Activity Type:

Administration

Project Number:

3-MHIC Admin

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:**Activity Status:**

Under Way

Project Title:

MHIC Admin Reimb

Projected End Date:

12/31/2015

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:**

Total Budget:	\$ 1,412,381.00
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Other Funds	\$ 1,591,052.00
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Total Funds	\$ 3,003,433.00
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Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Massachusetts Housing Investment Corporation

Organization Type

Non-Profit

Proposed

\$ 1,591,052.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 1,591,052.00

Location Description:

Boston, MA

Activity Description:

Grantee Activity Number:	MHIC-Admin-C
Activity Title:	Direct 3rd Party - Compliance

Activity Type:

Administration

Project Number:

3-MHIC Admin

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

Activity Status:

Under Way

Project Title:

MHIC Admin Reimb

Projected End Date:

03/11/2010

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 47,980.00

Other Funds \$ 47,980.00

Total Funds \$ 95,960.00

Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Massachusetts Housing Investment Corporation

Organization Type

Non-Profit

Proposed

\$ 390,000.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 47,980.00

Location Description:

Boston, MA

Activity Description:



Grantee Activity Number:	MHIC-Admin-CI
Activity Title:	Direct 3rd Party - Community Initiatives

Activity Type:

Administration

Project Number:

3-MHIC Admin

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

Activity Status:

Under Way

Project Title:

MHIC Admin Reimb

Projected End Date:

03/11/2013

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 244,952.00

Other Funds \$ 244,952.00

Total Funds \$ 489,904.00

Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Massachusetts Housing Investment Corporation

Organization Type

Non-Profit

Proposed

\$ 656,250.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 244,952.00

Location Description:

Boston, MA

Activity Description:





Grantee Activity Number:	MHIC-Admin-LP
Activity Title:	Direct Labor Ticket - Loan Processing

Activity Type:

Administration

Project Number:

3-MHIC Admin

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

Activity Status:

Under Way

Project Title:

MHIC Admin Reimb

Projected End Date:

12/31/2021

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 221,286.00

Other Funds \$ 221,286.00

Total Funds \$ 442,572.00

Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Massachusetts Housing Investment Corporation

Organization Type

Non-Profit

Proposed

\$ 300,000.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 221,286.00

Location Description:

Boston, MA

Activity Description:





Grantee Activity Number:	MHIC-Admin-PP
Activity Title:	Direct 3rd Party - Policies and Procedures

Activity Type:

Administration

Project Number:

3-MHIC Admin

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Environmental Assessment:

Activity Status:

Under Way

Project Title:

MHIC Admin Reimb

Projected End Date:

12/31/2011

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget:	\$ 77,024.00
Other Funds	\$ 77,024.00
Total Funds	\$ 154,048.00

Benefit Report Type:

NA

Activity is being carried out by Grantee:

No

Activity is being carried out through:

Organization carrying out Activity:

Massachusetts Housing Investment Corporation

Proposed budgets for organizations carrying out Activity:

Responsible Organization

Massachusetts Housing Investment Corporation

Organization Type

Non-Profit

Proposed

\$ 100,000.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 77,024.00

Location Description:

Boston, MA

Activity Description:

Project # / Title: 4-MHIC HOA / MHIC HO Assistance

Grantee Activity Number: MHIC-HOA-120
Activity Title: Homebuyer Assistance: 50 - 120 AMI

Activity Type:

Homeownership Assistance to low- and moderate-income

Project Number:

4-MHIC HOA

Projected Start Date:

02/11/2010

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Environmental Assessment:

UNDERWAY

Benefit Report Type:

Direct (Households)

Activity Status:

Under Way

Project Title:

MHIC HO Assistance

Projected End Date:

03/11/2013

Project Draw Block Date by HUD:**Activity Draw Block Date by HUD:****Total Budget:**

\$ 666,951.00

Other Funds

\$ 640,000.00

Total Funds

\$ 1,306,951.00

Proposed Beneficiaries

Owner Households

Total**Low****Mod****Low/Mod%**

90

90

100.00

of Households

90

90

100.00

Proposed Accomplishments

of Housing Units

Total

90



Activity is being carried out by Grantee:

No

Activity is being carried out through:**Organization carrying out Activity:**

Massachusetts Housing Partnership Fund

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

Massachusetts Housing Partnership Fund

Organization Type

State Agency

Proposed

\$ 640,000.00

Funding Source Name

HUD NSP2 - MHIC

Matching Funds

No

Funding Amount

\$ 640,000.00

HUD NSP2 - MHP

No

\$ 0.00

Location Description:**Activity Description:**

Action Plan Comments:

Reviewer - MHIC moved funds from the administration budget line item to the 50-120% AMI rehab line item. The changes are reasonable, and the action plan is approved.

Reviewer - MHIC moved \$60,000 in program income from the 50-120% rehab activity to the over 120% rehab activity. This is a minor amendment, and it will not affect their ability to close out the NSP 2 grant.

Action Plan History**Version****Date**

B-09-CN-MA-0006 AP#1

12/30/2014

B-09-CN-MA-0006 AP#2

01/09/2014

B-09-CN-MA-0006 AP#3

12/10/2010

B-09-CN-MA-0006 AP#4

07/20/2010

