Neighborhood Stabilization Program (NSP)

Program Guidelines

Rev. October 2025

MassHousing has contracted with the Executive Office of Housing and Livable Communities (EOHLC) to administer the Neighborhood Stabilization Program (NSP). NSP addresses disinvestment and blighted conditions in communities across Massachusetts, offering capital grant funds for redevelopment, reconstruction, renovation or repair of properties that (1) have been cited for building and/or sanitary code violations; or (2) are subject to loss or denial of property insurance due to Substandard Property Conditions; or (3) are otherwise Blighted and Substandard. These Guidelines have been produced and updated by MassHousing, in conjunction with EOHLC.

NSP has $7 million available for the 2025 application round to continue the work by municipalities and their partners to revive and restore troubled residential neighborhoods.

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A. Program Requirements	
1. Eligible Locations	Projects may be located in any Massachusetts city or town.
2. Entities Eligible to Apply	All (a) municipalities, including all municipal agencies, boards, commissions, authorities, departments or instrumentalities thereof, (b) Community Development Corporations, and (c) Local Non-profit Organizations may apply to MassHousing for NSP funds. An eligible entity may partner with a for-profit developer, provided that the eligible entity is the lead applicant, and maintains fiduciary oversight of the project.
3. Eligible Uses of Funds	NSP funds must be used for eligible 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 $2 million and be provided as a grant to the awarded entities for Projects that meet NSP requirements. MassHousing will execute a grant agreement with the awarded entity once all conditions are met for the Project to commence. Generally, up to 90% of the NSP funds will be available for requisition by the Grantee during the construction period. The remaining NSP funds will be disbursed upon approval by MassHousing of a final development budget following Project completion. Overhead and developer fees (OH/F) may be included in the total project cost and the limits are as follows: • Overhead: 6% of Total Development Cost (TDC) (excluding OH/F) • Developer Fee: 6% of TDC (Excluding OH/F)
4. Eligible Projects	The scope of work of a Project must include the demolition, repair, reconstruction, renovation, remodeling, redevelopment, hazardous material abatement, rehabilitation, or improvement of an eligible property, to preserve or create residential units and bring the property into compliance with state codes and laws; and i. Such other application of funds to capital improvements at the Project that the Agency determines would be a reasonable mitigant to Blighted or Substandard Conditions that meets the standards and requirements of NSP. ii. Activities necessary to execute the scope of work, including

	reasonable fees and costs for legal activities, overhead, and assistance with temporary relocation for existing tenants during construction, are eligible for funding. Projects which may displace existing occupants are strongly discouraged.
5. Eligible Properties	i. Property Conditions. To be eligible for funding, the property must (1) have been cited for building and/or sanitary code violations; or (2) is subject to loss or denial of property insurance due to Substandard Conditions; or (3) is otherwise Blighted and Substandard. ii. Project Size by Unit Type. a. Homeownership projects/properties: Limited to 1-4 unit structures. The definition of "structure" shall be determined by the municipality in which the property is located in accordance with applicable codes. Multiple 1-4 unit structures on one or more parcels within a municipality per project is permitted. Homeownership properties may include rental units provided that at least one affordable unit is owner-occupied. b. Rental properties: NSP funds are available to rental housing properties that contain up to 15 units. c. Ineligible Projects: As of the Fall 2025 NSP funding Round, Homeowner Rehab projects are no longer eligible for NSP funding.
6. Affordability Requirements	NSP funding will be available for the development or rehab of affordable units which have or will have a recorded affordability restriction. The funds may be used in mixed-income developments provided the allocation of NSP funds is limited to affordable units. i. Targeted Affordability. a. Affordable homeownership properties shall be restricted to purchase by first- time homebuyers with household incomes that do not exceed the specified affordability tier and no greater than 120% of AMI. b. Affordable rental units shall be restricted to tenants with household incomes that do not exceed 80% of AMI. ii. Affordability Restrictions.

	a. Rental projects must have a recorded affordability restriction of at least fifteen (15) years, to be held by MassHousing or a third-party government or non-profit entity identified by the Awardee and approved by MassHousing. b. Homeownership properties must have a recorded affordability resale restriction of at least fifteen (15) years that allows the owner to sell the property only to income-eligible buyers at a restricted price. The restriction must run to the benefit of the Awardee (or other government or non-profit entity identified by the Awardees and approved by MassHousing), who will be required to monitor compliance and enforce the restriction. A residency restriction with recapture provisions to be enforced by the Awardee may be used in lieu of an affordability resale restriction for homeownership properties where NSP funds are combined with HOME Funding and/or on a case-by-case basis in Weak Markets. c. For Homeownership properties that also include rental units (i.e., properties that will be owner-occupied 2-4 family homes), a fifteen-year Affordability Restriction is required for all assisted rental units. iii. Maximum Sales Prices and Rents. For affordable homeownership properties, sales prices must be set at levels affordable to first-time homebuyers with incomes at or below the targeted income limits. For rental properties, rents of affordable units must be set at levels affordable to tenants with incomes at or below the targeted income limits.
7. Fair Housing and Marketing	Grant recipients will be required to comply with all fair housing laws and to affirmatively further fair housing through appropriate marketing of all residential units aided by the program.
8. Other Program Requirements	**i. Readiness:** Projects must be ready to close and begin construction within 6 months of a funding award. **ii. Design and Construction Standards:** Applicants must adhere to the Design and Construction Standards provided in Exhibit 2. **a. Accessibility requirements:** Rental projects with 10 or more units, regardless of code requirements, must provide at least one (1) NSP unit that meets the accessibility requirements of a "Group 2A" dwelling unit under the

	Massachusetts Architectural Access Board (MAAB) Regulations. **iii. Insurance Requirements:** Insurance requirements for construction are provided in Exhibit 3. **iv. Environmental Reports:** New construction projects require the submission of a Phase 1 Environmental Site Assessment (ESA). Rehab projects must at minimum provide lead and asbestos inspection reports. **v. Title Requirements:** MassHousing requires assurance that the title is clear. Requirements are outlined in Exhibit 4. **vi. A $500 Application Fee** is required no later than the application deadline.

B. Program Preferences	
1. Program Preferences	Preferences for NSP funding will be given to the following: • 1-4 unit new homeownership opportunities • Projects sponsored by or done in partnership with community development corporations or Local Non-profit Organizations • Organizations that secure a local match or private funds for eligible activities • Projects with the greatest impact on Neighborhood Stabilization in Weak Markets, including rural communities and communities that have been disproportionally affected by the COVID-19 pandemic, disinvestment, or abandonment, or census tracts with foreclosure rates higher than the state median rate • Projects which incorporate energy and utility savings in their building designs. Projects which include the development or preservation of one or more Group 2A units as defined in the Massachusetts Architectural Access Board (MAAB) regulations.

C. Application Process	
1. Application Deadline	November 14, 2025
2. Application Registration	To apply, interested parties must complete the Neighborhood Stabilization Program Registration form, here: https://forms.office.com/g/gVcsDJ0Tyh MassHousing staff will review responses to the registration form and provide access to a secure online folder to upload materials to complete the application. **The application folders will be available on October 20, 2025.** MassHousing will also send an application fee invoice during the application period. Evidence of the paid invoice must be uploaded to the secure folder. Application materials may be revised or updated and reuploaded to the secure folder within the application period. **The application period will end on November 14, 2025 at 5pm EST.**
3. Application Requirements	A complete application includes but is not limited to the following: **i. $500 Application Fee** ii. Application workbook including Project Description, Project Schedule, Project Team, and Proposed Sources and Uses of Funds iii. Evidence of Site Control iv. Evidence of Other Financing, if applicable v. Evidence of Zoning Compliance and Permitting Approvals. Particularly for new construction projects or those changing building dimensions or uses. vi. Property/Site Information, including evidence of blight or substandard conditions. vii. Proposed plans (including a site plan and elevations, if applicable) or scope of work. Rehabilitation projects must have a Capital Needs Assessment. viii. Phase 1 Environmental Site Assessment (ESA) for new construction projects or lead and asbestos testing results for rehabilitation projects, and if applicable, evidence of remediation or, a plan and timeline for remediation. ix. Massachusetts Historic Commission (MHC) Project Notification Form (PNF). An MHC concurrence will be required to close. x. Development Team resumes (including list or description of relevant projects). Includes documentation of Developer Partnership for eligible applicants partnering with a for-profit developer, if applicable. xi. Most recent year Developer financial statements (audited

	preferred, if available) xii. Fair Housing and Marketing Narrative. A final Affirmative Fair Housing and Marketing Plan, including a lottery for the housing opportunities, will be required to close. xiii. Letter(s) of Support MassHousing reserves the right to reject incomplete and/or non-responsive applications. Exhibit 1 provides more information on required application materials and materials required to close.

D. Application Evaluation	
1. Award Criteria	1. Compliance with NSP Requirements 2. Alignment with NSP Preferences 3. Qualifications and experience of development team 4. Readiness to Proceed and Project Schedule

E. Monitoring & Compliance	
1. Inspection and Monitoring Requirements	1. Awardees will be responsible for contracting with a MassHousing approved 3rd party construction inspector with acceptable certification or license and resume to provide 3rd party construction monitoring and shall submit reports to the Agency at the later of 2 weeks after award or 25% of completion, 50% completion, and at substantial completion, using the standards provided in Exhibit 5: NSP Inspection Report Standards. Proposed Sources and Uses of Funds must include construction inspection cost. 2. The Agency reserves the right to inspect construction progress in advance of release of grant funds. 3. Awardee shall submit subsequent reporting on 1st and 5th anniversaries of completion to measure program success in terms of neighborhood stabilization – metrics may include tax revenue, assessed values, code violations, or data points corresponding to "Weak Market" definitions, all as compared to the baseline established in the grant agreement. 4. Awardees will be responsible for monitoring Affordability Restriction compliance. Monitoring reports shall be submitted to the Agency on a periodic basis as specified in the grant agreement.
2. Reporting Requirements	Agency shall submit periodic reports to EOHLC stating the number of awards made, the amount of each award, and the status of each Project funded.

MASSHOUSING

F. Definitions	
"Agency"	Agency shall mean MassHousing, which has contracted with EOHLC to act as administrator of NSP.
"Affordability Restriction"	Affordability Restriction shall mean a document evidencing the affordability requirements of the Project for such period and on such terms as set forth in Section A.6 hereof, which will be recorded/filed with the appropriate registry of deeds.
"Blighted"	Blighted means any residential, commercial or industrial property which is detrimental to the safety, health, morals, welfare of the municipality because of the existence of a building or buildings which are out of repair, physically deteriorated, unfit for human habitation, or obsolete, including, but not limited to, a "blighted open area" as defined in MGL c.121A §1.
"EOHLC"	EOHLC means the Executive Office of Housing and Livable Communities, or its successor agency.
"Local Non-profit Organization"	Local Non-profit Organization shall mean a bona-fide non-profit organization, established under MGL c. 180, with an established record of activity in the municipality and surrounding communities, or similar community profile.
"Neighborhood Stabilization"	Neighborhood Stabilization shall mean any action that improves the health and safety conditions of Blighted, Substandard or vacant properties; stabilizes market conditions, fosters increased homeownership, or makes improvements or facilitates the making of improvements, to existing properties.
"Private Funds"	Private Funds shall mean any funds that are not public funds under M.G.L. c.12A.
"Project"	Project shall mean, in accordance with the standards and requirements of NSP, any undertaking consisting of the demolition, repair, reconstruction, renovation, remodeling, redevelopment, hazardous material abatement, rehabilitation or improvement of an eligible property and such appurtenant or incidental facilities as shall be in the public interest, for the purposes of (a) bringing such property into compliance with applicable sanitary and building codes, (b) having residential units subject to an Affordability Restriction, and (c) maintaining and operating such buildings and facilities after project completion. A "Project" may include as incidental thereto any one or more of the following:— (a) acquisition and assembly of the land (and buildings and structures and other improvements thereon, if any); (b) clearance of the land; (c) acquisition, assembly and clearance of land, buildings or structures not in themselves Blighted or Substandard if their inclusion is necessary for the clearance, redevelopment, reconstruction or rehabilitation of a Blighted or Substandard property or areas; and (d) installation, construction, and

	reconstruction of public and private ways, public utilities and services, and site improvements essential to the preparation of Blighted or Substandard properties for beneficial development or redevelopment
"Substandard" or "Substandard Property Conditions"	Substandard or Substandard Property Conditions shall mean conditions that, by reason of dilapidation, overcrowding, faulty arrangement or design, lack of ventilation, light, or sanitation facilities, or any combination of these factors, are detrimental to safety, health, morals, welfare or sound growth of a community, including, but not limited to, a "sub-standard area" as defined in MGL c.121A §1.
"Weak Markets"	Weak Markets shall mean areas the applicant has demonstrated to be weak markets as may be indicated by, among other things, a high concentration of Blighted or Substandard housing, a low rate of homeownership, low median family income, low average sales prices, or high levels of unpaid property taxes or vacant or abandoned buildings; and shall include, rural communities and communities that have been disproportionately impacted by the COVID-19 public health crisis, and census tracts with foreclosure rates higher than the state median rate.

Exhibit 1: Neighborhood Stabilization Program Application Eligibility & Readiness Requirements

Projects must meet all the following requirements to be considered for funding or support. Some items are **required at the time of application**, while others are **required as a condition of closing, which must occur within six (6) months following an award**.

Applicants must submit at least one of the specified documents for each category to verify compliance with each applicable requirement. Responses for each application category will be assessed according to the following scale:

- Advantageous: Material is complete, detailed, and demonstrates strong readiness and alignment with program requirements.
- Neutral: Material is generally adequate but may lack detail, clarity, or full alignment.
- Non-responsive: Material is missing, incomplete, or fails to meet basic expectations.

Applications that are missing required items or include incomplete or insufficient documentation will be deemed ineligible and result in a denial of funding.

Category	Description	Required for Application:	Required to Close:
1. Application Fee	$500 fee due no later than the end of the application period.	Copy of paid application fee invoice.	N/A
2. Development Plan	Project Description, development pro forma with sources and uses, unit mix, project team members, development schedule, and other project information.	Application workbook (Excel). Proposed Sources and Uses of Funds must balance and include construction inspection cost (see Exhibit 5). The workbook will be available on the NSP web page.	Updated workbook reflecting any changes to the sources and uses or other project changes, if applicable.
3. Evidence of Site Control	The applicant must demonstrate clear and documented site control.	• Recorded deed OR • Fully executed purchase & sale agreement OR • Executed ground lease agreement (if applicable) OR • RFP award letter (if applicable)	N/A

4. Evidence of Other Financing	The applicant must provide evidence of sufficient committed or pending financing (e.g., commitment letters, letters of interest, proof of funds) to cover acquisition, construction, and soft costs.	• Commitment letters or letters of interest from lenders or equity investors, if applicable • Award letters for other grant sources, or narrative describing status and timing of pending awards, if applicable • Sources and uses budget and development pro forma in the application workbook shows sufficient resources to cover total development costs.	• Commitment for all sources • Executed Construction loan term sheet, if applicable • Proof of applicant equity contribution, if applicable (bank statements or escrow letter)
5. Evidence of Zoning Compliance and Permitting Approval	The property must be zoned for residential use or have an identified and feasible path to obtain all required zoning and land use approvals. The applicant must have obtained or submitted applications for all required building permits, code reviews, and local approvals necessary to begin construction.	• Zoning verification letter from the local municipality, OR • Opinion of counsel, OR • Memorandum by applicant providing relevant information including zoning maps, codes, or tables confirming allowable, residential use, OR • Evidence of approved zoning variances/special permits (if applicable) or evidence of submitted zoning variances/special permits and narrative describing process and expected timing for approval. • Documentation of any required local board approvals (planning, historic, etc.).	• If zoning variances or special permits were submitted but not yet approved at time of application, evidence of the approved variances or special permits is required to close. • Copies of submitted or issued building permits

6. Property/Site Information and Title	The property or properties must: (1) have been cited for building and/or sanitary code violations; or (2) is subject to loss or denial of property insurance due to Substandard Conditions; or (3) is otherwise Blighted and Substandard. The application should provide context on the site(s), including location and surrounding amenities, previous (if known) and current uses, and neighborhood conditions.	Evidence of Eligibility: • Building inspection report or code violation notices (if applicable), OR • Insurance notice regarding loss or denial of property insurance due to Substandard Conditions, OR • Letter from Municipality designating the property as Blighted, OR • Vacancy affidavit or utility shutoff records AND • Recent tax bill or other documentation indicating no overdue balance • Recent water/sewer bill or other documentation indicating no overdue balance • Narrative describing the property/properties including current and past uses (if known), proximity to transportation options and other amenities, and a description of how the project location meets the definition of "Weak Markets," if applicable • Photographs documenting current condition • Map showing location of site(s) in broader context	• Plot Plan or ALTA survey (see Exhibit 4) • Title policy or title report (see Exhibit 4) • Municipal Lien Certificate(s) (see Exhibit 4)
7. Proposed Plans/Scope of Work	Applications must include sufficiently advanced plans or a detailed scope of	• New construction/ redevelopment/adaptive reuse projects: plans (including a site plan and	Final approved plans and final approved scope (100% CDs) or design review

	work for the proposed project. The project must involve the redevelopment or substantial rehabilitation of a 1–4 unit residential homeownership property or up to 15-unit rental property.	elevations) or detailed scope of work • Rehabilitation projects: a capital needs assessment (CNA) must be submitted which identifies building systems at the end or nearing the end of their useful life, outlines items to be addressed as part of the proposed rehabilitation project and provides a replacement schedule for any items to be deferred. Plans may also be included. • Rental projects with 10 or more units, regardless of code requirements, must provide at least one (1) NSP unit that meets the accessibility requirements of a "Group 2A" dwelling unit under the Massachusetts Architectural Access Board (MAAB) Regulations.	comments are required to close if the plans developed or changed since the application.
8. Environmental Reports	The property must have completed environmental assessments, including lead paint (LEAD) inspections, asbestos testing, and hazardous materials review, with plans and budget to address any remediation.	New construction/ redevelopment/adaptive reuse projects: • A Phase 1 Environmental Site Assessment with no recognized environmental conditions (RECs) or only historic RECs or business environmental concerns that require no further action, OR • A completed Phase 1 ESA that 1) identifies a REC or reportable concentration or	If the project type required a Phase 1 ESA, the ESA will need to be dated within 6 months of closing. If the findings of the Phase 1 ESA or hazardous materials testing provided at the time of application required reporting, further investigation,

		2) requires further investigation, and a narrative describing the plan, cost estimate, and timing to complete any required reporting, further assessment, and/or remediation. If a Phase 1 ESA cannot be completed by the application deadline, we will accept a transaction screen or similar analysis by an acceptable environmental engineering firm or licensed professional, with the expectation that a Phase 1 ESA will be provided when complete and will be required to close. For rehabilitation projects: • Hazardous materials testing report(s), including lead paint and asbestos, if applicable, that show these materials do not affect the project, OR • Hazardous materials testing report(s) showing such materials are present AND evidence of remediation OR a narrative describing the plan, cost estimate, and timeline for remediation.	or mitigation, closing will require, as appropriate: • A Phase 2 ESA or other evidence of further assessment • Evidence of completed reporting requirements or plan and timing for the completion of such reporting • Evidence of remediation of hazardous materials or environmental conditions or plan, cost estimate, and timing for the completion of such remediation as part of the project
9. Massachusetts Historical Commission (MHC) PNF	The MHC must confirm that the proposed project does not affect significant	A copy of the MHC Project Notification Form (PNF) and any supporting materials or attachments submitted to	A copy of MHC's concurrence or response to the PNF confirming the project

	historical or architectural resources.	the Massachusetts Historical Commission.	will not have an impact on historical or architectural resources.
10. Development Team Capacity	The applicant must have a qualified development team (developer, architect, general contractor, etc., as applicable) with demonstrated experience and technical expertise.	• Development team organizational chart. Identify any identity of interest or related party relationships. • Organizational profiles and resumes or bios of key team members • Evidence of prior completed projects of similar size/scope • Documentation of Developer Partnership (for eligible applicants partnering with a for-profit developer, if applicable) • Letters of reference	
11. Developer Financial Capacity	The applicant must demonstrate financial capacity to complete the project.	Most recent developer financial statements (audited preferred, if available) or other proof of financial capacity (bank letter, etc.) for the lead developer and any co-developer(s).	Proof of insurance (see Exhibit 3)
12. Fair Housing and Marketing Plan	The applicant must submit a plan to market and sell or lease the units to eligible households in compliance with NSP affordability and fair housing requirements.	• Draft Affirmative Fair Housing and Marketing Plan (AFHMP) OR a narrative discussing elements of an AFHMP, including marketing, conducting a housing lottery, and fair housing and affordability compliance plan.	Final AFHMP identifying outreach methods and partnerships for sharing information about the affordable housing opportunities with eligible households, verifying income eligibility, conducting a housing

			lottery, and monitoring affordability restriction compliance. The Developer or a consultant/partner organization that conducts the housing lottery must have experience with housing lotteries.
13. Letter(s) of Support	Applicants must demonstrate that they have conducted community outreach or are responding to community needs and garnered support for the proposed project.	One or more letters from elected officials, abutters, community members, or community organizations expressing support for the project.	N/A

Exhibit 2: Design and Construction Standards

MassHousing has developed home rehabilitation and construction design standards for housing units that receive Neighborhood Stabilization Program (NSP) funds to ensure safe, code-compliant, and energy-efficient housing. The standards focus on essential repairs, structural system integrity, and the modernization of key areas like kitchens and bathrooms. The standards also prioritize accessibility, hazardous materials remediation, and overall property durability to enhance living conditions.

All code violations and health and safety hazards must be addressed. Updates to improve livability are strongly encouraged. For rehabilitation of rental or homeownership properties, a capital needs assessment (CNA) must be submitted which identifies building systems at the end or nearing the end of their useful life, outlines terms to be addressed as part of the proposed rehabilitation project and provides a replacement schedule for any items to be deferred.

CODE ITEMS & HEALTH/SAFETY

1. **Code Compliance**
   - All repairs and new construction must meet local and state building codes, including the Massachusetts Sanitary Code (105 CMR 410).
2. **Structural Integrity**
   - Ensure the foundation, roofing, and framing are sound and free of defects.
3. **Lead Paint and Asbestos Remediation**
   - Remediate all hazardous materials including lead (LCMs) and asbestos (ACMs). Remediation to be carried out according to all applicable state and federal regulations.
4. **Electrical and Plumbing Upgrades (for rehabilitation)**
   - Update wiring and plumbing systems as needed to ensure safety and efficiency.
   - Replace temporary, improper, or dangerous wiring and fix defects. E.g., knob & tube wiring, fuse boxes, broken and missing light fixtures and outlets
   - Address leaks, obstructions or defects in plumbing and fixtures in bathrooms & kitchens and throughout
5. **Ventilation**
   - Ensure proper ventilation, free of defects, in bathrooms, kitchens, and attics to prevent moisture buildup and mold growth.
6. **Safe Stairways and Handrails**
   - Ensure all stairs and handrails, both interior and exterior, are secure, level, and free from hazards.
7. **Flooring**
   - For rehab projects: remove any carpeting and replace with hard surface flooring materials
   - Install new finish flooring material where there are exposed subfloors; repair or replace damaged flooring materials
   - Sand and finish all wood floors
8. **Fire Safety**
   - Install smoke detectors and carbon monoxide detectors in required areas and supply fire extinguishers.
   - Install sprinkler systems in multifamily dwellings as required by local and state building codes.
9. **Pest Control**
   - Address any pest infestations and take preventive measures to ensure the home remains pest-free.
10. **Exterior Repairs**

- Repair or replace damaged siding, roofing, chimneys, porches and exterior stairs to protect the home from weather damage.
- Repair or replace damaged fencing, walkways, etc. in poor condition.
- Lawns, trees and vegetation should be trimmed. For new construction, seed lawns. Remove vegetation and trees that are causing damage to the roof or siding.

11. **Waterproofing and Drainage**
    - Implement solutions as needed to prevent water infiltration and ensure proper drainage around the property.
12. **Accessibility Modifications**
    - For units occupied by elderly or disabled residents: Include accessibility features such as ramps, widened doorways, and grab bars as needed in consultation with residents.
    - All projects must comply with applicable federal, state and local accessibility codes, including the Commonwealth of Massachusetts Architectural Access Board Regulations 521 CMR 1.00 et seq. (the "MAAB Regulations") and, to the extent applicable, the design and construction requirements of Title III of the Americans with Disability Act, the Fair Housing Act, and Section 504 of the of the Rehabilitation Act of 1973.

LIVABILITY IMPROVEMENTS
Kitchens, baths, appliances, heating systems, et. must be in usable condition with a projected life of at least 15 years, or if shorter, must be included in a replacement schedule in the CNA.

13. **Energy Efficiency**
    - Install energy-efficient windows, doors, insulation, and HVAC systems to reduce utility costs.
14. **Kitchen and Bathroom Renovations**
    - Upgrade kitchens and bathrooms as necessary to ensure functionality, safety, and accessibility.
        1. Replace inefficient, damaged or broken kitchen appliances.
        2. Install adequate counterspace of at least 6 linear feet (lf.) (excluding sink), including at least 1 lf. of counterspace next to the stove.
        3. Replace deteriorated tubs, tub surrounds, sinks, toilets, mirrors and counters in baths
15. **Interior Finishes**
    - Use durable, low-maintenance materials for flooring, walls, and ceilings that meet aesthetic and functional standards.

Exhibit 3: Insurance Requirements

The following coverages are required in form and amount satisfactory to MassHousing staff for developments with grant amounts of $300,000 or greater and as determined by program and project type.

CONSTRUCTION PERIOD INSURANCE

The Agency follows the construction lender bank requirements, if applicable.
All policies shall name the Agency as follows:

Massachusetts Housing Finance Agency
One Beacon Street
Boston MA 02108-3110

For Builder's risk, the Agency shall be named as mortgagee and loss payee. For general liability, the Agency shall be named as additional insured.

1. **Grantee's Insurance.**
   a. Builder's Risk in an amount not less than full completed value of the project including soft costs.
   b. Commercial General Liability in an amount not less than $1,000,000 per occurrence and $2,000,000 in the aggregate.
2. **General Contractor's Insurance.**
   a. Commercial General Liability in an amount of not less than $1,000,000 per occurrence and $2,000,000 in the aggregate.
   b. Comprehensive Automobile Insurance in an amount not less than $1,000,000 per occurrence and $2,000,000 in the aggregate covering the liability arising out of any owned, non-owned or hired vehicle utilized by the general contractor in conjunction with the project.
   c. Worker's Compensation Insurance not less than $500,000, Excess or Umbrella Liability in an amount not less than $2,000,000.

The General Contractor shall cause each subcontractor to purchase and maintain insurance of the type specific above.

POST CONSTRUCTION INSURANCE (for Rental Properties)

The following coverages are required in form and amount satisfactory to MassHousing.

1. **Casualty Insurance.** The grantee will at all times keep the property insurance, for the mutual benefit f the grantee and the Agency, as their respective interests may appear, in amounts not less than 100% of the full replacement cost of the property, against loss or damage by fire, such other risks and hazards as now are or hereafter may be insurance under standard "Extended Coverage" forms or endorsements, and such other risks of damage as the Agency shall from time to time require. Such insurance shall include rent loss insurance in an amount sufficient to recover income from all sources over a twelve-month period.
2. **Liability Insurance.** The grantee shall maintain a policy of Commercial General Liability insurance in amounts not less than $1,000,000 per occurrence and $2,000,000 in the aggregate which shall specifically identify the grantee and the Agency and include the following:
   a. Worker's Compensation coverage for management employees up to $500,000
   b. Comprehensive Automobile Liability insurance (when applicable) with hired not owned vehicles in an amount not less than $1,000,000 combined single limit.

Exhibit 4: Title Requirements

Application Requirements

- Recent tax bill indicating no overdue balance
- Recent water/sewer bill indicating no overdue balance

Closing Requirements

Before closing on a grant, the Grantee will be required to provide Massachusetts Housing Finance Agency ("MassHousing") with certain title materials (described below) which evidence that Grantee or other owner identified in the MassHousing grant documents holds good, clear record and marketable title to the project site and any buildings to be repaired or rehabilitated with grant funds. All required title materials must be provided at the Grantee's expense, but if they are included in the approved project budget, out-of-pocket expenses for required items can be reimbursed from MassHousing grant funds.

Unless otherwise agreed to by MassHousing on a case-by-case basis, required title materials will include the following:

1. Plot Plan or ALTA Survey
    - If a plot plan or survey is dated more than 180 days before the execution of the MassHousing Grant Agreement, the Grantee will be required to sign a no-change affidavit prepared by MassHousing. If the Grantee is unable or unwilling to sign a no-change affidavit, MassHousing may require that Grantee provide a new plot plan or updated survey.
    - If a plot plan or survey is dated more than two years before the execution of the MassHousing Grant Agreement, MassHousing may require that Grantee provide a new plot plan or updated survey.

2. Title Insurance Policy (lender's policy or owner's policy), which, if requested by MassHousing, is updated by the title company or Grantee's counsel OR Title Report dated no more than 90 days before execution of the MassHousing Grant Agreement, which evidences a 50-year search

    - The title policy or report must show that the Grantee or other owner of the property identified in the MassHousing grant documents owns the project site and any buildings to be rehabilitated or repaired, with good and marketable title, subject only to liens which have been approved by MassHousing.
    - The Grantee must also provide MassHousing with any documents that will be recorded in connection with the project, including but not limited to, construction financing mortgages, regulatory or use agreements to be entered into with other project funders or the Executive Office of Housing and Livable Communities.

3. Municipal Lien Certificate (MLC) from the city or town where the project is located
    - MLC must be dated no more than ninety days before execution of the MassHousing Grant Agreement and show that there are no municipal liens or overdue property taxes.
    - If not included in the MLC, the Grantee must also provide a certificate from the provider of water and sewer services to the project site showing no overdue water and sewer charges.

Exhibit 5: Inspection Reports Standard

Construction Monitoring Requirements
MassHousing requires that all projects receiving NSP funds from MassHousing be subject to construction monitoring by a qualified third-party monitor. The monitor shall be required to provide reports at 25%, 50% and at substantial completion, that at a minimum include the following:

- Work in Progress Per Requisition submitted to date – description of ongoing work that has and is being billed for on the requisition with stage of completion noted for each line item or trade to confirm that construction is at 25%, 50%, and at substantial completion.
- Open items and Specific Comments – Based on conversations with the project team, provide any relevant updates related to work progress and potential issues, payment application comments, etc.

Change Orders Section:

- Detailed desc. of each Change Order with $ amounts – not just Proposed Change Order#
- Contingency burn rate % = Total Change Orders/Construction Contingency

Schedule section:

- Provide commentary on current schedule status
- Opine on overall schedule feasibility and Substantial Comp. projection
- Approved contract time extension(s)
- Milestones – summary of what has been achieved, as well as upcoming milestone date projections / hot list

Budget Summary:

- Include Original Contract Sum, Original Contingency, and Revised Contingency

Appendix Documents:

- Photographs
- Signed Req
- Updated Change Order (CO) Log
- Updated Potential Change Order (PCO) Log
- Updated Schedule
- At substantial completion:
- Building department sign-offs
- Certificate(s) of Occupancy
- Environmental clearance documentation, as applicable:
- Deleading and /or Asbestos clearance certificates
- Radon testing & mitigation documentation
- Other environmental remediation documentation
- Statement from the LSP confirming remediation and disposal
- Monetized punch list with dates for work to be completed
- Certification of Substantial Completion signed by all parties

Exhibit 6: Neighborhood Stabilization Program Authorizing Language

Ch. 358 of the Acts of 2020, An Act Enabling Partnerships for Growth [HB5250]

7004-0065. For state financial assistance to cities and towns or agencies, boards, commissions, authorities, EOHLCs or instrumentalities thereof or community development corporations or non-profit organizations to assist in the revitalization of neighborhoods and communities with properties in blighted or substandard conditions by subsidizing the purchase price, borrowing costs or costs of demolition or renovation of up to 50 units of residential rental housing or 1 to 4 units of home ownership residential housing that have been cited for building or sanitary code violations or that are subject to cancellation of commercial property insurance due to substandard property conditions or are otherwise blighted or substandard; provided, that contracts entered into by the Department of Housing and Community Development for those projects may include, but shall not be limited to, projects providing for demolition, renovation, remodeling, reconstruction, redevelopment and hazardous material abatement, including asbestos and lead paint, and for compliance with state codes and laws and for adaptations necessary for compliance with the federal Americans with Disabilities Act of 1990; provided further, that preference shall be given to community development corporations and local non-profit organizations, organizations sponsoring projects that secure private funds and projects with the greatest impact on community stabilization in weak markets including, but not limited to, rural communities and communities that have been disproportionately affected by the 2019 novel coronavirus pandemic, disinvestment, foreclosure and abandonment; provided further, that financial assistance shall be awarded in a manner that promotes geographic, social, racial, and economic equity; provided further, that such rehabilitated housing shall remain affordable for such period as shall be established by the Department through guidance taking into account differences in market conditions and the type of restrictions best suited to promoting community stabilization in different markets; and provided further, that an amount not to exceed 2 per cent of the amount expended may pay for administrative costs directly attributable to the purposes of this program, including costs of support personnel..... $50,000,000