

# MHP Housing Opportunity on Public Land Program



The **MHP Housing Opportunity on Public Land Program** is a partnership between MHP and municipalities or local housing authorities to support the creation of new affordable housing on publicly owned land or surplus buildings.

*MHP's Community Assistance Team has assisted 60 communities in using public land to create over 3,800 affordable homes.*

## Program Overview

MHP has over 30 years of experience assisting communities with repurposing surplus public sites for affordable housing. This effort begins with thorough due diligence to facilitate a thoughtful disposition and development process, but often there is a funding gap for municipalities to be able to complete this necessary pre-development work on their own. This technical assistance and forgivable loan program aims to fill this gap.

Pre-development work prior to property disposition allows a community to determine the feasibility of developing affordable housing on an identified parcel. By publishing a comprehensive Request for Proposal (RFP), communities increase the likelihood of receiving detailed proposal submissions by qualified developers. This initial investment may include title review; site outline with soil conditions and topography; identification of floodplains, rare species and habitats, and protection zones; utility infrastructure, considering sewer, water, and drainage needs; and zoning analysis.

The scope of the MHP Housing Opportunity on Public Land Program covers the beginning of a

feasibility analysis through the release of an RFP (if the selected parcel is deemed feasible) and facilitating the selection of a developer for the site. An award under this program consists of: 1) MHP staff time and expertise, and; 2) loan funds for third-party consultants and firms as necessary to conduct the pre-development work to confirm whether a site is suitable for housing development. MHP staff will serve as project managers for a range of pre-development services mutually agreed upon with the municipality for one site. MHP will also contract directly with any third-party vendors on behalf of the municipality and manage the contract and delivery of their work.

## Eligibility

Any municipality in the Commonwealth of Massachusetts with surplus land or buildings is eligible to apply for this assistance and loan program. Local housing authorities with surplus land or buildings that do not have an Executive Office of Housing and Livable Communities ("EOHLC") Contract for Financial Assistance ("CFA") are also eligible for this program.

Prior to applying, the municipality must identify 1-3 publicly owned sites under consideration for affordable housing. All information known about the site(s) being considered should be included with the application (see the section below on "Application and Selection Process" for more details). The parcels must have been declared available for disposition for affordable housing by the municipality. In the case of multiple sites, MHP

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staff will offer an initial assessment to narrow options to the most plausible location.

As a condition of acceptance of this technical assistance, municipalities must agree that a majority of anticipated units on the selected site(s) must be affordable for households earning no more than 80% of the area median income (AMI). Priority consideration will be given to proposed sites that are one or more acres in size, have well-documented community support, are not limited to age-restricted housing, and/or are zoned for multi-family housing.

Local Housing Authorities are welcome to apply for assistance for a site(s) that may have been transferred to an authority by a municipality, donated by a private party, or purchased with operating or public funds and never subject to a CFA. MHP has a separate technical assistance grant program, funded by EOHLIC, specifically for surplus Housing Authority land that is subject to a CFA.

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## Loan Terms

Loan Amount: up to \$35,000 per project

Interest Rate: 0%

Maturity and Repayment Schedule:

- Repayment is due within five (5) years of the date of the Forgivable Loan Agreement
  - If a housing development project (market-rate, affordable, or mixed-income), or a non-residential development, moves forward on the subject site within **five (5) years**, the loan is expected to be built into the developer's project costs and repaid in full at the closing of the construction loan. If no development moves forward within **five (5) years**, the loan is still due to be repaid in full by the maturity date and will be the responsibility of the municipality.
  - If no housing development project moves forward within **five (5) years** due to a "fatal flaw" with the site, as determined in MHP's sole discretion, the loan is forgiven in its entirety.
    - Examples of "fatal flaws" preventing

development include but are not limited to extensive remediation needs; larger than anticipated protected resource areas; or, challenges to the site outside the control of the municipality.

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## Application and Selection Process

Applications are accepted on a rolling basis. To apply, applicants should complete the online form found on MHP's website at

<https://bit.ly/4jK6gsD>

## *Required Application Supporting Information and Documentation:*

- One to three identified site(s) declared for affordable housing disposition.
- Evidence of support from the municipality or the housing authority board.
- Identified municipal or housing authority staff to work with MHP on the predevelopment project.
- All known information on each site, as available (e.g., survey, evidence of ownership, soil conditions, or zoning analysis).

Project selection is dependent on the completeness of the application, as well as availability of funds. If completed applications surpass staff capacity to manage projects and/or available funds, projects will be put on a waitlist in the order they are received. At that point, applicants will be given an approximate start date for their project.

Upon selection and award of the technical assistance, a municipality will enter into a loan agreement with MHP.

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## Contact

Please contact **Carsten Snow-Eikelberg** at [csnoweikelberg@mhp.net](mailto:csnoweikelberg@mhp.net) with any questions or for more information.