

**The Springfield Massachusetts Consortium
Neighborhood Stabilization Program 2
Grant Application**

July 17, 2009



Application for Federal Assistance SF-424

Version 02

*1. Type of Submission: <input type="checkbox"/> Preapplication <input checked="" type="checkbox"/> Application <input type="checkbox"/> Changed/Corrected Application	*2. Type of Application * If Revision, select appropriate letter(s) <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision	*Other (Specify) _____
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3. Date Received: _____	4. Applicant Identifier: _____
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5a. Federal Entity Identifier: _____	*5b. Federal Award Identifier: _____
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State Use Only:

6. Date Received by State: _____	7. State Application Identifier: _____
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8. APPLICANT INFORMATION:

***a. Legal Name:** HAP, Inc.

*b. Employer/Taxpayer Identification Number (EIN/TIN): 04-2518368	*c. Organizational DUNS: 087452496
---	--

d. Address:

***Street 1:** 322 Main Street, Suite 1
Street 2: _____
***City:** Springfield
County: Hampden
***State:** Massachusetts
Province: _____
***Country:** USA
***Zip / Postal Code** 01105-2403

e. Organizational Unit:

Department Name: _____	Division Name: _____
-------------------------------	-----------------------------

f. Name and contact information of person to be contacted on matters involving this application:

Prefix: Mr. _____ ***First Name:** Peter _____
Middle Name: _____
***Last Name:** Gagliardi _____
Suffix: _____

Title: CEO/Executive Director

Organizational Affiliation: _____

*Telephone Number: 413-233-1661

Fax Number: 413-731-8723

*Email: pgagliardi@haphousing.org

OMB Number: 4040-0004

Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

***9. Type of Applicant 1: Select Applicant Type:**

M. Nonprofit with 501 c 3 IRS status (HAP, Inc.)

Type of Applicant 2: Select Applicant Type:

Type of Applicant 3: Select Applicant Type:

*Other (Specify)

***10 Name of Federal Agency:** Department of Housing and Urban Development (HUD)

11. Catalog of Federal Domestic Assistance Number:

14-256

CFDA Title:

Neighborhood Stabilization Program 2 (NSP2)

***12 Funding Opportunity Number:**

FR-5321-C-01

*Title:

Neighborhood Stabilization Program 2 under the American Recovery and Reinvestment Act, 2009

13. Competition Identification Number:

Title:

14. Areas Affected by Project (Cities, Counties, States, etc.):

City of Springfield, Massachusetts. Census tracts 8011.02, 8013, 8014, 8017, 8018, 8019, 8020, 8022 and 8023.

***15. Descriptive Title of Applicant's Project:**

Springfield Neighborhood Stabilization Program 2 (NSP2) Program

OMB Number: 4040-0004
Expiration Date: 01/31/2009

Application for Federal Assistance SF-424

Version 02

16. Congressional Districts Of:

*a. Applicant: MA-002

*b. Program/Project: MA-002

17. Proposed Project:

*a. Start Date: January 1, 2010

*b. End Date: December 31, 2013

18. Estimated Funding (\$):

*a. Federal	<u>\$29,114,680.00</u>
*b. Applicant	_____
*c. State	_____
*d. Local	_____
*e. Other	_____
*f. Program Income	_____
*g. TOTAL	<u>\$29,114,680.00</u>

***19. Is Application Subject to Review By State Under Executive Order 12372 Process?**

- a. This application was made available to the State under the Executive Order 12372 Process for review on _____
- b. Program is subject to E.O. 12372 but has not been selected by the State for review.
- c. Program is not covered by E. O. 12372

***20. Is the Applicant Delinquent On Any Federal Debt? (If "Yes", provide explanation.)**

Yes No

21. *By signing this application, I certify (1) to the statements contained in the list of certifications** and (2) that the statements herein are true, complete and accurate to the best of my knowledge. I also provide the required assurances** and agree to comply with any resulting terms if I accept an award. I am aware that any false, fictitious, or fraudulent statements or claims may subject me to criminal, civil, or administrative penalties. (U. S. Code, Title 218, Section 1001)

** I AGREE

** The list of certifications and assurances, or an internet site where you may obtain this list, is contained in the announcement or agency specific instructions

Authorized Representative:

Prefix: _____

*First Name: Peter

Middle Name: _____

*Last Name: Gagliardi

Suffix: _____	
*Title: CEO/Executive Director	
*Telephone Number: 413-233-1661	Fax Number: 413-731-8723
* Email: pgagliardi@haphousing.org	
*Signature of Authorized Representative: 	*Date Signed: 7/14/2009

Authorized for Local Reproduction

Standard Form 424 (Revised 10/2005)
Prescribed by OMB Circular A-102

SURVEY ON ENSURING EQUAL OPPORTUNITY FOR APPLICANTS

OMB No. 1890-0014 Exp. 2/28/2009

Purpose: The Federal government is committed to ensuring that all qualified applicants, small or large, non-religious or faith-based, have an equal opportunity to compete for Federal funding. In order for us to better understand the population of applicants for Federal funds, we are asking nonprofit private organizations (not including private universities) to fill out this survey.

Upon receipt, the survey will be separated from the application. Information provided on the survey will not be considered in any way in making funding decisions and will not be included in the Federal grants database. While your help in this data collection process is greatly appreciated, completion of this survey is voluntary.

Instructions for Submitting the Survey: If you are applying using a hard copy application, please place the completed survey in an envelope labeled "Applicant Survey." Seal the envelope and include it along with your application package. If you are applying electronically, please submit this survey along with your application.

Applicant's (Organization) Name: HAP, Inc.

Applicant's DUNS Number: 087452496

Grant Name: Neighborhood Stabilization Program 2 (NSP2) CFDA Number: 14-256

1. Does the applicant have 501(c)(3) status?

Yes No

2. How many full-time equivalent employees does the applicant have? (Check only one box).

3 or Fewer 15-50
 4-5 51-100
 6-14 over 100

3. What is the size of the applicant's annual budget?

(Check only one box.)

Less Than \$150,000
 \$150,000 - \$299,999
 \$300,000 - \$499,999
 \$500,000 - \$999,999
 \$1,000,000 - \$4,999,999
 \$5,000,000 or more

4. Is the applicant a faith-based/religious organization?

Yes No

5. Is the applicant a non-religious community-based organization?

Yes No

6. Is the applicant an intermediary that will manage the grant on behalf of other organizations?

Yes No

7. Has the applicant ever received a government grant or contract (Federal, State, or local)?

Yes No

8. Is the applicant a local affiliate of a national organization?

Yes No

NSP2 NON PROFIT ORGANIZATION QUALIFICATION

The Springfield Neighborhood Stabilization Program 2 Consortium (the Springfield Consortium) is comprised of three housing, community and neighborhood development entities working in the proposed NSP2 target area: the City of Springfield, HAP, Inc. (HAP) and Springfield Neighborhood Housing Services, Inc. (SNHS). HAP and SNHS are 501 c 3 nonprofit organizations. All three applicants meet the definition for eligible nonprofit entity as published in the NSP2 NOFA: “Nonprofit entities are public and private nonprofit organizations, including governmental entities, that are organized under state, local or tribal laws for other than profit-making activities” and together comprise an eligible consortium of nonprofit entities.

Attached is Evidence of Nonprofit or and Tax Exempt Status for consortium members HAP, Inc. and Springfield Neighborhood Housing Services, Inc. in accordance with the NSP2 NOFA.

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
G.P.O. BOX 1680
BROOKLYN, NY 11202

DEPARTMENT OF THE TREASURY

Date:

MAR 25 1994

HAF INC

322 MAIN ST
SPRINGFIELD, MA 01105-2408

Employer Identification Number:

04-2518368

Case Number:

114082061

Contact Person:

MORRIS PITTINSKY

Contact Telephone Number:

(718) 488-2349

Date of Exemption:

7211

Internal Revenue Code

Section 501(c)(09)

Dear Applicant:

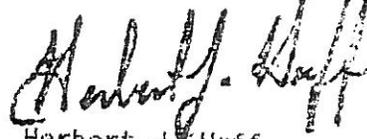
Thank you for submitting the information shown on the enclosure. We have made it a part of your file.

The changes indicated do not adversely affect your exempt status and the exemption letter issued to you continues in effect.

Please let us know about any future change in the character, purpose, method of operation, name or address of your organization. This is a requirement for retaining your exempt status.

Thank you for your cooperation.

Sincerely yours,



Herbert J. Huff
District Director

-2-

HAF INC

Item Changed	From	To
Name Change	Housing Allowance Project Inc	HAF Inc

Internal Revenue Service

Department of the Treasury

District
Director

OCT 26 1984

P.O. Box 1680, GPO Brooklyn, N.Y. 11202

Date: OCT 24 1984

Housing Allowance Project Inc.
145 State Street
Springfield, MA. 01103

Employer Identification Number:
04-2518368
Our Letter Dated:
May 26, 1982
Person to Contact:
M. Tessler
Contact Telephone Number:
718-330-7120

Gentlemen:

This modifies our letter of the above date in which we stated that you would be treated as an organization which is not a private foundation until the expiration of your advance ruling period.

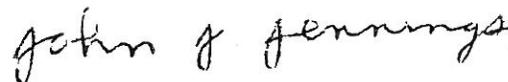
Based on the information you submitted, we have determined that you are not a private foundation within the meaning of section 509(a) of the Internal Revenue Code, because you are an organization of the type described in section 170(b)(1)(A)(vi) and 509(a)(1). Your exempt status under section 501(c)(3) of the Code is still in effect.

Grantors and contributors may rely on this determination until the Internal Revenue Service publishes notice to the contrary. However, a grantor or a contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 170(b)(1)(A)(vi) status, or acquired knowledge that the Internal Revenue Service has given notice that you would be removed from classification as a section 170(b)(1)(A)(vi) organization.

Because this letter could help resolve any questions about your private foundation status, please keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,



District Director

cc:

Letter 1050(DO)(7-77)

Internal Revenue Service
District Director

Department of the Treasury
P. O. Box 9107

MAY 27 1982

Date:

MAY 26 1982

Employer Identification Number:

04-2518368

Accounting Period Ending:

June 30

Foundation Status Classification:

170(b)(1)(A)(vi) and 509(a)(1)

Advance Ruling Period Ends:

June 30, 1984

Person to Contact:

R. McCoy:ln

Contact Telephone Number:

223-4241

Housing Allowance Project, Inc.
145 State Street
Springfield, MA 01103

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code.

Because you are a newly created organization, we are not now making a final determination of your foundation status under section 509(a) of the Code. However, we have determined that you can reasonably be expected to be a publicly supported organization described in section 170(b)(1)(A)(vi) and 509(a)(1).

Accordingly, you will be treated as a publicly supported organization, and not as a private foundation, during an advance ruling period. This advance ruling period begins on the date of your inception and ends on the date shown above.

Within 90 days after the end of your advance ruling period, you must submit to us information needed to determine whether you have met the requirements of the applicable support test during the advance ruling period. If you establish that you have been a publicly supported organization, you will be classified as a section 509(a)(1) or 509(a)(2) organization as long as you continue to meet the requirements of the applicable support test. If you do not meet the public support requirements during the advance ruling period, you will be classified as a private foundation for future periods. Also, if you are classified as a private foundation, you will be treated as a private foundation from the date of your inception for purposes of sections 507(d) and 4940.

Grantors and donors may rely on the determination that you are not a private foundation until 90 days after the end of your advance ruling period. If you submit the required information within the 90 days, grantors and donors may continue to rely on the advance determination until the Service makes a final determination of your foundation status. However, if notice that you will no longer be treated as a section 509(a)(1) organization is published in the Internal Revenue Bulletin, grantors and donors may not rely on this determination after the date of such publication. Also, a grantor or donor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act that resulted in your loss of section 509(a)(1) status, or acquired knowledge that the Internal Revenue Service had given notice that you would be removed from classification as a section 509(a)(1) organization.

District Director, Boston District

(over)

Letter 1045(DO) (6-77)

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. Also, you should inform us of all changes in your name or address.

Generally, you are not liable for social security (FICA) taxes unless you file a waiver of exemption certificate as provided in the Federal Insurance Contributions Act. If you have paid FICA taxes without filing the waiver, you should call us. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, you are not automatically exempt from other Federal excise taxes. If you have any questions about excise, employment, or other Federal taxes, please let us know.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

You are required to file Form 990, Return of Organization Exempt from Income Tax, only if your gross receipts each year are normally more than \$10,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. The law imposes a penalty of \$10 a day, up to a maximum of \$5,000, when a return is filed late, unless there is reasonable cause for the delay.

You are not required to file Federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T. In this letter, we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,


for HERBERT B. MOSHER
District Director

*See Attachment.

Internal Revenue Service

Date: June 15, 2004

Springfield Neighborhood Housing
% Steven J. Schwartz
111 Wilbraham Rd.
Springfield, MA 01109-3127

Department of the Treasury
P. O. Box 2508
Cincinnati, OH 45201

Person to Contact:

Sheena Wallace 31-04021
Customer Service Specialist

Toll Free Telephone Number:

8:00 a.m. to 6:30 p.m. EST
877-829-5500

Fax Number:

513-263-3756

Federal Identification Number:

04-2658190

Dear Sir or Madam:

This is in response to your request of June 15, 2004, regarding your organization's tax-exempt status.

In April 1979 we issued a determination letter that recognized your organization as exempt from federal income tax. Our records indicate that your organization is currently exempt under section 501(c)(3) of the Internal Revenue Code.

Based on information subsequently submitted, we classified your organization as one that is not a private foundation within the meaning of section 509(a) of the Code because it is an organization described in sections 509(a)(1) and 170(b)(1)(A)(vi).

This classification was based on the assumption that your organization's operations would continue as stated in the application. If your organization's sources of support, or its character, method of operations, or purposes have changed, please let us know so we can consider the effect of the change on the exempt status and foundation status of your organization.

Your organization is required to file Form 990, Return of Organization Exempt from Income Tax, only if its gross receipts each year are normally more than \$25,000. If a return is required, it must be filed by the 15th day of the fifth month after the end of the organization's annual accounting period. The law imposes a penalty of \$20 a day, up to a maximum of \$10,000, when a return is filed late, unless there is reasonable cause for the delay.

All exempt organizations (unless specifically excluded) are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more paid to each employee during a calendar year. Your organization is not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Organizations that are not private foundations are not subject to the excise taxes under Chapter 42 of the Code. However, these organizations are not automatically exempt from other federal excise taxes.

Donors may deduct contributions to your organization as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to your organization or for its use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

Springfield Neighborhood Housing
04-2658190

Your organization is not required to file federal income tax returns unless it is subject to the tax on unrelated business income under section 511 of the Code. If your organization is subject to this tax, it must file an income tax return on the Form 990-T, Exempt Organization Business Income Tax Return. In this letter, we are not determining whether any of your organization's present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

Section 6104 of the Internal Revenue Code requires you to make your organization's annual return available for public inspection without charge for three years after the due date of the return. The law also requires organizations that received recognition of exemption on July 15, 1987, or later, to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. Organizations that received recognition of exemption before July 15, 1987, and had a copy of their exemption application on July 15, 1987, are also required to make available for public inspection a copy of the exemption application, any supporting documents and the exemption letter to any individual who requests such documents in person or in writing. For additional information on disclosure requirements, please refer to Internal Revenue Bulletin 1999 - 17.

Because this letter could help resolve any questions about your organization's exempt status and foundation status, you should keep it with the organization's permanent records.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely,



Janna K. Skufca, Director, TE/GE
Customer Account Services

Springfield Massachusetts NSP2 Program Consortium Agreement

THIS CONSORTIUM AGREEMENT (this "Agreement") made and entered into this 15th day of July, 2009, by and among the City of Springfield (hereinafter "City"), HAP, Inc. and Springfield Neighborhood Housing Services Inc. (hereinafter "SNHS"), (collectively, the "Consortium Members") each party having been duly organized and now existing under the laws of the Commonwealth of Massachusetts.

WITNESSETH

WHEREAS, the Consortium Members desire to enter into a Consortium in connection with their application for Neighborhood Stabilization Program 2 (NSP2) funds;

WHEREAS, the Consortium Members are ready, willing and able to enter into a Consortium;

WHEREAS, the Consortium Members desire to cooperatively implement program activities as described in their application for NSP2 funds; and

WHEREAS, the Consortium Members are ready, willing and able to implement such activities;

NOW THEREFORE, in consideration of the premises, and the mutual covenants and obligations herein contained, the parties agree as follows:

Section I. **BASIC OBJECTIVES**: The Consortium Members agree to work cooperatively in implementing program activities as described in their application for NSP2 Funds in Connection with the Notice of Funding Availability for NSP2 issued by the Department of Housing and Urban Development ("HUD") on May 4, 2009. A copy of the Consortium's application for NSP2 funds is attached hereto as **Exhibit A**.

Section II. **TIME OF PERFORMANCE**: This agreement shall begin on December 1, 2009 and end on December 31, 2012, unless such time is extended by written agreement of the parties, executed in the same manner as this Agreement. The term of this Agreement and the provisions herein shall automatically be extended to cover any additional time period during which any Consortium Member remains in control of NSP2 funds or other NSP2 assets, including program income, resulting from the Consortium's NSP2 program.

Section III. **APPOINTMENT OF LEAD MEMBER:** The Consortium Members hereby appoint **HAP, Inc.** to serve as Lead member of the Consortium.

Section IV. **RESPONSIBILITIES OF LEAD MEMBER:** The Lead Member assumes the responsibility of acting in a representative capacity for all Consortium Members as required by HUD in its Notice of Funding Availability for NSP2. The Lead Member further assumes responsibility for ensuring the Consortium's NSP2 program is carried out in compliance with all statutory and regulatory requirements applying to the use of NSP2 funds and in substantial compliance with the Consortium's NSP2 application.

Section V. **MAINTENANCE AND EXAMINATION OF RECORDS:** Each Consortium Member assumes the responsibility of maintaining such records as are required by HUD and as are necessary for the Lead Member to ensure compliance of the consortium's NSP2 program with all applicable requirements and with the Consortium's NSP2 application. The Consortium Members agree that any duly authorized representative of the Lead Member shall, until the expiration of five (5) years after the expiration of this Agreement, or such longer period as may be required due to an audit finding, upon reasonable notice, have access to and right to examine any books, documents, papers and records of the Consortium members, involving transactions related to the Consortium's NSP2 program.

Section VI. **FUNDING AGREEMENTS:** Provided that the Consortium's NSP2 application is deemed fundable by HUD, Consortium members hereby agree to execute a Consortium Funding Agreement, as required by the Notice of Funds Availability for NSP2 funds, no later than December 1, 2009, wherein the parties will in good faith negotiate the reimbursements and/or costs for the responsibilities undertaken by the individual Consortium Members in the execution of the NSP2 program.

Section VII. **STATES, INDIAN TRIBES AND UNITS OF GENERAL LOCAL GOVERNMENT:** Any Consortium Member that is a state, an Indian Tribe or a unit of general local government is hereby authorized and agrees to assume all responsibility for environmental review, decision making and action for proposed projects within its jurisdiction on behalf of the Consortium in accordance with the requirements of 24 CFR Part 58.

Section VIII. **LEGAL AUTHORITY:**

- A. Each Consortium Member assures and guarantees that it possesses the legal authority, pursuant to any proper, appropriate and official motion, resolution or action passed or taken, to enter into this Agreement.

- B. The person signing and executing this Agreement on behalf of the Consortium Members do hereby represent and warrant that he/she or they have been fully authorized by their respective Consortium Member to execute this Agreement on behalf of the Consortium Member and to validly and legally bind the Consortium Member to all terms, performances and provisions herein set forth.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

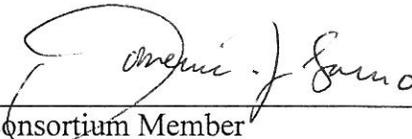


As Consortium Member and as Lead Member

By: HAP, Inc.

Name: Peter Gagliardi

Its: Executive Director

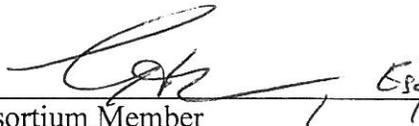


Consortium Member

By: City of Springfield

Name: Domenic J. Sarno

Its: Mayor



Consortium Member

By: Springfield Neighborhood Housing Services, Inc.

Name: Charles Rucks

Its: Executive Director

Summary/Application Overview

Application # 151893395

1. **Eligible Applicant:** The Springfield Massachusetts Neighborhood Stabilization Program 2 Consortium (Springfield NSP2 Consortium) is made up of the major housing, community and neighborhood development entities working in the proposed target area: the City of Springfield, HAP, Inc. and Springfield Neighborhood Housing Services, Inc. (SNHS). Each falls within the definition for nonprofit entity: “Nonprofit entities are public and private nonprofit organizations, including governmental entities, that are organized under state, local or tribal laws for other than profit-making activities” and together comprise an eligible consortium of nonprofit entities.
2. **Target Geography:** The Springfield Consortium will carry out its NSP2 program in the census tracts shown below. As required by the NSP2 regulations, each identified census tract has been assigned a maximum HUD Foreclosure Score of 18 or higher as shown below. Individually, HUD has given each identified census tract the maximum foreclosure or vacancy risk score of 20; collectively the target area has a maximum risk score of 20.

Neighborhood	Census Tract	NSP2 HUD Foreclosure Risk Score	NSP2 HUD Vacancy Score	NSP2 HUD Maximum Foreclosure Score
Upper Hill	8017	20	19	20
Old Hill	8018	20	20	20
Six Corners	8019	20	18	20
South End	8011.02	20	19	20
South End	8020	20	18	20
Forest Park	8022	20	16	20
Forest Park	8023	20	12	20
McKnight	8013	20	18	20
Bay	8014	20	18	20

3. **Amount:** The Springfield Consortium hereby requests Twenty-Nine Million, One Hundred Fourteen Thousand, Six Hundred Eighty Dollars (\$29,114,680) for the purpose of accomplishing significant and measurable neighborhood stabilization activities in the proposed target area.
4. **Eligible Fund Use:** The Springfield Consortium acknowledges the following eligible uses of NSP2 funds and proposes to carry out only those activities: (A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.....for low and moderate income homebuyers; (B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such...properties; (C) establish land banks for homes and residential properties that have been foreclosed upon; (D) demolish

*Springfield NSP2 Consortium
Grant Application*

blighted structures; (E) redevelop demolished or vacant properties as housing and allowable administrative costs to accomplish the eligible uses. The majority of these activities will be carried out by members of the Springfield NSP2 Consortium. Certain activities may also be carried out under binding contractual relationships by nonprofit and/or for profit housing developers. The required housing counseling will be carried either HAP, Inc. or SNHS, both of whom are HUD approved housing counseling agencies.

Specific activities proposed in the application include:

Eligible Use	Activity	Estimated Budget
A. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties.....for low and moderate income homebuyers.	30 Units Down payment assistance loans of up to \$20,000 for households purchasing formerly foreclosed or vacant homes in the NSP2 target area.	\$ 729,000
B: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop...properties.	71 Units Acquisition and rehab of single and duplex residential properties to sell as homeownership or owner occupied rental properties.	\$ 16,054,100
C. Establish land banks for homes and residential properties that have been foreclosed upon	10 Units Purchase and maintain residential properties for redevelopment and sale after the 3 year NSP2 grant period.	\$ 709,100
D. Demolish blighted structures	14 Units Strategic demolition of blighted properties for residential redevelopment.	\$ 814,100
E. Redevelop demolished or vacant properties as housing	25 Units New construction of single and duplex residential properties on vacant lots and redevelopment of vacant properties into rental units.	\$ 8,161,600
Program Administration	Oversight and management of NSP2 activities.	\$ 2,646,780
Total	150 Units	\$ 29,114,680

5. **Income Targeting/Benefit:** The Springfield NSP2 Consortium acknowledges that the use of NSP2 funds must meet the Housing and Economic Recovery Act of 2008 (HERA) requirement that states “all funds shall be used with respect to individuals and families whose income does not exceed 120 percent of area median income. It further acknowledges that it will expend a minimum of 25 percent of its awarded

*Springfield NSP2 Consortium
Grant Application*

NSP2 funding to provide housing for households whose incomes do not exceed 50 percent of area median income.

6. **Citizen Participation:** The Springfield NSP2 Consortium published a Notice of Intent to apply for NSP2 funds in a newspaper of general circulation on July 3, 2009 and simultaneously posted the Notice of Intent on the HAP, Inc. website at www.haphousing.org. The Notice described the proposed target geography and proposed use of NSP2 funds. The Notice solicited comments from interested citizens through 4:30 PM on July 14, 2009. A summary of citizen comments appears in Appendix IV of the application.
7. **Definitions:** Please see the Appendix section of the Application package.

Factor 1: Need/Extent of Problem (40 points)

a. Target Geography (10 Points)

Springfield is the third largest city in Massachusetts. It serves as the economic and cultural center for western Massachusetts. Several of the region’s largest employers are located in Springfield including Mass Mutual Financial Group, Baystate Health, Mercy Hospital, Inc., Smith and Wesson and Big Y Foods. While the number of residents in Springfield has remained steady over the past twenty years, the City has seen a marked change in the profile of its residents. The US Census from 1980 to 2000 documents the steep rise in the number of residents living in poverty in the city. Over the two decades the median income of the City lagged further and further behind the region and the Commonwealth of Massachusetts. By 2000, Springfield’s median family income was 58.8% of that for the Commonwealth.

	1980	1990	2000
Springfield Population	152,319	156,983	152,082
Median Family Income			
Springfield	\$16,607	\$30,824	\$36,285
Hampden County	\$19,596	\$31,100	\$49,367
Commonwealth of Massachusetts	\$21,166	\$44,367	\$61,664

The widening income gap had the greatest impact on the neighborhoods in the city’s urban core. Lagging incomes often result in deferred property maintenance, lack of monetary cushions in the face of job layoffs or illness, property abandonment and/or foreclosures. By 2008 Springfield had the third highest foreclosure numbers in the state.

The Springfield Consortium will carry out its NSP2 program in the census tracts shown below. These neighborhoods have been hard hit by disinvestment. As required by the NSP2 regulations, each identified census tract has been assigned a maximum HUD Foreclosure Score of 18 or higher as shown below:

Neighborhood	Census Tract	NSP2 HUD Foreclosure Risk Score	NSP2 HUD Vacancy Score	NSP2 HUD Maximum Foreclosure Score
Upper Hill	8017	20	19	20
Old Hill	8018	20	20	20
Six Corners	8019	20	18	20
South End	8011.02	20	19	20
South End	8020	20	18	20
Forest Park	8022	20	16	20

Forest Park	8023	20	12	20
McKnight	8013	20	18	20
Bay	8014	20	18	20

Individually, HUD has given each identified census tract the maximum foreclosure or vacancy risk score of 20; collectively the target area has a maximum risk score of 20. Four of the seven NSP2 neighborhoods: Old Hill, Six Corners and portions of the South End and Forest Park comprise the target area for the City of Springfield’s NSP1 program. In 2008, as part of its NSP1 application process, the City analyzed data on foreclosures and vacant properties in these neighborhoods and found that these areas “are currently experiencing the greatest percentage of home foreclosures in the City; have very high rates of subprime loans (58% or more); and, due to the combination of subprime lending and neighborhood conditions, are expected to face a significant rise in the rate of home foreclosures (predicted 18-month underlying problem foreclosure rates of 12% or more).”¹

The City determined that in order to have substantial neighborhood impact, it would target its NSP1 resources to areas chosen based on analysis of the above factors, as well as consideration of other ongoing City initiatives. These other initiatives include the State Street Corridor Revitalization, the Old Hill Initiative, the South End Initiative, and public and private investment in targeted Neighborhood Revitalization Strategy Area (NRSA) neighborhoods.

The City’s NSP1 program will address 21 properties in these neighborhoods through acquisition and rehabilitation for resale, rental or through demolition. While these activities will have a positive impact on the target area, the numbers of vacant properties in the area is so large that the Springfield Consortium is applying for NSP2 funding to support those efforts and to undertake additional activities that will produce a scale of redevelopment that will result in actual neighborhood stabilization. The three NSP2 census tracts added by the Consortium to the those in the NSP1 target area were chosen for inclusion based upon review of other, more recent, vacant property or foreclosure data including the City of Springfield’s tax title inventory of properties and data on REO properties and pre-foreclosure actions from the Warren Group, the publisher of record in New England for foreclosure information. Analysis of data from these sources shows a high concentration of properties currently vacant or at risk due to foreclosure activity in the area. More than 78% of all the properties claimed by the City through the tax title process are located in the NSP2 target area.

Target Area Census Tracts	Tax Title Properties ²	REO Properties ³	Properties in Pre-foreclosure ⁴
8011.02, 8013, 8014, 8017, 8018, 8019, 8020, 8022 and 8023	275	87	232

¹ City of Springfield, MA *NSP Substantial Amendment 2008*

² *City of Springfield tax title data as of June 30, 2009*

³ Warren Group data as of June 30, 2009

⁴ Warren Group data as of June 30, 2009

In addition to the high rates of vacancy and foreclosure, the NSP2 target area was chosen based upon the ability of proposed activities to have a concentrated impact on the target area and other revitalization efforts ongoing in the target area.

b. Market Conditions and Demand Factors (30 Points)

1. Market Absorption of Abandoned and Foreclosed Properties

The Warren Group, the publication of record for foreclosure data for New England, lists 87 bank owned (REO) properties in the target area. Since January 1, 2009, 43 REOs have sold in the target neighborhoods. This data translates to an average of 7 properties a month being absorbed by the market through June, 2009. If the absorption rate remains the same in the NSP2 target area, it would take 12 months for the inventory of 87 REO to be absorbed by the market. However, without NSP2 funding, the current absorption rate might not continue. As in any private market, it is likely that those properties that were in the best condition were purchased first. As properties sit unoccupied, they deteriorate, making them less marketable in a weak real estate market. There are also the 275 tax title properties that have not been sold throughout the city. As noted previously, most tax title properties are located in the target area. The City reports that over the past four years it has sold 133 tax title properties. This represents a market absorption rate of 33 properties a year. Extrapolation of these numbers indicates the possibility that there may be 200 unabsorbed homes in the target area over the next two years if the proposed NSP2 activities are not funded.

In November 2008, the Massachusetts Housing Investment Corp. commissioned “A Rent and Price Study of the Springfield Residential Market” concentrating on Old Hill and Forest Park, two of the targeted neighborhoods. The study reports that “these neighborhoods include a mix of single-, two-, three-, and small multi-family properties that date from the late 1800’s to the 1980s. While all segments of the market (owner-occupied and investor-owned) experienced strong price increases from 2000 to 2005, declines that started in 2007 and 2008 resulted in 2008 price levels that were similar to 2000-2001 levels and, in some cases, below. It appears that prices declined more steeply in the target neighborhoods than in the City as a whole”.

The study also concluded that “the present market is characterized by a high proportion of bank-owned properties (particularly in the two- and three-family sectors).” In August to October 2008, normal, private-party sales accounted for 47% of single family property sales but only 13% of the two-family sales and 18% of the three-family sales. The remainder were sales to lenders at foreclosure and by lenders after foreclosure. These, of course, exert a downward pressure on the market. In November 2008, prices of single family homes in rehabilitated condition ranged from \$100,000 to \$200,000 while prices of homes in average condition ranged from \$45,000 to \$70,000. An analysis of the REO properties sold in the target area since January 2009 reflects the same weak sales prices. The majority of the properties sold were duplexes. The average price per property was \$46,980; **just 31% of their average assessed value of \$149,878**. Many of the purchasers

were LLCs and individuals also purchased multiple properties indicating that many of the sales were to investors.

2. Critical Factors leading to Abandonment and Foreclosures

Across the country, two factors are most frequently cited as major contributors leading to the current foreclosure crisis: over building and sub prime lending practices. Over building has not been a cause of foreclosures in Springfield. The City of Springfield exhibits the classic older industrial urban development pattern with very little vacant land for large scale new construction which might lead to over building in a strong housing market. However, subprime lending has been a significant problem, particularly in the urban core neighborhoods. A 2003 study by the Pioneer Valley Planning Commission examined lending market statistics for the Springfield SMSA from 1996 through 2001. It found significant levels of subprime lending activity, with a concentration of such lending in the urban core census tracts of Springfield, areas with larger populations of persons of color. The study concluded that, “As evidenced by the geographical concentration of subprime applications and the characteristics of these same areas, the data indicates that subprime lenders may be targeting their efforts on low-income communities of color.”⁵

In addition to subprime lending activity, the neighborhoods that are the focus of the NSP2 program also did not fully participate in the run up of housing prices experienced across America up through 2007. Instead, over the past two decades they developed into distressed or weak market neighborhoods, exhibiting the classic symptoms of vacant properties, abandoned buildings, aging infrastructure, crime and concentrated poverty. Housing prices in these neighborhoods were held down by the neglected condition of the housing stock, a pattern of abandoned buildings and low levels of owner-occupancy. Rents in these neighborhoods often do not cover the cost of operating an apartment properly, resulting in a return on capital insufficient for the owner to justify further investment. Similarly, sale prices of owner occupied housing (and therefore appraised values) can be so low that it is not feasible to substantially renovate a deteriorated home within the assessed value. These factors lead to a growing number of tax delinquencies, deteriorated housing stock, absentee landlords and eventually vacant properties.

3. Household Income Characteristics

The income characteristics of households in the target area by census tracts according to the 2000 U. S. Government Census is as follows:

Neighborhood	Census Tract	50% median area income households	80% median area income households	120% median area income households	Total households at or below 120%
Upper Hill	8017	16.5%	23.5%	17%	57%
Old Hill	8018	36%	19.5%	15%	70.5%

⁵ Pioneer Valley Planning Commission, “City of Springfield MA Impediments to Fair Housing” 2003

Six Corners	8019	46%	16%	18%	80%
South End	8011.02	35%	19%	18%	72%
South End	8020	46%	21%	14%	81%
Forest Park	8022	31%	17%	9%	57%
Forest Park	8023	24%	16%	22%	62%
McKnight	8013	34%	20%	15%	69%
Bay	8014	35%	18%	10%	63%

High Cost Burden

Data from the Home Mortgage Disclosure Act (MHMDA) provided by HUD for the NSP2 program reports the following statistics on housing cost burden for mortgages in the target area:

Neighborhood	Census Tract	Low cost/ high leverage	High cost/low leverage	High cost/high leverage	Total high burden/risk mortgages
Upper Hill	8017	7.4	31	20.9	59.3%
Old Hill	8018	5.6	38.5	21.7	65.8%
Six Corners	8019	7.7	28.4	21.7	57.8%
South End	8011.02	2.3	39.5	18.6	60.4%
South End	8020	9.9	24.1	23.5	57.5%
Forest Park	8022	10.8	23.8	24	58.6%
Forest Park	8023	10.6	25.2	22.6	58.4%
McKnight	8013	6.5	32.1	18	56.6%
Bay	8014	6.9	26.5	18.4	51.8%

4. Social, Governmental, Educational or Economic Factors Contributing to Market Conditions/Neighborhood Decline

Weak market neighborhoods, such as those in the NSP2 target area, with their lower rents and housing prices, typically attract residents who have little to spend on housing costs. With little to invest in the housing stock, the properties deteriorate further leading to a downward cycle of disinvestment. A study done by the Federal Reserve Bank of Boston in 2007 of Old Hill, Six Corners and the South End captures the social, educational and economic profile of these neighborhoods. The profile of the residents of these neighborhoods closely resembles that of those residing in the other NSP2 neighborhoods.

The study states that in 2000, 43% of residents in these neighborhoods had incomes levels below the federal poverty level. By comparison, New Orleans' rate of concentrated poverty before Hurricane Katrina was 38 percent. These neighborhoods have also experienced more dramatic population changes than the city overall. Between 1990 and 2000 the population in the study area decreased by 11 % (versus 3% for the city). The racial and ethnic composition of the neighborhoods has changed as well. The white population decreased by 47% and the Hispanic population increased 40% over the decade.

Residents in the neighborhoods also experience higher unemployment rates than the region and unemployment is especially high among specific subgroups. In 2000, the unemployment rate in the three neighborhoods was 14 % compared with 5% for the Springfield MSA. Hispanic residents, the fastest growing population in the neighborhoods, had the highest unemployment rate of all racial or ethnic groups with 18% of males and 24 % of females unemployed. Education levels among residents are commensurately low. 42% of the residents over 25 did not have a high school diploma, compared with 18% for the Springfield MSA.

5. NSP2 Activities Most Likely to Stabilize Target Area

The Springfield NSP2 Consortium believes that acquisition of properties that are foreclosed, vacant and beyond the capability of the average homebuyer to rehabilitate is the primary strategy most likely to stabilize the targeted neighborhoods. These homes will then be rehabilitated and either rented to households at or below 50% of AMI or sold to homebuyers at or below 120% AMI.

New construction will be employed on currently vacant, tax-foreclosed properties procured from the City of Springfield to develop homeowner and owner-occupied rental housing to be sold to homebuyers at or below 120% AMI with the rental units occupied by households at or below 50% of AMI.

Strategic demolition will be used to remove properties that are beyond any realistic rehabilitation efforts and the resultant vacant properties will be redeveloped into single or two-family residential properties that will provide housing opportunities for both renters and homeowners.

Land banking will be utilized for those properties that will require a more intensive redevelopment effort; they will be acquired during the three year NSP2 program span and redeveloped and strategically reintroduced into the housing market when it is determined that the market can absorb them.

Down payment assistance, coupled with intensive homebuyer education, will ensure the long term success of home ownership for families at or below 120% AMI who purchase foreclosed homes that do not require extensive rehabilitation in the target area.

Factor 2: Demonstrated Capacity of the Applicant and Relevant Staff (40 Points)

All three members of the Springfield NSP2 Consortium have extensive housing and community development experience, much or all of it located in the neighborhoods that comprise the NSP2 target area. The management capacity of each Consortium Member is detailed below:

Consortium Member: City of Springfield

a. Past Experience of the Applicant

Examples of recent experience managing neighborhood stabilization activities (within the past 24 months) similar to activities eligible under NSP2:

Activity	Units	Relevant Skills and Resources
1. Down payment assistance loans	130 Units	All aspects of loan underwriting from income eligibility certification through recording second mortgage documentation
2. Acquisition and <u>rehabilitation</u> of foreclosed properties	465 Units	The City has provided funds, support and assistance with the substantial renovation of 417 rental housing units in 5 neighborhoods throughout the City. In addition it has provided funding and technical support for the moderate rehabilitation and lead abatement of 48 owner occupied homes. Rehabilitation work is done throughout the City and is based on the needs of both the property and property owner
3. New construction of single and duplex residential properties on vacant lots and redevelopment of vacant properties into rental units	22 Units	The City has provided funding and oversight for the construction of 22 single family homes by redeveloping vacant and blighted properties into home ownership opportunities for low and middle income families. Redevelopment of vacant properties was concentrated within the NSP-2 target neighborhoods along the State Street corridor.
4. Land banking	349 Units	The City currently manages a portfolio of 349 tax foreclosed properties. The properties are held, managed, and marketed by the Office of Housing. Disposition of tax foreclosed real estate is preceded by a review of proposed redevelopment plan and resources necessary to complete the proposed plan.
5. Demolition	64 Units	Over the past 2 years the City of Springfield has demolished 64 vacant, abandoned and blighted properties throughout the City. A concentration of demolition was performed in CDBG eligible neighborhoods and throughout the NSP-2 target area.
Total Units	1030 Units	

1. City and Regional Planning

The City of Springfield has participated in the Community Development Block Grant program since 1975. During the past 30+ years it has prepared numerous five year

consolidated plans as well as annual Action Plan planning documents. The City is a member of and cooperates on matters of regional planning with the Pioneer Valley Planning Commission. It has been a leader in regional efforts to end homelessness with other western Massachusetts cities. In recent years it has undertaken major planning efforts. In 2006, the City partnered with the Urban Land Institute to produce *Strategies for a Sustainable City* which explored how the city should capitalize on its assets, make the most of its community and economic development efforts and prioritize its planning and development efforts. Two other recent planning initiatives that will impact the NSP2 target area are the State Street Corridor Initiative and the South End Revitalization Project. A description of these plans and links to the actual plans are included in Rating Factor 6: Neighborhood Transformation and Economic Development.

2. Acquisition and Disposition of Foreclosed Real Estate

As stated previously, the city currently has 349 tax title properties in its portfolio. Since March of 2005, 133 tax title properties have been sold. Prior to sale of tax title properties, the city reviews redevelopment plans and funding to help ensure the successful redevelopment of property. The city also places restrictions for owner occupancy and records a reverter deed should the purchaser fail to perform on the agreed upon redevelopment.

3. Rehabilitation of Housing

The City of Springfield provides both funding and assistance to homeowners, property owners and developers to rehabilitate the existing housing stock and improve neighborhoods. The City maintains internal capacity to operate a homeowner rehabilitation program, the MassHousing Get the Lead Out abatement program in addition to energy efficiency programs including HEARTWAP. The City has also taken steps to improve property conditions through the use of court appointed receivers to improve and operate properties when existing ownership is either unable or unwilling to do so.

4. Redevelopment of Vacant Property

The City of Springfield, through its Inspectional Services Department and Office of Housing, has a comprehensive revitalization effort to eradicate blight, clean abandoned properties, demolish derelict buildings and attempt to keep properties operating and maintained through use of a Blight Ordinance, Vacant Building Registration Ordinance and Receivership Program.

The City is extremely proactive in its Tax Title disposition program and will not transfer property until redevelopment plans have been approved by the city and financing is in place for the execution of the redevelopment. The process requires considerable resources but has helped to ensure timely investment in substandard properties that help to stabilize neighborhoods and encourage additional investment.

The City is also active in assisting both non-profit and for profit entities in the city to redevelop both existing and vacant properties while encouraging homeownership when appropriate. Springfield provides subsidy financing to many projects and supports efforts

to attract additional resources to develop and redevelop housing in our troubled neighborhoods.

5. Program Marketing and Management of Waiting Lists for Potential Residents
The City does not directly develop housing for residents but works collaboratively with city based nonprofit housing developers such as HAP and SNHS. The City does require agencies funded through city programs to affirmatively market and appropriately manage waiting lists for those projects. The City actively monitors this activity for compliance.

6. Accessing Operating and Investment Capital
The City of Springfield applies for and assists developers in applying for State and federal funds managed by the State of Massachusetts. The City has been extremely successful in leveraging its HOME allocation to leverage state and federal Low Income Housing Tax Credits, historic tax credits, State entitlement funds as well as state bond funds to support the development and redevelopment of properties in Springfield. The \$3.3 million of local HOME dollars spent last fiscal year leveraged over \$60 million dollars in funding and tax credit equity from other sources.

7. Working Productively with Other Organizations
The City of Springfield collaborates with other agencies and organizations to promote the well being of the city and the region. The City has worked in conjunction with the following organizations to achieve the following:

- The City was instrumental in the establishment of and is a lead partner in the Western Massachusetts Foreclosure Prevention Center which serves the four western Massachusetts counties of Berkshire, Franklin, Hampshire and Hampden.
- The City has taken the lead in coordinating regional efforts to end homelessness in western Massachusetts.
- The City is partnering with The Pioneer Valley Transit Authority to renovate and complete an inter-modal transportation center within Springfield.
- The City works with the State of Massachusetts on numerous issues and projects including school construction, transportation and roadway improvements, housing and homelessness to name a few.

b. Management Structure

1. An organizational chart appears on a following page. The City of Springfield's Development Department will oversee and undertake the Environmental Review and Strategic Demolition activities for the Springfield NSP2 program. Specific roles and their responsibilities under the NSP2 program are as follows:

Chief Development Officer: Responsible with HAP and SNHS key management staff for strategic planning and oversight of implementation of the program. Responsibility for overall administrative oversight for NSP2 activities undertaken by the City.

Director of Housing: Responsible for day to day administration of environmental reviews and demolition activities provided by and through the City.

Planning Department Staff: Performance of environmental reviews for NSP2 activities.

Housing Division Staff: Responsible for management of City of Springfield demolition contract and services for NSP2 activities.

2. References

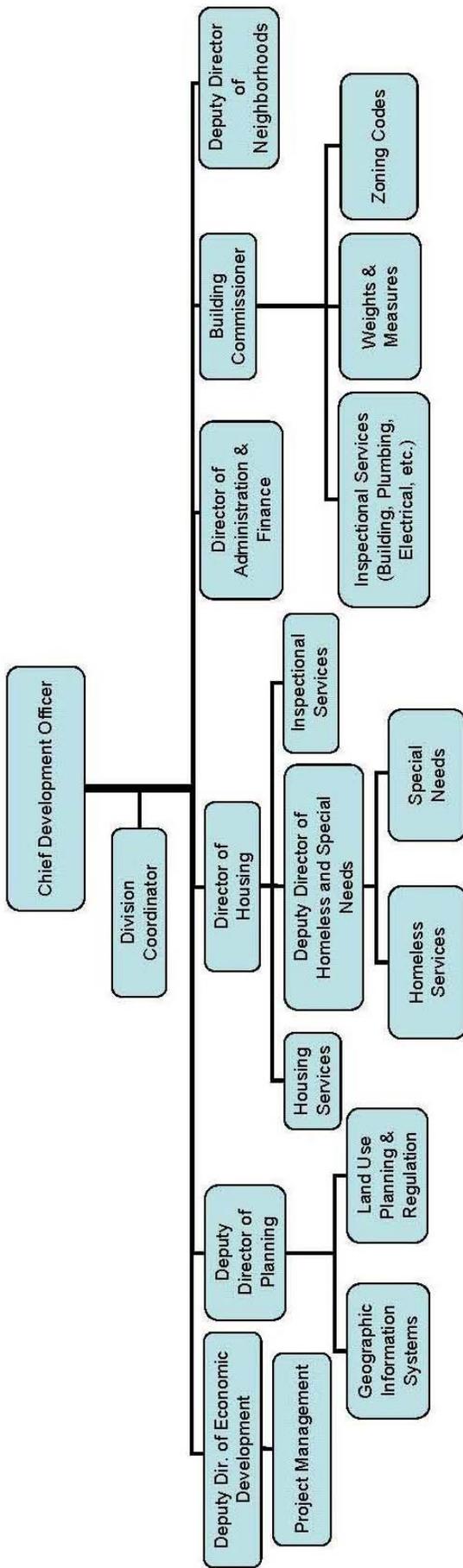
Reference Number 1:

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CITY OF SPRINGFIELD HOUSING DEVELOPMENT DEPARTMENT



Consortium Member: HAP, Inc. (HAP)

a. Past Experience of the Applicant

Examples of recent experience managing neighborhood stabilization activities (within the past 24 months) similar to activities eligible under NSP2:

Activity	Units	Skills and Resources
1. Downpayment assistance loans	16 Units	Underwrote 16 downpayment & closing cost loans under the American Dream Downpayment Initiative program
2. Acquisition and rehabilitation of foreclosed properties	29 Units	Redevelopment of a vacant school into 29 units of elderly rental housing
3. New construction of single and duplex residential properties on vacant lots and redevelopment of vacant properties into rental units	58 Units 43 completed 15 in progress	All phases of development from property acquisition, site development, design and construction management (new and substantial rehabilitation) through marketing and sales or rent up.
4. Land banking	17 Properties	Purchased and held by Old Hill Collaborative LLC, managed by HAP
5. Demolition	4 Properties	Developed specifications for and oversaw demolition contracts.
Total Units	103 Units and 21 Properties.	

1) **City and Regional Planning**

HAP, Inc. was founded in 1972 and is a private, 501 (c) (3) nonprofit corporation. Now known as **HAPHousing™** it has earned a reputation as the region’s leader in facilitating access to housing and homeownership. As the region’s housing partnership, HAP collaborates with other community-based organizations to create affordable housing and to revitalize urban neighborhood and has led or been involved with multiple city and regional planning efforts over the years. Recent planning efforts HAP has been involved with include:

The Partnership for the Renewal of Old Hill (PRO-Hill). HAP played a leadership role along with 45 partners and supporters to create improvements to public safety, educational opportunities and infrastructure such as parks and streets for the Old Hill neighborhood in Springfield.

Neighborhood Revitalization LLC. HAP, along with Springfield Neighborhood Housing Services Inc. and the area chapter of Habitat for Humanity established the Neighborhood Revitalization LLC in association with Springfield College and the Old Hill Neighborhood Council to purchase and land bank key properties in the Old Hill neighborhood for future

development. The fund administered by this LLC currently totals approximately \$1.5 million dollars including a loan guaranteed by Springfield College.

State Street Corridor Revitalization Plan. HAP participates in the leadership group implementing a plan to revitalize the State Street Corridor, a major artery that runs through the center of the City of Springfield and the NSP2 target area.

South Holyoke Plan. HAP provided leadership and oversight for the development of the South Holyoke Plan, a collaborative effort involving social service agencies, city officials, local businesses and residents to write a blueprint to revitalize the South Holyoke neighborhood.

2) Acquisition and Disposition of Foreclosed Real Estate

HAP has been accepted by the Citizens Housing and Planning Association (CHAPA) to receive properties through the National Community Stabilization Trust (NCST) of which it is a partner agency. In the first few weeks of the operation of the program in Springfield, HAP has received five properties in the Springfield NSP1 target area to review and has accepted one of the properties. It expects to close on that property before the end of July. HAP has also redeveloped four vacant multifamily properties and 4 partially vacant properties as rental housing as well as created 7 homeownership projects from formerly vacant buildings.

3) Rehabilitation of Housing

HAP has been actively involved in affordable housing development for 25 years and is the largest nonprofit developer based in western Massachusetts. HAP has participated in 40 completed projects for a total of nearly 900 units. Of those 900 units, 618 were part of rehabilitation projects. Special populations served include those who have experienced homelessness, the elderly, single individuals, farm worker families, pregnant and parenting teens, and individuals with developmental disabilities, physical handicaps, and/or mental illness. Many projects are undertaken as part of comprehensive neighborhood revitalization efforts and/or in partnership with other community-based or service provider organizations. In the 1990's HAP was the recipient of HOPE III funds which it used successfully to acquire, rehabilitate, market and sell vacant and foreclosed properties in Springfield.

4) Redevelopment of Vacant Property

Of the forty projects completed by HAP to date, 11 have involved the redevelopment of vacant property or sites. Four have entailed the redevelopment of vacant multifamily structures for rental housing, and 7 redeveloped vacant sites for homeownership units. Populations served by these projects include the elderly, individuals with developmental disabilities and low and moderate income first time homebuyers. HAP is also the manager for the Neighborhood Revitalization LLC which has purchased properties from the City of Springfield's Tax title inventory as well as strategically important privately held parcels, land banking them for future development. The LLC has 7 additional properties under agreement to purchase.

5) Program Marketing and Management of Waiting lists for Potential Residents

HAP has extensive experience in marketing and managing the waiting lists for its 40 completed housing developments. In managing these waiting lists, HAP utilizes procedures that comply with HOME requirements. HAP employs a wide variety of marketing methods including outreach to neighborhood and community groups, community meetings, paid advertising, flyers, posters, project signs, open houses, general homeownership information sessions, participation in community events, etc.

To increase the pool of potential buyers for its homeownership projects, HAP has implemented a Homebuyer Club program. The Club Coordinator works intensively over time with families who must overcome poor credit histories or other barriers. This effort supplements HAP's standard pre-purchase education workshops⁶. For REO properties, HAP intends to begin aggressive marketing while the homes are being rehabilitated. The Homebuyer Club Coordinator will work closely with families interested in a lease-purchase option, helping them use their rental period to address credit and any other issues that present barriers to homeownership.

6) Accessing Operating and Investment Capital

HAP is experienced in the use of a variety of public and private financing sources including Low Income Housing Tax Credits, Massachusetts Housing Partnership Fund, HOME, CDBG, Federal Home Loan Bank's Affordable Housing Program, Massachusetts Housing Investment Corp., Community Economic Development Assistance Corp. (CEDAC), Housing Innovations Fund, HUD 202, HOPE 3, USDA Rural Development, Mass Development, MassHousing (Massachusetts Housing Finance Agency), the Life Initiative and the Property and Casualty Initiative. In all, HAP has accessed more than \$83 million dollars in funding for all of its housing projects to date.

7) Working Productively with Other Organizations

For the past several years HAP has been a leader in a comprehensive revitalization effort in Springfield's Old Hill neighborhood. Under the overall Partnership for the Renewal of Old Hill, this effort involves more than 40 partners, including Springfield College, the City of Springfield, Springfield Neighborhood Housing Services, Habitat for Humanity, Old Hill Neighborhood Council, churches, banks, businesses and other nonprofits, working together to implement a Master Plan. HAP is a partner with Habitat for Humanity and SNHS in the Old Hill Collaborative and Old Hill LLC which have pledged to create 100 new housing units in the neighborhood.

HAP, along with the City of Springfield and the Massachusetts Fair Housing Center, is a lead agency in the Western Massachusetts Foreclosure Prevention Center. The Center, a collaborative program involving 14 non profit housing agencies and the City of Springfield, is focused on addressing the foreclosure problem in the four western Massachusetts counties of Berkshire, Franklin, Hampshire and Hampden counties. HAP is the administering agency for the Center which provides counseling services as well as extensive outreach to encourage owners at risk of foreclosure to seek counseling and other assistance.

⁶ HAP, Inc. has been a HUD-approved housing counseling agency since 1977 and HAP's homeownership education course has received a Seal of Approval from the Massachusetts Homeownership Collaborative.

HAP founded and serves as lead agency for the Western Massachusetts Nonprofit Housing Developers Forum which is made up of over 20 agencies. In 2000, HAP capitalized it's "Partnership Loan Fund" with \$1 million. The fund provides working capital to non-profit housing development agencies in western Massachusetts. The Community Economic Development Assistance Corporation (CEDAC) provides underwriting and loan servicing for the Fund. In partnership with CEDAC, HAP serves as the intermediary, advancing funds to participating non-profit agencies for eligible projects that meet the fund's underwriting standards. Subject to the same standards, HAP utilizes the fund for its own development projects. The Partnership Loan Fund has made commitments to 24 projects throughout western Massachusetts as diverse as a shelter for survivors of domestic violence, homes for sale to first-time homebuyers, single person occupancy units, homes for persons with mental health disabilities, and family rental housing.

HAP is also a major partner and lead grantee in the Green Affordable Housing Initiative. With funds awarded by the Massachusetts Technology Collaborative and the Home Depot Foundation, HAP, Inc., in partnership with Rural Development, Inc. (RDI) of Franklin County, is promoting and financing alternative energy technology and "green building" techniques in affordable housing projects developed by HAP and other nonprofits throughout western Massachusetts. In addition to installing renewable energy systems on about 90 units of affordable housing, the program provides training and technical assistance on renewable energy system design, green building and energy efficient construction techniques.

HAP is also a partner in two other recent regional collaboratives: one to develop supportive housing and another for the prevention and rapid re-housing of the homeless in western Massachusetts.

b. Management Structure

1. An organizational chart appears on a following page. HAP, Inc. will serve as lead agency for the Springfield NSP2 program. It will also undertake the following specific NSP2 activities: Downpayment Assistance for the Purchase of Foreclosed Homes, Acquisition and Rehabilitation of Foreclosed and Abandoned Properties, Land Banking and Redevelopment of Demolished or Vacant Properties as Housing. Specific roles and their responsibilities have been broken down by lead agency activities and program activities and are as follows:

Lead Agency Responsibilities:

CEO/Executive Director: General responsibility for outreach and communication among Consortium members, HUD and other regional stakeholders. Responsible, with the City of Springfield and SNHS key management staff, for strategic planning and oversight of implementation of the program.

Chief Operating Officer: Oversight of staff responsible for insuring compliance of the Springfield NSP2 program with all NSP2 requirements.

Associate Executive Director of Real Estate: Day-to-day responsibility for outreach, communication, strategic planning and oversight of implementation of the program.

Internal Auditor: (to be filled upon grant award) Day-to-day responsibility for insuring compliance of the Springfield NSP2 program with all NSP2 requirements by all Consortium members. Responsible for quarterly and annual reporting through the Disaster Recovery Grant reporting (DRGR) system.

NSP2 Activity Responsibilities:

Chief Operating Officer: General management and oversight of key management staff responsible for Springfield NSP2 program activities.

Associate Executive Director of Real Estate: General management and oversight of development staff responsible for day-to-day management of NSP2 acquisition, rehabilitation, land banking and redevelopment activities.

NSP2 Project Managers: (2 positions to be filled upon grant award) Day to day management and oversight of HAP staff responsible for NSP2 activities as well as preparation and development of budgets, timelines and reports.

Attorney: Responsible for day-to-day management of all acquisition and sales activities under the NSP2 program.

Paralegal: (to be filled upon grant award) Support to Project Managers and Attorney for acquisition and sales activities.

NSP2 Realtor: (2 positions to be filled upon grant award) Responsible for identifying for purchase by the Springfield NSP2 vacant foreclosed properties including REO properties that have been listed by real estate brokers,, Springfield tax title properties, and from the NCST. Assist in the marketing and sale of NSP2 homes. .)

Green Program Manager: Responsible for insuring green rehabilitation and construction requirements for NSP2 program activities.

Construction Manager: Responsible for developing specifications and inspecting rehabilitation and new construction activities.

Homebuyer Coach: Assist in the marketing of NSP2 homes and provide support to potential homebuyers of NSP2 homes.

Director of Homeownership: General management and oversight of homeownership staff responsible for day to day management of NSP2 Homebuyer Assistance activities.

Homeownership Staff: Responsible for working with homebuyers to qualify and approve them for a down payment assistance loan through the NSP2.

2. References

Reference Number 1:

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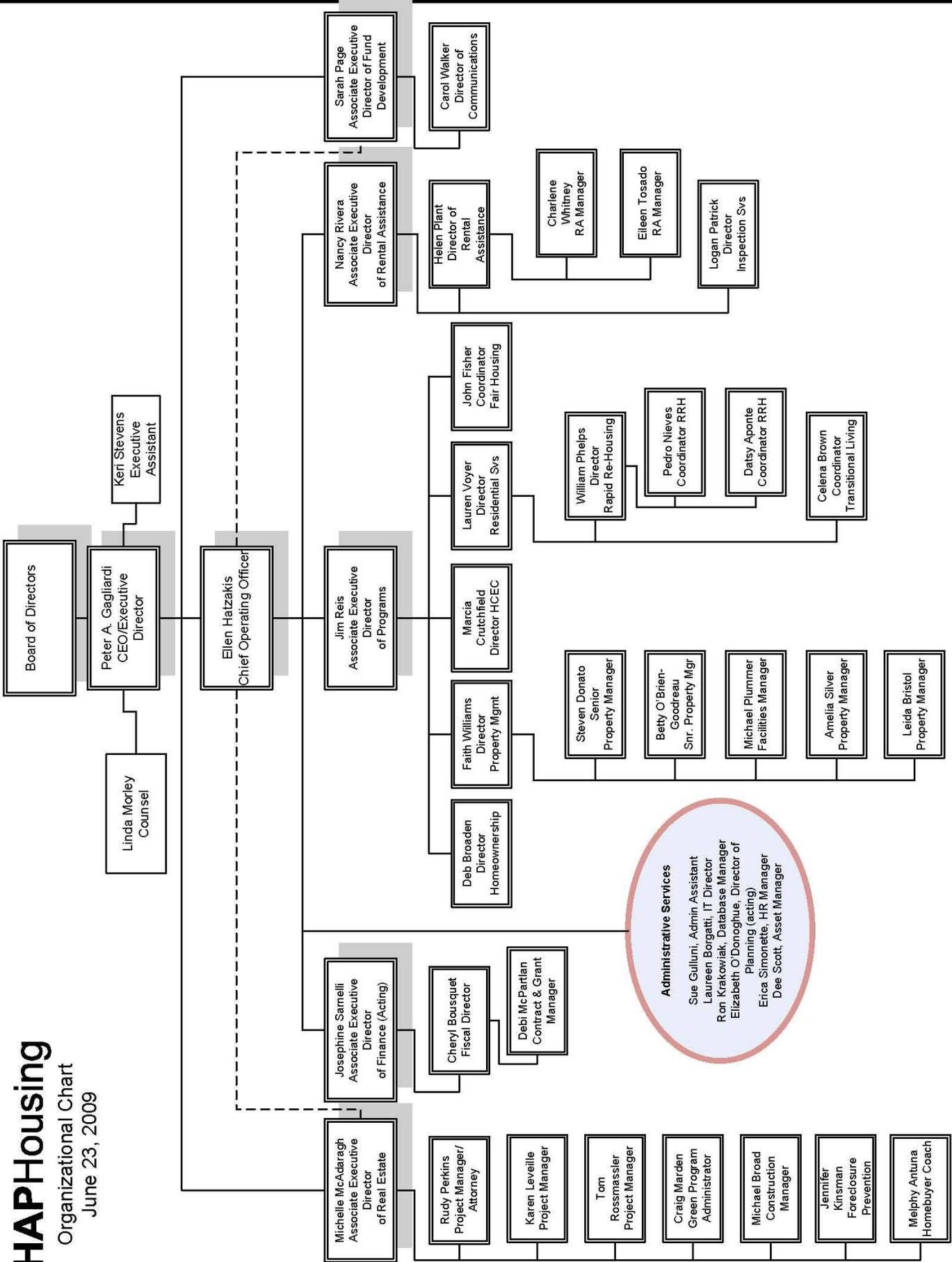
Reference Number 2:

Tom Bledsoe, President and CEO
Housing Partnership Network
160 State Street
Boston, MA 02109
Phone: (617) 720-1999, ex 202
Email: bledsoe@housingpartnership.net

HAPHOUSING

Organizational Chart

June 23, 2009



Consortium Member: Springfield Neighborhood Housing Services, Inc. (SNHS)

a. Past Experience of the Applicant

Examples of recent experience managing neighborhood stabilization activities (within the past 24 months) similar to activities eligible under NSP2:

Activity	Units	Skills and Resources
1. Down payment assistance loans	44 Units	All aspects of income eligibility certification through recording second mortgage documentation. SNHS is a licensed lender, licensed by the Massachusetts Division of Banks
2. Acquisition and rehabilitation of foreclosed properties	9 Units 5 completed 4 in progress	All phases of development including securing funding, responding to city RFP, property acquisition, site development, design and construction management (new and substantial rehabilitation) through marketing and sales.
3. New construction of single and duplex residential properties on vacant lots and redevelopment of vacant properties into rental units	10 Units 7 completed 3 in progress	All phases of development including securing funding, responding to city RFP, property acquisition, site development, design and construction management (new and substantial rehabilitation) through marketing and sales.
4. Land banking		See relevant experience under HAP
5. Demolition		See relevant experience under City
Total Units	63 Units	

1) **City and Regional Planning**

Established in 1978, Springfield Neighborhood Housing Services, Inc. (Springfield NHS) is a 501(c)(3) non-profit corporation that transforms families and revitalizes distressed neighborhoods through sustainable homeownership, housing development and rehabilitation of distressed properties and resident empowerment.

Springfield NHS recently participated in two significant city and neighborhood efforts. The Old Hill neighborhood, one of the neighborhoods targeted in this NSP2 application, is one of the most distressed and crime-plagued neighborhoods in Springfield. The Old Hill Initiative is a collective effort of the City of Springfield and three non-profit agencies – Springfield NHS, HAP and Habitat for Humanity – to effectuate the redevelopment of one hundred homes in the Old Hill neighborhood. The three agencies have worked collaboratively to rehabilitate houses and develop vacant lots for sale to income-eligible homebuyers. Springfield NHS and the Old Hill Neighborhood Council have also worked together with residents of the neighborhood in the national “Weed and Seed” program. The Weed and Seed strategy involves a two-pronged approach: law enforcement agencies and prosecutors cooperating in “weeding out” violent criminals and drug abusers, and

public agencies and community-based private organizations collaborating to “seed” much-needed human services.

The second collaboration is with the State Street Alliance, an affiliation of business, community and government entities committed to the revitalization of the State Street Corridor in the City of Springfield, Massachusetts. As a member of the alliance, Springfield NHS worked with over fifty other committed organizations on strategies to make the State Street corridor a vibrant and effective section of the city.

2) Acquisition and Disposition of Foreclosed Real Estate

In the past two years, Springfield NHS has completed two affordable housing projects, is nearing completion on a third and has begun construction on a fourth. The two completed projects are:

Old Hill/Eastern Avenue: Acquisition of three tax-title properties from the City of Springfield for development as single family homes for low-income first time homebuyers. One house involved substantial rehabilitation, one had to be demolished and re-built using the existing foundation and the third was new construction.

Neighborhood Stabilization II Phase I: Acquisition of five vacant lots from the City of Springfield. Five single family houses were constructed on these lots.

SNHS is nearing completion on:

Neighborhood Stabilization II Phase II: The three houses in this project were acquired as follows:

- foreclosed, tax-title property acquired from the City. House needed substantial rehabilitation.
- foreclosed property acquired at bank auction. Two-family house needed moderate rehabilitation.
- deed in lieu of foreclosure – the lender was the Springfield NHS. This single family house needed moderate rehabilitation.

Construction work on these three houses will be complete by the end of July 2009.

SNHS has begun construction on:

Pendleton Avenue The three vacant lots in this project were also acquired from the City of Springfield, through a competitive RFP process to develop as single-family homes utilizing modular construction and green design elements.

3) Rehabilitation of Housing

One property in the Old Hill/Eastern Avenue project consisted of substantial rehabilitation of an existing house. The Neighborhood Stabilization II – Phase II project consisted of moderate to substantial rehabilitation of three houses, including one two-family house.

4) Redevelopment of Vacant Property

Of the projects described above, nine involved new construction of houses on vacant lots. Of these, the three lots on Pendleton Avenue are utilizing modular construction and green building elements. For the past five years, Springfield NHS has utilized two stock designs for the new construction of single family homes it has undertaken in the City of

Springfield. The first design features a front entry porch and a two-story house with three bedrooms and one and a half baths, totaling 1,362 square feet. The second design has two porches, and also has three bedroom and one and a half baths, for a total of 1,450 square feet. These two house designs have worked very well for the infill lots that Springfield NHS has utilized them for, matching the height, style and massing of the neighboring homes. These designs were also provided to the modular construction company, Westchester Homes, for the fabrication of the three houses for Pendleton Avenue.

5) Program Marketing and Management of Waiting lists for Potential Residents
Springfield NHS carries out extensive outreach to attract low income buyers for the homes it develops. For the projects described above, the marketing and buyer selection process was fair and far-reaching. The target areas of the Springfield NHS – Old Hill, Upper Hill and Bay – consist largely of African-American and Hispanic residents. Efforts are made to reach populations that would be less likely to apply for housing in the targeted neighborhoods and through extensive homeownership training programs, to prepare participants for becoming homebuyers.

6) Accessing Operating and Investment Capital
Springfield NHS has been able to access operating and investment capital from a range of sources to fuel its development activities, provide pre-development funding and support its homeownership department.

Funds Received Include:

- Approached Wainwright Bank and Trust to sponsor Springfield NHS for Federal Home Loan Bank Affordable Housing Program and provide a construction loan for Neighborhood Stabilization II Phase I.
- Requested increase in existing revolving line of credit from the Life Initiative. Springfield NHS has utilized this line of credit as predevelopment financing for property acquisition and predevelopment costs.
- Leveraged private funds through sources such as Charlesbank Homes Foundation and Federal Home Loan Bank for development costs.
- Utilized Revolving Loan Fund, capitalized by NeighborWorks and MA Department of Housing and Community Development, as bridge financing for development projects.
- City of Springfield HOME funds

7) Working Productively with Other Organizations
Springfield NHS has worked collaboratively with other organizations, in small and large groups, on a range of issues at the neighborhood and city level. Springfield NHS was part of the Old Hill Initiative as well as the State Street State Street Alliance, groups that involved working with a range of other community organizations and government entities. These are described in greater detail in section 1: City and Regional Planning.

b. Management Structure

1. An organizational chart appears on a following page. Springfield Neighborhood Housing Services Inc. (SHNS) will undertake the following activities under the Springfield

NSP2 program: Downpayment Assistance for the Purchase of Foreclosed Homes, Acquisition and Rehabilitation of Foreclosed and Abandoned Properties and Redevelopment of Demolished or Vacant Properties as Housing. SHNS will also provide the required homebuyer counseling services for the NSP2 program. Specific SHNS roles and their responsibilities under the NSP2 program are as follows:

Executive Director. Responsible with other City of Springfield and HAP key management staff for strategic planning and oversight of implementation of the program.

Housing Project Manager: Management and oversight of SNHS staff responsible for NSP2 activities as well as preparation development budgets and timelines, coordination of acquisition of foreclosed properties with the project attorney and review documents and coordinate loan closings for additional public and private financing.

Rehabilitation Specialist: Responsible for day to day rehabilitation activities including initial site assessment of vacant, foreclosed properties, preparation of initial scope of work, including construction specifications and construction oversight.

Project Controller: Responsible for day-to-day financial services including maintaining project accounts, preparation of project requisitions and preparation of the annual audit related to the program's activities.

Program Marketing and Outreach Manager: Responsible for marketing NSP2 properties to eligible homebuyers. Oversight of Homeownership Center staff who will be working with prospective owners on down payment loans.

Loan Processor: Responsible for working with homebuyers to qualify and approve them for a down payment assistance loan through the NSP2.

Homeownership Center Staff: Responsible for providing pre- and post counseling to applicants and new owners, as necessary.

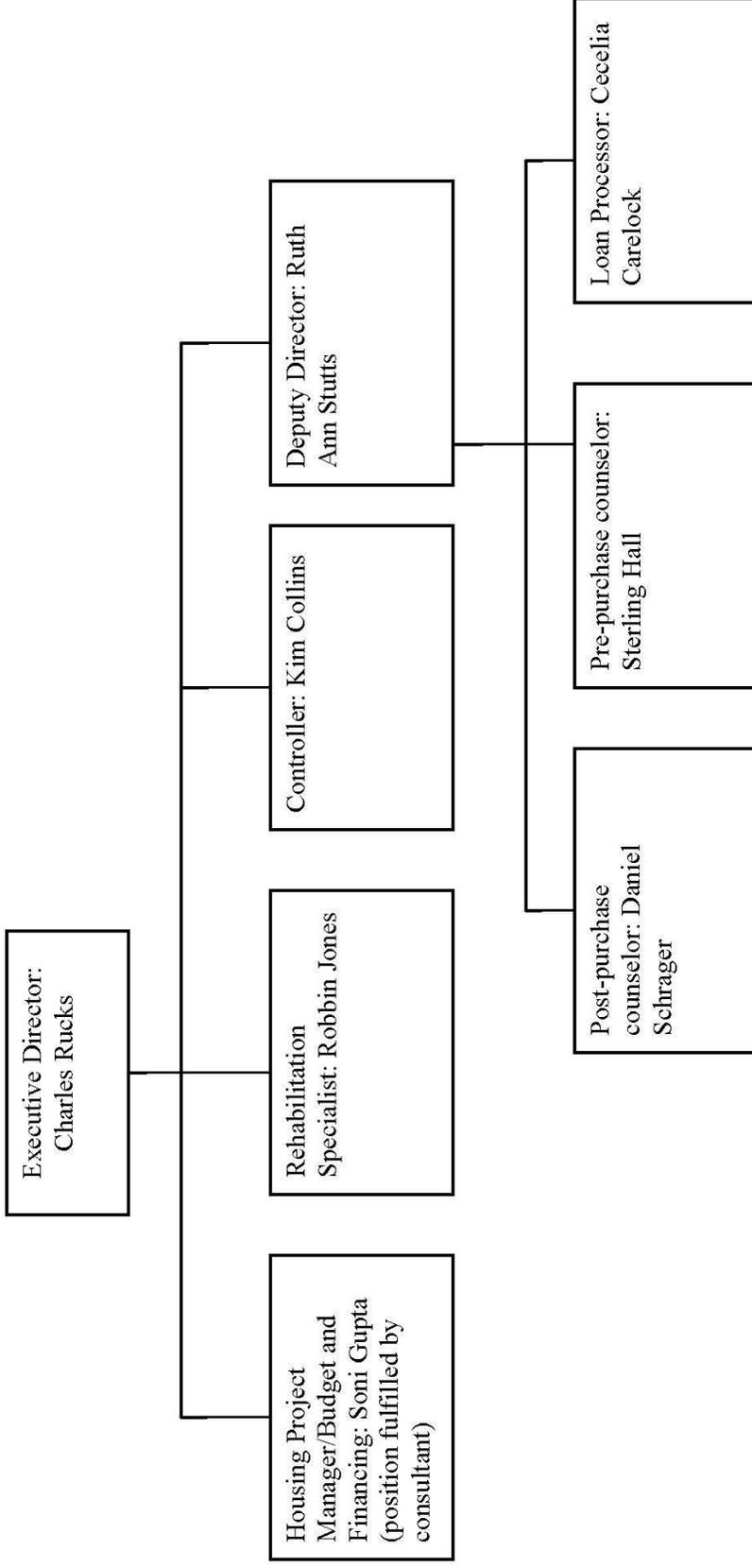
2. References

1. Tom Cornu, Chairman
Cornu Management Company
95 Broadway, Boston, MA 02116
Phone: 617-542-3019
tcornu@cornu.com

Mr. Cornu is a member of the Board of Directors of Charlesbank Homes Foundation.

2. An article from the editorial column in the Republican, dated Tuesday, March 24, 2009. The article can be found at:
http://www.masslive.com/opinion/index.ssf/2009/03/new_homes_rise_in_mason_square.html

Springfield NHS: Organizational Chart for NSP2 Activities



Factor 3: Soundness of Approach (45 Points)
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Proposed Activities (15 Points)

1. Program Description

The Springfield NSP2 Consortium (the Consortium) proposes building upon and expanding the activities and geographic reach of the City of Springfield’s NSP1 program. The City’s NSP1 program is comprised of six activities: 1) Acquisition and rehabilitation of foreclosed properties for resale (*9 units*), 2) Acquisition and rehabilitation of foreclosed properties for rental (*6 units*), 3) Direct homebuyer assistance to acquire foreclosed properties (*21 households*), 4) Homebuyer education (*75 households*), 5) Demolition of acquired foreclosed properties (*6 units*) and 6) Land banking of acquired properties (*2 properties*). The Springfield NSP2 Consortium will expand upon all of these activities. While NSP2 funds are not being sought for homebuyer education, two of the consortium members: HAP, Inc. and SNHS are both fully funded, HUD-approved homebuyer education agencies with the capacity to undertake the necessary homebuyer education related to proposed NSP2 activities. The Consortium proposes to expand on the City’s NSP1 program in three ways: 1) it will extend the NSP1 target area to include the adjacent neighborhoods of Upper Hill, McKnight and Bay which are also experiencing high levels of foreclosure and abandonment; 2) it adds new construction of residential properties on vacant properties as an activity and 3) it increases the impact of NSP1 activities by raising the number of properties addressed by each activity to produce greater stabilization in each neighborhood.

The goal of the Consortium’s NSP2 program is to strengthen the housing market in the target area by addressing those properties in each neighborhood that will not quickly or easily be absorbed by the private market and, where appropriate, by removing blighting influences and adding new residential units to improve the desirability of the target neighborhoods for current residents and new homebuyers alike.

2. Uses of Funds and Firm Commitments

a. Table of Funds budgeted for each Activity and Responsible Entity

Below is a table highlighting the funds budgeted for each activity and the Consortium member/s responsible for each activity.

NSP Eligible Uses	Activity	Budgeted Funds	Responsible Entity
A. Establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties....for low and moderate income homebuyers.	1. Down Payment Assistance: loans for households purchasing formerly foreclosed or vacant homes in the NSP2 target area.	\$ 729,000	Springfield Neighborhood Housing Services, Inc. (SNHS)
B: Purchase and rehabilitate homes and residential properties that have been abandoned or	2. Acquisition and Rehabilitation of Foreclosed Properties:	\$ 16,054,100	HAP, Inc. and SNHS

foreclosed upon, in order to sell, rent or redevelop...properties.	for sale as homeowner or owner-occupied rentals.		
C. Establish land banks for homes and residential properties that have been foreclosed upon	3. Land Banking: Purchase and maintain residential properties for redevelopment and sale after the 3 year NSP2 grant period.	\$ 709,100	HAP, Inc. and SNHS
D. Demolish blighted structures	4. Demolition: strategic demolition of blighted properties for residential redevelopment	\$ 814,100	City of Springfield
E. Redevelop demolished or vacant properties as housing	5. New Construction /Redevelopment: new construction of two and three family residential properties on vacant lots and redevelopment of vacant properties into rental units.	\$ 8,161,600	HAP, Inc. and SNHS
Program Administration (10%)	6. Program Administration	\$ 2,646,780	HAP, Inc. as lead agency
Total		\$ 29,114,680	

b. Proposed Activities:

Activity 1: Down Payment Assistance

NSP2 funds will be used to assist income eligible households – those earning at or below 120% of area median income – to acquire foreclosed homes either from Springfield NSP2 Consortium members or directly from a seller/lender. NSP2 funds will be used to bridge the affordability gap between the private mortgage available to a homeowner and the sales price of the home, up to a maximum of \$20,000. The assistance will take the form of a “soft second” deferred payment loan with no interest. The loan, which will be available only to primary occupants, will provide for forgiveness of a pro rata portion of the loan each year. If the property is sold before the end of the affordability period, the outstanding principal of the loan will be due upon the sale. The loan terms are designed to promote long term affordability as detailed in Appendix 1, paragraph B.2 of the NSP2 NOFA.

Performance Measure: A minimum of 30 households.

Activity 2: Acquisition and Rehabilitation of Foreclosed Properties

Foreclosed properties will be identified with the assistance of the National Community Stabilization Fund (NCST). HAP, Inc. is currently in the process of purchasing properties through NCST for rehabilitation and resale as part of Springfield’s NSP1 program. The NCST has offered 5 properties in Springfield for potential purchase to HAP, Inc. The Consortium will also utilize data provided by the Warren Group and the Citizens Housing and Planning Association’s (CHAPA) Foreclosure Clearinghouse Program to identify bank

owned properties not currently in the NCST inventory as well as pre-foreclosure properties that may be acquired through short sales. The Consortium will negotiate purchase prices that do not exceed 99% of the appraised value of the property (appraisals must have been completed within 60 days of purchase). Activity 2 will focus on the purchase and rehabilitation of single and two family dwellings with the intent of providing both homeownership and rental units. It is anticipated that 38 residential buildings will be acquired: 15 single family and 23 duplexes with 38 homeownership units and 23 rental units produced. At least 25% of the funding for this activity will benefit low income households at or below 50% of area median income.

Performance Measure: 71 Units.

Activity 3: Land Banking

The Consortium will utilize NSP2 funds to purchase and maintain vacant properties in the target area for future redevelopment. Properties that are deemed important to an overall neighborhood revitalization strategy but that will not quickly or easily be absorbed by the private market and whose redevelopment is not feasible within the 3 year NSP2 program grant period will be considered for land banking. Land banking may be used to strategically assemble larger sites for redevelopment.

Performance Measure: 10 Units

Activity 4: Demolition

Under this activity blighted structures that have deteriorated past the point of rehabilitation at a reasonable cost will be demolished. If the cost to rehabilitate the unit is greater than 75% of the cost for new construction, the Consortium will consider demolition. The Consortium does not anticipate demolition to be a major activity in its NSP2 program. No public housing will be demolished. Demolished properties may be redeveloped or land banked for future development.

Performance Measure: 14 Units

Activity 5: New Construction/Redevelopment

The Consortium will use funding under this activity to construct new single family and duplex homes on sites that are currently vacant or that become vacant through demolition under this or the City of Springfield's NSP1 program. It is anticipated that 15 residential buildings will be constructed: 10 single family and 5 duplexes with 15 homeownership units and 5 rental units will be produced. At least 25% of the funding for this activity will benefit low income households at or below 50% of area median income. The Consortium will also consider the redevelopment of a vacant multifamily building under this activity.

Performance Measure: 25 units

c. Firmly Committed Funds

Other funds will not be utilized in this program

d. Demolition and Preservation

1. Proposed Mix of Demolition and Preservation: The Springfield NSP2 Consortium will only undertake demolition of properties that have deteriorated past the point of

rehabilitation at a reasonable cost. Structures in such condition create a blighting and negative affect on nearby properties, decreasing their marketability. The Consortium expects to perform strategic demolition to support its other neighborhood stabilization activities in the near vicinity. New infill housing, which has a positive market effect, will be built in its place.

2. Demolition of Low and Moderate Income Dwelling Units: The additional information required under the NSP2 Notice of Funding Availability (NOFA) regarding one for one replacement requirements is contained in Appendix I.
3. Exception to 10% Demolition Limitation: The Springfield NSP2 Consortium is not requesting an exception to the demolition limit.

Project Completion Schedule (5 Points)

The following project completion schedule details how the Springfield NSP2 Consortium intends to comply with the deadlines imposed by the Recovery Act and included in Appendix 1, paragraphs O and M of the NOFA:

Month	Activity	Total spent at end of quarter
Month 1-3 <i>Quarter 1</i>	\$1,178,839.66	\$1,178,839.66
Month 4-6 <i>Quarter 2</i>	\$2,460,851.33	\$3,639,690.99
Month 7-9 <i>Quarter 3</i>	\$2,625,021.86	\$6,264,712.85
Month 10-12 <i>Quarter 4</i>	\$2,625,021.86	\$8,889,734.71
Month 13-15 <i>Quarter 5</i>	\$2,625,021.86	\$11,514,756.57
Month 16-18 <i>Quarter 6</i>	\$2,810,017.66	\$14,324,774.24
Month 19-21 <i>Quarter 7</i>	\$2,810,017.66	\$17,134,791.90
Month 22-24 <i>Quarter 8</i>	\$2,625,021.86	\$19,759,813.76
Month 25-27 <i>Quarter 9</i>	\$2,805,507.66	\$22,565,321.42
Month 28-30 <i>Quarter 10</i>	\$2,233,486.46	\$24,798,807.89
Month 31-33 <i>Quarter 11</i>	\$2,167,442.11	\$26,966,230.00
Month 34-36 <i>Quarter 12</i>	\$2,148,450.00	\$29,114,680.00

Income Targeting for 120% and 50% of Median Income (5 Points)

All NSP2 funds will benefit households at or below 120% of area median income. Twenty-five percent of all NSP2 funds will be used for activities that will benefit households at or below 50% of median area income. These funds will be used either to construct rental units in the target area (as part of owner-occupied duplex properties or through redevelopment of vacant properties) or to create a limited number of homeownership units. All renters under NSP2 will be income qualified using either the IRS 1040 Adjusted Income Definition or the Part 5 (formerly Section 8) definition of income. Homeowners will be qualified using the IRS Adjusted Gross Income definition.

One-for-One Replacement

a. The Consortium reasonably expects that no low-and moderate income dwelling units will be demolished or converted as a direct result of NSP-assisted activities. If units are demolished, the ability to provide one-for-one replacement of units will receive the highest priority when deciding which redevelopment projects to undertake.

b. & c. The breakdown of units the Consortium reasonably expects to be produced by activity and income level is detailed below:

	50% or Below	51% - 120%	Total
Rental			
Units	29		29
NSP2 Funds	\$7,076,583		\$7,076,583
Homeownership			
Units	6	61	67
NSP2 Funds	\$1,537,278	\$15,601,839	17,139,117
Down Payment Assistance			
Units	6	24	30
NSP2 Funds	\$145,800	\$583,200	\$729,000
Demolition/Land Banking			
Units		24	24
NSP2 Funds		\$1,523,200	\$1,523,200
Administration			\$2,646,780
Total	\$8,733,835	\$17,708,239	29,114,654

Continued Affordability (5 Points)

Continued affordability shall be in accordance with the HOME program standards at 24 CFR 92.252(a), (c), (e) and (f) for rental properties. “Affordable rents” shall mean the

Maximum Allowable High HOME rents as published annually by HUD. These rents include utilities. If a tenant pays utilities, a utility allowance will be subtracted from the maximum allowable rent to determine the maximum contract rent. Utility allowances shall be calculated as they are currently calculated for housing projects funded under the City of Springfield HOME program. Continued affordability for homeownership properties shall be in accordance with the HOME program standards at 24 CFR 92.254. The Springfield NSP2 Program however will employ a more stringent standard than required by the HOME program by imposing both a recapture and resale provision to ensure continued affordability. A recapture provision alone may return funds for use to create additional affordable housing, but may not result in enough funds to replicate the unit. The resale provision provides greater probability that a property will not be lost as an affordable unit if sold during the affordability period. Given the market realities of the target area, formal resale enforcement mechanisms are likely unnecessary (see 24 CFR 92.254 (a) (5) (i) (B)), the Consortium will nonetheless impose resale restrictions through binding documents. The affordability period for homeownership assistance under \$15,000 shall be a minimum of 5 years, for amounts \$15,000 to \$40,000 the period shall be a minimum of 10 years and for amounts over \$40,000 the minimum affordability period will be a minimum of 15 years.

1. Continued affordability for persons whose household incomes do not exceed 120% of area median income:

Continued affordability will be accomplished using the resale and recapture methods described above, enforced through a deed restriction or other appropriate instrument attached to the property. Although properties will not be affordable in perpetuity, those sold during the affordability period will either return the unit to the affordable housing inventory or provide future program income to produce additional affordable units.

2. Households whose incomes do not exceed 50% of area median income:

The Consortium reasonably expects that the majority of households with incomes of 50% of AMI or less will be assisted by the NSP2 program primarily through the production of rental units in duplex homeownership properties. Continued affordability for these households will be accomplished by requiring affordability periods, consistent with the HOME program affordability periods, enforced through deed restrictions, on all rental housing produced with NSP2 funds. Rents for the properties shall be consistent with the Maximum Allowable High HOME rents as published annually by HUD.

Consultation, Outreach and Communications (5 Points)

1. Consult with Units of Local Government and States

The Springfield NSP2 Consortium includes the City of Springfield which has direct jurisdiction over the NSP2 target area. Multiple meetings were held between the other Consortium members and the City to identify the neighborhoods and activities to be included in the NSP2 application and to design activities that would support and strengthen the city's current NSP1 efforts. In addition, HAP, as lead agency for the Consortium, consulted the Massachusetts Department of Housing and Community Development as well

as Massachusetts Housing Investment Corporation (MHIC), regarding their proposed NSP2 applications.

2. Outreach and Affirmative Marketing

All three members of the Consortium have well developed outreach and affirmative marketing procedures for their programs and projects. The Consortium will utilize the homebuyer counseling services that HAP, SNHS and the City of Springfield currently provide to disseminate information. HAP will utilize its regional Housing Consumer Education Center, which assists over 9,000 households a year, to provide information about and market NSP2 units to renters and first time homebuyers throughout the region. The City, HAP and SNHS also recently joined forces with MassHousing, the Massachusetts Realtors Association, local banks, and others to design and implement a program to generate interest in buying a home in Springfield. “**Buy Springfield Now**” uses unique marketing techniques to appeal to first time and seasoned home buyers. Information on the program is available at www.buyspringfieldnow.org.

3. On-Going Communication

The Consortium will communicate with the public about its programs and activities in multiple ways. Advertising in newspapers of general circulation will be utilized when appropriate. HAP’s website will have specific section dedicated to NSP2 news and information and the website address will be prominently displayed on all written materials related to the program. A link will be created between the HAP website and the Buy Springfield website. Brochures and fliers will be produced and disseminated through agencies and other groups such as churches working in the target area. Housing staff from each member agency regularly network with relevant agencies, housing providers and coalitions serving the target area and will be conduits for NSP2 information. HAP currently has and utilizes resources to make information available in all languages relevant to resident populations living in the target area, especially for Spanish speakers, the region’s largest linguistic minority. HAP also has written Procedures To Ensure Effective Communications With People With Disabilities.

Performance and Monitoring (10 Points)

1. Monitoring Plan

The Springfield Consortium will develop an internal audit plan for all NSP2 activities to ensure performance and compliance with all NSP2 regulatory requirements. The plan will be specifically designed to identify and examine potentially risky areas of program operations and management and to provide regular feedback to NSP2 program staff and their managers. The Monitoring Plan will develop procedures that are consistent with the CDBG Monitoring Handbook.

Activities under the Monitoring Plan will include:

- An initial grant start up meeting with all relevant Consortium member staff and potential sub-recipients will be conducted to review expectations, procedures and Federal requirements

- The scope of work, eligible activities and timelines will be clearly stated in all Consortium agreements and contracts with sub-recipients.
- Grant agreements will contain procedures for discontinuance due to lack of performance in a timely manner allowing funds to be re-programmed and re-allocated to other members/sub-recipients to meet overall program goals.
- The internal auditor will conduct desk reviews of monthly progress reports and the back-up documentation accompanying each request for payment.
- Low risk sub-recipients and Consortium members (those that have satisfactory past performance, little turnover of staff members and that receive no more than \$50,000) will be monitored through a site visit at least once during each program year.
- High risk sub-recipients and Consortium members (those receiving more than \$50,000 and/or organizations going through significant changes or turnover of key staff members) will be monitored through on-site visits as often as the internal auditor deems necessary to evaluate project performance and ensure compliance with all Federal requirements.
- HOME construction monitoring standards will apply to NSP2 rehabilitation and construction projects.

2. Responsibilities for Required Internal Audit

HAP, as lead agency, will appoint an internal auditor for the NSP2 program. The NSP2 internal auditor will report directly to HAP’s Chief Operating Officer (COO) and will be supported by staff from the HAP fiscal department. HAP currently employs a former CDBG compliance officer who has experience successfully resolving audits issues for a CDBG entitlement community. This staff member may be designated as the NSP2 internal auditor. Even if not appointed to the position, this staff member will be a valuable resource to the internal auditor. Additionally, HAP’s Associate Executive Director of Finance is a CPA, with experience in forensic auditing with a large audit firm.

The NSP2 internal auditor position will also be responsible for fulfilling the performance reporting requirements as enumerated in Appendix I Section O of the NOFA.

Factor 4: Leveraging of Other Funds or Removal of Substantial Negative Effects (10 Points)

a. Leverage of Other Funds

The Springfield NSP2 Consortium is not seeking to be scored under this criterion. However, as an indication of the broad range of support the neighborhood stabilization activities currently underway have, below are listed a number of private sources that have committed funds to projects in the area:

Private Funds leveraged by SNHS:

- | | |
|-----------------------|--|
| 1. Charlesbank Homes: | \$35,000 for Neighborhood Stabilization |
| | \$50,000 for Old Hill |
| | \$115,000 for NS II and Pendleton Avenue |

- 2. Wainwright Bank: \$360,000 construction loan for NS II Phase II (5 new construction homes)
- 3. Life Initiative: \$500,000 revolving line of credit
- 4. Federal Home Loan Bank AHP: \$207,000 for Old Hill/NS II.

Private Funds Leveraged By HAP for Old Hill Collaborative:

GRANTS

1. Citizens Bank	\$250,000
2. WMECO	\$50,000 grant plus energy conservation contributions
3. MassMutual	\$100,000
4. Irene & George Davis Foundation	\$175,000
5. Beveridge Foundation	\$25,000
6. Bank of America	\$100,000

LOANS

7. Massachusetts Housing Partnership	\$250,000
8. Episcopal Diocese of Western Mass	\$200,000
9. Life Initiative	\$250,000
10. Massachusetts Housing Investment Corp.	\$500,000 (line of credit)
11. Life Initiative	\$500,000 (line of credit)
12. TD Banknorth	\$1,500,000 (line of credit)

b. Removal of Substantial Negative Effects

The Springfield Consortium is seeking points for leverage under this criterion. As defined in the NOFA’s rubric for addressing vacant properties, the Springfield NSP2 program expects to have a substantial impact on the number of vacant properties in the target area as shown below:

$$(1.5 \times (96+14))/362= \mathbf{45.6\%}$$

1.5 x (Sum total of vacant properties proposed to be addressed through acquisition and rehab) + (Sum total of vacant properties to be addressed via demolition) divided by (Sum total of all vacant residential properties in target area)

The number of vacant properties in the target area was determined using the Warren Group published data on REO properties in the target area (87) plus the City of Springfield’s Department of Housing data on tax title properties in the target area (175).

Rating Factor 5: Energy Efficiency Improvement and Sustainable Development Factors (10 Points)

A. Transit Accessibility:

The urban neighborhoods in the NSP2 target area are all located within close walking distance to established bus transit service provided by the Pioneer Valley Transit Authority (PVTA). The main bus route, the B7, travels the State Street corridor directly through the center of the NSP2 target area. Buses travel the route every 15 minutes during the peak high school and morning commute times and every 20 minutes throughout the remainder of the day through the evening commute. Buses then run every 30 minutes through the evening hours. The route connects target area residents with the center city commercial district (and Amtrak station) and many service provider agencies, two high schools (Sci-Tech and Putnam), two colleges (Springfield Technical Community College and American International College), Mass Mutual (one of the region's largest employers), two supermarkets and the Eastfield Mall. Six feeder bus routes also connect from the B7 route into the various target area neighborhoods. The McKnight and Bay neighborhoods are also served by the G2 bus route on their northern borders. Maps of the routes and bus schedules may be viewed at the PVTA website at:

<http://www.pvta.com/index.php/schedules-of-routes>

B. Green Building Standards:

The Springfield NSP2 Consortium will apply the following green building standards that are above and beyond the standards required by the NSP2 NOFA.

1. All new construction will exceed Energy Star standards. Items include:
 - a. Dense pack cellulose insulation in 2x6 walls.
 - b. Insulated basement walls and floors.
 - c. 90%+ AFUE condensing boilers with indirect-fired domestic hot water.
 - d. Windows will have a maximum U-factor of .30.
 - e. Energy Star appliances.
 - f. Well defined air barrier and completion of the Thermal bypass check list

2. Gut rehabs will be done to similar specifications where possible. Items include:
 - a. Dense-pack cellulose insulation filling wall cavities with spray-foam sealant in difficult areas.
 - b. Where siding is removed R-5 rigid insulation will be installed under new siding.
 - c. New windows, heating systems and appliances will be the same as new construction.

3. Moderate rehabs will at a minimum include:
 - a. Insulating any uninsulated exterior surfaces.
 - b. Careful air sealing where possible.

4. All projects will include:
 - a. No-VOC paints, adhesives and other finishes.

- b. Low formaldehyde cabinets
- c. CRI labeled carpets, where resilient or wood flooring is not used.
- d. Careful exterior drainage plain detailing for moisture management.

C. Re-use of Cleared Sites

Vacant parcels in the target urban neighborhoods with all necessary infrastructure will be reused. Sites currently occupied by derelict buildings will be demolished in order to build new homes. The demolition and or redevelopment of these parcels will strengthen the ongoing effort to revitalize Springfield's urban core neighborhoods by creating new affordable homeownership opportunities. The new homes will be designed to fit into the surrounding neighborhoods that are primarily residential. The project will expand housing opportunities and may also provide opportunities to create additional open space in an urban neighborhood by providing space to local gardening programs. Gardening the Community, an urban agriculture program founded in 2002, is one such program already operating in the target neighborhoods. This youth-centered, community-based program grows organic fruits and vegetables. Using several formerly abandoned lots provided by the City and private owners, the program employs 20 teenagers each year to grow thousands of pounds of fruits and vegetables that are sold at a neighborhood farmer's market and provided to a senior center. The program also starts gardens with community residents in their back yards and provides training in rain collection and water conservation methods of low input gardening.

D. Deconstruction

HAP has a standing partner relationship with a local non-profit, The ReStore, that can provide deconstruction services when determined mutually feasible.

E. Other Sustainable Practices:

1. Sites that have adequate solar access to meet minimum requirements for photovoltaic systems will have adequately sized roof framing, installed EMT conduit, and obstruction-free southern exposure to allow for future solar installations.
2. The target neighborhoods in Springfield have extensive public transportation provided by the Pioneer Valley Transportation Authority (PVRTA)
3. Drought resistant plantings will be specified for all projects and irrigation systems will not be offered or provided (see above; Gardening the Community provides training in rain collection and water conservation methods of low input gardening.)
4. Cabinets with reduced formaldehyde content will be selected.
5. All installed plumbing fixtures will be low flow: 1.6 GPF toilets, 1.75 GPM shower heads and 1.25 GPM faucet aerators
6. We will continue to employ advanced framing techniques that are material efficient and which reduce thermal bridging in our construction practices.
7. We will provide each home and home owner with an owner's manual for maintenance and resident orientation.

Rating Factor 6: Neighborhood Transformation and Economic Activity (5 Points)

a. Consistency with Established Comprehensive Plans

1. The Springfield NSP2 Consortium certifies that the Springfield NSP2 program activities are part of and/or consistent with the following comprehensive plans-

- The City of Springfield 3-5 Comprehensive Plan available at:
www.springfieldcityhall.com/planning/fileadmin/community_dev/StrategicPlan.pdf

- State Street Corridor Redevelopment Program available at:
www.springfieldcityhall.com/planning/fileadmin/Planning_files/StateStreetReport_FINAL_2.pdf

- The Old Hill Neighborhood Master Plan available at:
www.springfieldcityhall.com/planning/fileadmin/Planning_files/Final_Report_Old_.pdf

- South End Neighborhood Revitalization Project available at:
www.springfieldcityhall.com/planning/southendproject.0.html

2. NSP2 Activities Impact on Increasing Effectiveness of Comprehensive Plan

Each plan cited above seeks to address the blighting influences in and around the NSP2 target. The proposed NSP2 activities will relate to and will increase the effectiveness of the plans in the following ways:

• **The City of Springfield 3-5 Year Comprehensive Plan**

The City of Springfield 3-5 Year Plan, also known as the Consolidated Plan is a HUD-required planning document that identifies community needs, establishes priorities, defines strategies and guides resource allocations. The most recent Consolidated Plan covers the period July, 2005 – June 2010. The City identifies the following priorities in the Plan’s Housing Needs section:

Activity	Priority	Funding Source
Homebuyer Education/Counseling	M	CDBG
Homebuyer Assistance	H	HOME, Private
Existing Homebuyer Assistance	M	HOME, Public, Private
Affordable Housing Development	H	HOME, Public, Private
Permanent Supportive Housing Development	M	HOME, McKinney
Tenant-Based Rental Assistance	M	HOME, HOPWA
Rehabilitation of Distressed Housing	H	HOME, CDBG, Public, Private

Housing activities that were rated as high priorities - Homebuyer Assistance, Affordable Housing Development and Rehabilitation of Distressed Housing - are all activities included in the Springfield NSP2 program, thereby directly relating to and increasing the effectiveness of the Consolidated Plan.

- **State Street Corridor Redevelopment Program**

The study area for the State Street Corridor Redevelopment Program is a 3.2-mile-long, east-west urban thoroughfare extending from West Columbus Avenue (adjacent to the Connecticut River) to Boston Road (near the Massachusetts Mutual Life Insurance Company). The Corridor passes through the neighborhoods of Old Hill, Upper Hill, McKnight, Bay, and Six Corners as well as a portion of downtown Springfield (South End), abutting six of the seven NSP2 Target area neighborhoods.

The State Street Corridor Redevelopment Program was designed to leverage and complement the \$13-million State Street Roadway Improvement Project that began in the summer of 2008. The Roadway Improvement Project will reconstruct State Street from West Columbus Avenue to Boston Road, addressing both traffic-flow issues and physical conditions along State Street. The specific initiatives to be undertaken as part of the Roadway Improvement Project include public improvements (including new sidewalks, street lighting and landscaping); improved safety features for pedestrians and bicyclists; and innovative parking solutions. The Roadway Improvement Project is funded by the Federal Highway Administration (FHWA), the Commonwealth of Massachusetts and the City of Springfield.

The Study makes two key findings regarding housing. First, households in the neighborhoods abutting the corridor are an important employee and customer base for land uses on State Street, and represent a sizeable constituency whose commitment to State Street should help to accelerate the revitalization process. Housing is an integral part of a healthy mixed-use environment and a key to the overall success of the corridor. Second, market prices are a major barrier to residential development. The Study's market analysis concluded that for-sale housing can achieve price points from \$132 to \$185 per square foot. At an average development cost of \$200 to \$220 per square foot, it will cost more to develop residential units than can be realized from their sale. Given the high cost of construction, however, public subsidy will be required to bring this housing within the means of the average Springfield household and within the constraints of the market. There are scarce public resources available to support development of market-rate (as opposed to affordable or low income) housing. The City of Springfield needs to work closely with state and federal officials to develop programs targeted to the production of new market-rate housing for Springfield households.

One initiative created to support the State Street Corridor Initiative is the Employer Assisted Housing Program. In 2008, four major Springfield employers pledged \$150,000 to help workers to purchase homes within the City's State Street Corridor and North End. These four companies, Massachusetts Mutual Life Insurance Company (MassMutual),

Baystate Health, Springfield College and American International College, are all headquartered within those two areas and collectively employ more than 16,800 workers.

The program is administered by SNHS for employees in good standing from these companies who have household incomes at or below 110% of area median as defined by the federal government. The state, through the Department of Housing and Community Development (DHCD) has provided funds to match the employer contribution dollar for dollar. Income-eligible employees can use the funds for down payment and closing costs for a home purchase within the City's State Street Corridor and North End.

The Springfield Consortium's NSP2 program meets the State Street Corridor Redevelopment Program's stated needs for both development of housing along the State Street corridor to enhance its successful redevelopment and the necessary level of funding and subsidy to make such housing affordable. It also will provide housing opportunities for employees who wish to take advantage of the Employer Assisted Housing Program.

- **The Old Hill Neighborhood Master Plan**

Springfield College, the City of Springfield, and the Old Hill Neighborhood Council partnered in 2005 to initiate a community development plan for one of the oldest and most historic neighborhood areas in the City. HAP, SNHS, and Habitat for Humanity became active in the effort, ultimately forming a collaborative to undertake the ambitious housing agenda outlined in the plan. Many other organizations and stakeholders, including Springfield Public Schools, the Urban League, MassMutual, and many others became part of the Partnership for the Renewal of Old Hill.

The goal of this initiative was to develop a new strategy for neighborhood improvements to aid in the process of revitalizing and rejuvenating the community. The geographic extent of planning recommendations focused on the Old Hill neighborhood, however the planning study has considered the relationship between Old Hill and surrounding neighborhoods. A key recommendation of the master plan was that primary emphasis should be placed on expanding high quality housing opportunities, including a much greater proportion of home ownership. In light of that recommendation, the City of Springfield, HAP, SNHS, the Old Hill Neighborhood Council and Habitat for Humanity pledged to work together to rehabilitate homes and develop vacant lots to produce 100 units of new housing for the neighborhood.

All activities included in the Springfield NSP2 program directly relate to the creation of new housing opportunities in Old Hill and the surrounding neighborhood and will enhance the success of the Old Hill collaborators in reaching their 100 unit goal.

South End Neighborhood Revitalization Project

In 2006, the City of Springfield invited the Urban Land Institute (ULI) to the City to help map an immediate course of action for economic development. This road map touched on residential, commercial and industrial development and made wide-ranging recommenda-

tions. The ULI recommendations released in the fall of 2006 identified the South End as its number one priority neighborhood project. From the work and interactions with the key stakeholders and the South End community, the City created the South End Revitalization Initiative. The Initiative is a series of connected public and private initiatives designed to systematically improve the condition of housing, open space, infrastructure and retail in the South End. One key ULI recommendation adopted by the City and local stakeholders was the need to increase income diversity by providing new housing ownership opportunities.

This recommendation will be met by the NSP2 program creating new housing opportunities in the South End neighborhood through the acquisition and rehabilitation of vacant and foreclosed housing and redevelopment of vacant properties as housing for sale to families with incomes up to 120% of area median income.

HAP, whose headquarters is located in the South End, has been an active participant in this effort.

DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB
0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input type="checkbox"/> a. contract <input checked="" type="checkbox"/> b. grant c. cooperative agreement d. loan e. loan guarantee f. loan insurance	2. Status of Federal Action: <input type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: HAP, Inc. 322 Main Street, Suite 1 Springfield, MA 01105-2403 Congressional District, if known: 4c MA-002	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: Department of Housing and Urban Development	7. Federal Program Name/Description: CFDA Number, if applicable: 14.256	
8. Federal Action Number, if known: FR-5321-C-01	9. Award Amount, if known: \$	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i> N/A Neither HAP nor Springfield Neighborhood Housing Services Inc. (a consortium member) employ paid lobbyists.	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i> N/A	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature: <u></u> Print Name: <u>Peter Gagliardi</u> Title: <u>CEO/Executive Director</u> Telephone No.: <u>413-233-1661</u> Date: <u>7/14/2009</u>	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): HAP, Inc. 322 Main Street, Springfield, MA 01105-2403 413-233-1661		2. Social Security Number or Employer ID Number: 042-51-8368	
3. HUD Program Name Neighborhood Stabilization Program 2 (NSP2)		4. Amount of HUD Assistance Requested/Received \$29,114,680.00	
5. State the name and location (street address, City and State) of the project or activity: City of Springfield, MA Census Tracts 8011.02, 8013, 8014, 8017, 8018, 8019, 8020, 8022 and 8023			

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD), involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No.
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If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

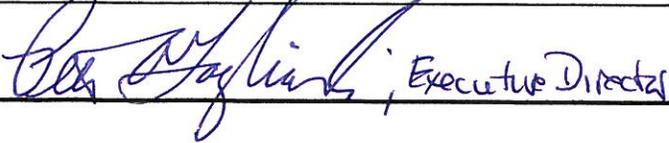
Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: X  Executive Director	Date: (mm/dd/yyyy) 07/14/2009
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**Appendix 1.1
Code of Conduct**

HAP, Inc. PERSONNEL POLICIES

CHAPTER 13: STANDARDS OF CONDUCT

It is HAP's policy that certain rules and regulations regarding employee behavior are necessary for the efficient operation and professional image of the corporation and for the benefit and protection of the rights and safety of all. Conduct that interferes with operations, brings discredit upon the corporation, or is offensive to clients or fellow employees will not be tolerated.

A. WORK PLACE BEHAVIOR

See Chapter 5 (B). of these Policies, which is incorporated herein. That list of prohibited behaviors should be considered illustrative, but not all-inclusive. Additional detail concerning standards of professional conduct is discussed in section H below.

B. PERSONAL APPEARANCE

It is HAP's policy that the employee's dress, grooming, personal hygiene must be professional and businesslike to properly serve and respect our clients, funding sources, co-workers, the public and other customers.

1. OFFICE EMPLOYEES

Every office employee has the potential for contact with clients, customers, and the public and therefore represents the corporation through their appearance and actions. Appropriately attired staff helps to create a favorable and professional image for HAP. Office workers must comply with the following personal appearance standards except as noted below:

a. Employees are expected to dress in a manner that is professional and businesslike. Similar to many other agencies HAP expects its office staff to wear "business casual" type of clothing (see below). Office employees **cannot** wear:

- Clothing or footwear that is torn or shows excessive wear
- Excessively tight or provocative clothing including short skirts and low-cut blouses

- Shorts, gym clothes, plain or athletic sweat shirts, t-shirts, tube or tank tops or beach wear (Tee-style knit tops designed to be part of “casual” ensemble are permissible)
 - Clothes or buttons with suggestive, insulting, or other inappropriate writing or pictures (Note: while political messages are generally inappropriate, union related buttons and insignia are permissible)
 - Underwear that shows above or below clothing
 - Shirts or tops unbuttoned below mid-chest
 - Farmer pants, carpenter pants, or overalls regardless of color
 - Regular-cut blue jeans except as noted below (other color jeans, a denim skirt, or a business-type jean suit as part of a “casual” ensemble are permissible)
 - Pants shorter than mid-calf length
 - Flip-flops or other beach-type footwear
 - Baseball caps or other unprofessional headwear.
- b. Staff may wear jeans, sweat and t-shirts, and older clothes on “clean-up” day or if they have to work in the office during non-business hours (i.e. weekends).
- c. Hair, including beards and moustaches, must be clean, combed and neatly trimmed or arranged. Shaggy, unkempt hair is not permitted regardless of length.
- d. Offensive or numerous visible tattoos are not allowed, nor are any rings or studs in the facial area other than earrings.

2. OFFICE EMPLOYEES ON FRIDAY

Unless a staff member has a scheduled meeting with clients, funding sources or the public, staff can wear “business casual – relaxed” clothing if they want to on Friday. This includes relatively new blue jeans.

3. STAFF NOT PRIMARILY BASED IN THE OFFICE OR STAFF ON FIELD VISITS

Staff such as Rental Assistance Inspectors, Property Management Maintenance Workers, Shelter Counselors, or staff who need to spend a substantial part of their day in the field need to conform to the prohibitions listed above except for blue jeans, but can wear clothing governed by the requirements of duty, safety, and comfort related to the job. In this regard, Bermuda length shorts are permissible but gym shorts and cut-off jeans are prohibited. Hats may be worn while outside, but must be removed after arriving at other offices, apartments, and worksites.

4. SPECIAL REQUIREMENTS

Certain employees may be required to meet special dress, grooming, and personal hygiene standards such as wearing uniforms, safety shoes or other types of clothing depending on the nature of their job.

5. ENFORCEMENT

If an employee reports for work inappropriately dressed or groomed as outlined in #1-3 above, a supervisor shall instruct the employee to return home to make needed corrective action. On a

second infraction of this policy, the employee will not be compensated during such time away from work, and repeated violations of this policy will be cause for disciplinary action.

C. AUTOMOBILE POLICY

HAP, Inc. encourages the safe operation of motor vehicles that are used while conducting agency business and endeavors to hire those individuals whose driving abilities and records do not pose a risk to clients and the agency. This policy is intended to outline the minimum expectations for staff who use a private vehicle in the course of their duties at HAP.

The following applies to all employees who use a vehicle during agency work time:

- All drivers that operate vehicles on agency time must be currently licensed.
- All drivers must be knowledgeable of and comply with all applicable state motor vehicle codes and regulations.
- All drivers and passengers in vehicles while on agency time must comply with current seat belt laws.
- All vehicles operated while on agency time must possess a current inspection sticker from the state in which the vehicle is registered.
- All personal vehicles used on agency time must carry compulsory insurance (determined by the state where the vehicle is registered) as a minimum requirement.
- Any moving violation that is issued while driving a vehicle on agency time must be reported to the Personnel Officer or his/her designee as soon as possible after the citation is issued.
- The Personnel Officer will review any work-related accident involving a motor vehicle in detail. Appropriate response/action will occur after that review.

In addition to the above, the following applies to all employees that are regularly required to use their own vehicle for work, and any employee that transports clients. Generally, these employees are: Housing Inspectors, Maintenance Staff, Property Managers, Safe Step staff, FSS staff, and Prospect House Shelter staff.

- Employees are required to present their current license to the HR Assistant prior to being authorized to operate a vehicle while on agency time. Employees must also show proof of insurance and registration. Any change in the status of one's license must be reported to the Personnel Officer. Driving records will be checked at the beginning of employment and annually thereafter.

Violation of this policy may result in disciplinary action, up to and including termination of employment.

D. TELEPHONE USE

It is HAP's policy that the telephone equipment and systems are primarily intended for business purposes with its clients and other "customers" including funding sources, team members, and community agencies. The corporation's telephones should not be used for personal calls except in cases of emergencies, or on an occasional basis to attend to necessary and important personal business. These emergency and occasional personal calls must be made on the employee's own time and cannot interfere with the performance of their job duties. Employees shall be financially

responsible for all personal calls outside the 413 area code, as well as for those calls which HAP determines to be numerous and excessive within the 413 area code.

All personal long distance calls outside the 413 area code should be charged to the staff person's home phone or calling card. In those extraordinary situations when this is not possible, all personal calls outside the 413 area code must be reported immediately to the Accounting Department and be reimbursed to HAP.

If a staff member needs to reimburse HAP as outlined above, they must submit payment within 7 days of notification. The fiscal department will inform supervisors monthly of any delinquent payments.

Mobile Phones/Pagers

Staff using HAP issued mobile phones is subject to the same limitations in personal use (regardless of whether the staff member initiates or receives the call) while on duty as stated above. Staff must not exceed the monthly minute total established by their supervisor and in accordance with the plan minutes, except to the extent the staff member demonstrates that the increased use was for reasonable and legitimate business purposes. When staff is in the office, it is expected that they will use a corporation desk phone in order to avoid unnecessary time charges to the cell phone account. Employees who are issued mobile phones are responsible for properly securing these phones to prevent damage or theft, and must reimburse HAP if they are not.

Employees should exercise the same discretion when using personal mobile phones as when using HAP's phones at work. As stated above, personal calls should not be made or received except in cases of emergencies, or on an occasional basis to attend to necessary and important personal business. These emergency and occasional personal calls must be made on the employee's own time and cannot interfere with the performance of their job duties.

While in the office, we expect that certain etiquette be followed:

- All phones and pagers will either be turned off or set to a silent mode during meetings. Staff should only respond to calls if it for a time sensitive issue.
- Ring tones should be set at a low level with a tune that is soft and short so as not to disturb co-workers.

E. USE OF COMMUNICATIONS AND COMPUTER EQUIPMENT

The computer, electronic mail, Internet access and voice mail systems at HAP are intended for business purposes only, except as described in the fourth paragraph below. All computer equipment is the property of HAP. For the health/safety of employees as well as the security of the equipment, HAP reserves the right to mandate the location of communications and computer equipment.

Under absolutely no circumstances is any company property to be utilized to solicit, harass, or otherwise offend or for any unlawful purpose, such as accessing illegally distributed materials that are sexually explicit or otherwise inappropriate or unlawful.

HAP reserves the right, at any time and without informing the user, to monitor or review for business purposes, any information stored or transmitted on this equipment. Such purposes include but are not limited to ensuring that the equipment is being used for company purposes, to ensure that the equipment is not being used to solicit, harass or otherwise offend or for any unlawful purpose, and to access information when the employee is not available. To this end, employees are required to make their computer passwords available upon request to those in the supervisory chain and to the Information Technology (IT) Department.

While it is permissible, on an occasional basis, to employ the computer for personal use, such use should be on personal time only. In choosing to make personal use of the computer, an employee understands and agrees that such use shall be subject to monitoring and review, and that any personal information stored or transmitted on or by the computer is not to be considered private.

The agency has invested considerable funds in its networks, hardware, and computers, including laptops and software. Employees shall exercise caution and care in using, transporting, securing, and otherwise handling corporate owned computers and software. Laptops are particularly subject to damage and theft and employees traveling with laptops shall take precautions to prevent theft and damage. Users must also exercise reasonable precautions in order to prevent introduction of computer viruses into the agency network.

E-Mail & the Internet

E-mail is a tool that is intended to increase the efficiency of business communications. Employees should exercise the same discretion when using e-mail as when using any other form of communication at work. As with any other non-business interaction at work, personal e-mail transactions should be very limited.

Please be aware that, as is the case with other computer data and files, all e-mail is property of HAP. While e-mail is generally treated confidentially, HAP reserves the right to monitor, review, intercept, access and disclose all messages created, received, or sent over the system for any purpose.

The internet can be a valuable resource when used appropriately. Misuse or overuse, though, can drain resources and interfere with productivity. Users are expected to follow established procedures and ensure the use of the Internet is in HAP's best interest.

Users must take particular care to avoid compromising the security of the network. Most important, users who will be leaving their personal computers unattended for extended periods, or leaving for the day, should log off their workstation to the network. Finally, no user is allowed to access the company network from home unless they have received specific permission from the Director of the IT Department.

The following guidelines apply:

1. Employees should use or attempt to use only services to which HAP has access.
2. Employees must identify and represent themselves accurately in all Internet and email transactions.
3. All passwords must be disclosed to the company or they are invalid and cannot be used.
4. Employees wanting to distribute e-mail to HAP (All Staff) for fundraising activities that they are personally involved in, or for sharing information in regards to supporting current or former employees must get permission from the Personnel Officer.

5. Employees should not send any e-mail addressed to HAP (All Staff), unless it is business related and applies to all staff.
6. No personally owned software or peripheral, i.e., cell phone, palm pilot or other accessory, shall be used in or attached to a HAP computer without permission from the Director of Information Technology.
7. Employees should allow anti-virus software to run according to the daily schedule without interruption.
8. Employees should allow Windows Updates to be installed locally according to the daily schedule.
9. Employees should not save documents to the hard drive of a local computer; all agency files should be kept on a network drive to be backed up overnight.

The actions below are strictly prohibited and may lead to disciplinary action, up to and including discharge:

1. Defaming HAP or any employee or knowingly spreading false information through e-mail or using e-mail messages in a way that could be harmful to workplace morale
2. Downloading, displaying, or transmitting sexually explicit material
3. Using e-mail, voice-mail, the Internet, or any other electronic communication to harass or discriminate against any individual on the basis of their age, race, national origin, religion, or any other protected classification
4. Using the e-mail system to send offensive or disruptive messages, including those containing sexual implications, racial slurs, and/or gender-specific comments
5. Soliciting for outside business ventures, religious or personal causes
6. Using the internet for Instant Messaging
7. Installing, downloading or upgrading any software without prior authorization from the IT Department. This includes add-ins to Outlook, screens savers, weather bug and wallpaper.
8. Distributing chain letters, or other e-mails with non business related content that may or may not suggest forwarding it to others
9. Attempting to use another's code or password for any purpose unless authorized
10. Attempting to gain access to other employee's messages or any other unauthorized information without permission from the department supervisor or director
11. Listening to music or watching video via the internet.

These systems should not be considered completely secure and thus employees must use discretion when sending and storing highly sensitive or confidential information.

F. CONFIDENTIALITY

In accord with Chapter 66A of the General Laws of Massachusetts, it is HAP's policy that the confidentiality rights of clients and employees must be strictly adhered to; therefore, neither client cases nor personnel actions/decisions should be discussed in open or common areas of corporation facilities. In addition, those persons responsible for maintaining personnel, including financial, information are reminded that such information is strictly confidential and such information should not be discussed with other employees unless they have a clear need to know and are authorized to receive such information.

It is HAP's policy that the business affairs of the corporation should not be discussed with anyone outside the organization except when required in the normal course of business. No employee

should knowingly, or with reason to know, accept employment or engage in any business or professional activities, which will require him/her to disclose confidential information, gained through employment with HAP or improperly disclose confidential materials or data acquired through employment with HAP to further his/her personal interest.

Finally, because the corporation provides ample opportunity for employees to air and discuss internal problems and concerns, employees are expected to use those procedures.

G. STANDARDS OF PROFESSIONAL CONDUCT

These standards are intended to serve as a guide to the everyday conduct of HAP employees. Their purpose is to help employees understand and successfully deal with various kinds of issues and situations that are part of their work environment. A number of things that are said here address difficult, even unpleasant possibilities. However, the purpose is not to intimidate or worry HAP employees. Rather, these Standards are an attempt to honestly recognize some of the difficult realities of our work environment and to provide more support in the form of specific direction and clarification.

HAP employees need to have as thorough an understanding as possible of the importance of their behavior, of what the corporation needs and expects of employees with regard to their behavior, and of the thoughts underlying those expectations. These standards are derived not only from the corporation's experience, but also from the National Association of Social Workers Code of Ethics, which we feel is the set of standards most relevant to the kind of work we do.

In themselves, these Standards do not represent a set of rules that will lay out what to do in every situation. They do not and cannot respond to every complication that HAP employees encounter. The work we do is not only important; it is undeniably difficult and complex. These Standards are designed to help you, but they cannot anticipate or address every problem. They do offer general principles to guide conduct, and a context for evaluating conduct. If you find that in some particular situation these Standards do not give you sufficiently clear guidance, ask for help from your supervisor.

HAP is aware that the responsible professional behavior of HAP staff results ultimately not from written standards, but from personal commitment by all HAP staff. These Standards are offered to support and affirm that commitment.

1. UNDERSTANDING THE CONTEXT IN WHICH WE OPERATE

a. The Power Relationship

It is critical to recognize and understand the context in which we operate. We provide benefits and services to people in great need of one of the fundamentals of life -- safe, decent, and affordable places to live. People who are struggling to get or keep a place to live are under severe stress. Often, a request for services may be accompanied by desperation, fear, resentment, or hostility. We as HAP employees have great power in being able to help them with this problem. There is a need for HAP employees to understand that this power greatly affects the expectations of clients and deeply colors their relationships with HAP employees.

b. Personal versus Professional Relationships

It is also important to recognize that people seeking our help may either knowingly or unconsciously seek our sympathy as compassionate individuals. A client may look for an emotional, personal commitment in addition to the professional commitment. It is important to recognize the difference, and to keep the professional relationship paramount.

By the very nature of our work, we often receive intimate information about our clients. And since we want our clients to confide in us, we take steps to put them at ease and to develop their trust. What this means is that to do our jobs well as professionals, our relationships take on certain central aspects of good friendships – trust and concern.

There is a difference, however, between a relationship which is primarily professional and one that is primarily personal. To borrow from the National Association of Social Workers' Code of Ethics, HAP employees "should be alert to and resist the influences and pressures that interfere with the exercise of professional discretion and impartial judgment required for the performance of professional functions."

One of the central responsibilities of a professional is to avoid favoritism in the provision of services. Favoritism can be defined as giving special consideration to, holding a particular bias or partiality towards, or otherwise treating anyone with which the corporation has a professional relationship with preference for any reasons other than those which are objective, professionally-based, and fair.

When the balance between the professional relationship and personal ties tips or is unclear, a difficult situation is created for both the employee and the client. An employee may become subject to pressure both from the client and from her/himself to do more for that client, to be flexible with the rules, and even perhaps to overlook certain rules. Even when the pressure is resisted, it is still an uncomfortable, difficult, and confusing situation. The client too becomes uncertain of what the bounds are, and of what can be expected from the employee.

Employees should be conscious of these pulls that personal ties can create. They should monitor their own performance, to ensure that services for any one client are consistent with what the corporation provides to all other clients. If an employee feels that for some reason professional responsibilities may be compromised, s/he should consult a supervisor.

We highly value efforts to individualize and personalize the services we provide to clients. Those efforts are critical to the quality of service we aspire to provide. We have to be careful that they do not become too much of a good thing. Our professional responsibilities must never be compromised.

c. Negative Relationships

Finally, our role demands that we not let any negative personal reactions affect the professional services we provide to clients.

It is just as important for a worker to avoid treating a client less fairly or effectively because there may not be positive feelings toward to between the worker and the client. HAP workers need to make every effort to be tolerant and patient with clients. Even though we all have

issues and problems in our lives, we need to remind ourselves that many of our clients' lives are difficult.

Our goal here is to attain and maintain a level of professional behavior that is helpful, efficient, and respectful. At the same time, this standard does not require HAP workers to be the object of abusive behavior from clients; should relations between a worker and client become antagonistic to the point that the worker feels s/he cannot be fair, calm, and supportive, the worker should inform his/her supervisor and ask for either mediation or a transfer of the case to another worker.

2. SPECIFIC STANDARDS

The above are general concepts that should guide our interactions with clients. These concepts are translated into some more specific standards below. If a situation arises that requires a disclosure to be made, it must be done on HAP's Disclosure Form.

a. If you are involved in procurement decisions, you must comply with the Conflict of Interest rules in HAP's Procurement Policy.

b. If someone you are personally involved with is seeking or receiving services from the corporation, you should not become involved in the provision of services directly, in a supportive role, or as a supervisor. Generally, this means that if the person is a friend, a relative (unless quite distant), or someone with whom you are romantically or physically involved, you should not also become involved as a HAP employee. This is not necessarily the case where it is another HAP employee who is seeking or receiving services. In that instance, you should discuss the situation with your supervisor to review how it should be handled.

c. If someone you know or are personally involved with is seeking or receiving services from the corporation, you can provide general information concerning the services that HAP provides.

However, should a problem develop between the person and an employee of HAP, you should not attempt to get involved in the resolution of the problem. Encourage the client to first attempt to work out the problem with the employee involved. If this proves unsuccessful, inform the client of the appropriate supervisor to contact (which in most cases will be the immediate supervisor of the employee), and that they may continue up the supervisory chain if they still feel unsatisfied.

d. In the course of providing services, you should be attentive to the problem of favoritism. If at any point you feel that the personal dimension of your relationship might begin to affect your professional services, you should inform your supervisor.

e. HAP employees should maintain a high level of honesty and integrity in their dealings with clients and other employees, as well as with the community in general.

f. HAP employees should keep in mind how their activities in their private lives may affect the interest of HAP. While generally the private conduct of a HAP employee is a purely personal matter, there are times when it can compromise the interests of HAP, and the fulfillment of its purposes. At those times, HAP may request that the employee stop that activity or resign

their employment at HAP. For example, if the Director of Rental Assistance were privately coordinating a legislative campaign to repeal the subsidy programs, HAP would probably conclude that this was inconsistent with a commitment to HAP's mission.

HAP employees are urged to be aware of this possibility. If it seems possible that some private conduct could adversely affect HAP, or you are just not sure, you should inform supervisory staff and seek advice. This is a standard for conduct only, and not for anyone's beliefs as individuals. Employees are free to think and believe in any way they wish, as long as their actions do not threaten HAP's interests.

g. The following is an attempt to be even more specific about certain standards of professional conduct. Most of them go almost without saying, and certainly there are other standards that are not listed here. The following behavior is unacceptable:

(i) lending, giving, borrowing or accepting money, goods, gifts or services from or to clients, except for the receipt of non-monetary gifts or advertising novelties such as pens, pencils, calendars or other gifts of less than \$20.00 value, and homemade food items, unless prohibited by the Executive Director. All gifts, whether accepted or rejected, must be disclosed on HAP's Disclosure Form.

(ii.) lending, giving, borrowing or accepting money, goods, gifts or services from or to any person or organization with which the corporation is doing, has done, or is seeking to do business, except for the receipt of non-monetary gifts or advertising novelties such as pens, pencils, calendars or other gifts of less than \$20.00 value, and homemade food items unless prohibited by the Executive Director. All gifts, whether accepted or rejected, must be disclosed on HAP's Disclosure Form.

(iii.) providing false information which will unfairly help or harm a client

(iv.) any illegal activities or fraud which if engaged in whether on or off the job could affect HAP's ability to fulfill its mission, its reputation in the communities it serves or its relationships with funding sources and other agencies, or which seriously calls into question the employee's ability to do his/her job

(v.) providing temporary shelter in the home of an employee, or seeking shelter in the home of a client

(vi.) allowing a client to use an employee's residential address for the purpose of obtaining benefits, or using a client's address to obtain benefits for an employee

(vii.) allowing an employee's or client's religious or political beliefs to influence decisions about delivery of services to clients, whether as favoritism or antagonism

(viii.) engaging in sexual conduct with clients

(ix.) using alcohol or illegal drugs while on the job, or reporting to work while under the influence of either.

3. IMPLEMENTATION

These standards of professional conduct, as well as other sections of the Personnel Policies are to be observed as part of an individual's employment with HAP. Failure by an employee to observe them will be handled in accordance with the disciplinary procedures outlined in the Personnel Policies. Any individual situation will be assessed with regard to seriousness of the infraction, consequences, past performance, and so forth.

H. CONFLICTS OF INTEREST

It is HAP's policy to prohibit its employees from engaging in any activity or practice which conflicts with the interest of the agency or its clients.

In general, a conflict of interest exists whenever any HAP employee has a personal or financial interest that could influence or could appear to others to influence the exercise of their duties at HAP. For example, a conflict of interest exists if a HAP employee is assigned to manage the case of a family member, other relative, or friend, or if an employee is in a situation to make any decisions regarding the purchase of goods or services from a person with whom they have a personal or outside business relationship. Employees involved with procurement decisions must make disclosures under circumstances required by HAP's Procurement Policy. Holding another job outside of employment at HAP also has potential to be a conflict of interest. **Any conflict of interest situation must be immediately disclosed to the Personnel Officer on HAP's Disclosure Form.** Having a conflict of interest is not, of course, evidence of wrongdoing. However it is essential that HAP, which is largely supported by public funds, maintain the trust of its state, federal, and other funding sources by ensuring that all decisions are made fairly and appear to be made fairly based on objective criteria. In this regard, even the appearance of a conflict of interest must be avoided.

The conflict of interest policy requirements are as follows and are supplemented by the Standards of Professional Conduct:

1. Employees and members of their immediate families are prohibited from accepting gifts, moneys, and gratuities from persons receiving benefits or services under agency programs, from anyone performing services under a contract with the agency, or from anyone who is in a position to benefit from the action of any employee or a board member, under circumstances from which it might reasonably be inferred that the purpose of the gift is to influence the employee in the conduct of the agency's business with the donor. Such gifts should be returned with a note of explanation or converted into a charitable donation to the agency as a whole by transferring the gift and information as to the situation in which the gift was received to the Personnel Officer for disposition. Employees are not, however, prohibited from accepting advertising novelties such as pens, pencils, calendars or other gifts of nominal value (\$20.00). Some positions may be prohibited from accepting any gift as instructed by the Executive Director. Staff receiving any gifts must disclose this to the Personnel Officer on HAP's Disclosure Form.
2. No employee shall act in a manner, which would cause a reasonable person, having knowledge of the relevant circumstances, to conclude that any person can improperly influence or unduly enjoy his/her favor in the performance of their duties because of kinship, rank, position or undue influence of any party or person. It shall be unreasonable to so conclude if such employee has disclosed in writing the facts, which would otherwise lead to such a conclusion.

3. Employees should not become involved with or influence a request for services and/or the provision of services directly, in a supportive role, or as a supervisor to a person they are related to, a personal friend or someone they are romantically or physically involved with. This situation should be reported to the Personnel Officer on HAP's Disclosure Form. The Personnel Officer will share this information with the employee's supervisor and Department Director so that the case may be reassigned.

4. Employees who hold jobs outside HAP, Inc. or who work as consultants must do so on their own time. All such work must be disclosed and shown not to impair the employee's ability to perform job duties. Additionally, the outside work must not present a conflict with duties performed by the employee for HAP and must not constitute competition with the work of HAP. Employees must complete HAP's Disclosure Form to report outside employment to the Personnel Officer, listing:

- 1) Name of company
- 2) Type of business
- 3) Position title and function
- 4) Number of work hours per day and week
- 5) Weekly work schedule
- 6) Expected duration of employment

5. No employee shall participate in or represent the agency in a particular matter in which to his knowledge s/he, his/her immediate family or partner, a business organization in which s/he is serving as officer, director, trustee, partner or employee, or any person or organization with whom he is negotiating or has any arrangement concerning prospective employment, has a financial interest.

Any employee whose duties would otherwise require him/her to participate in such a particular matter shall advise (HAP's Disclosure Form must be completed) the Personnel Officer (or the Chairperson of the Board of Directors if it involves the Executive Director) of the nature of the circumstances of the particular matter and make full disclosure of such financial interest. The Executive Director (or the Chairperson of the Board of Directors if it involves the Executive Director) shall either:

- Cause the assignment of the particular matter to another employee; or
- Assume responsibility for the matter; or
- Make a written determination that the interest is not so substantial as to be deemed likely to affect the integrity of the services that HAP may expect from the employee's participation in the particular matter. Copies of such written determination shall be maintained in the employee's personnel file.

Further, various contracts to which HAP is a party may impose specific conflict of interest requirements. These must be adhered to. This includes, but is not limited to, the U.S. Department of Housing and Urban Development, which requires that HAP and its employees abide by the following:

- (i). Neither HAP nor any of its contractors or their subcontractors shall enter into any subcontract, or arrangement, in connection with HUD sponsored programs in which

any of the following classes of persons has an interest, direct or indirect, during tenure or for one year thereafter:

- Any present or former member or officer of HAP;
- Any employee of HAP who formulates policy or who influences decisions with respect to the programs;
- Any public official, member of a governing body, or state or local legislator who exercises functions or responsibilities with respect to the programs.

(ii) Any members of the classes described above must disclose their interest or prospective interest to HAP and HUD.

(iii) The requirements of paragraph (i) may be waived by HUD for good cause. No person to whom a waiver is granted shall be permitted (in the capacity as member of a class described in paragraph (i) to exercise responsibilities or functions with respect to a contract for housing assistance payments to which this person is a party.

(iv) No member of or delegate to the Congress of the United States of America or resident commissioner shall be admitted to any share or part of a contract which HAP administers or to any benefits which may arise from it.

(v) HAP prohibits its board members, employees, and agents from carrying out a HUD sponsored program in any manner that would violate Massachusetts General Laws c.268A, the Massachusetts Conflict-of-Interest statute.

6. No employee shall, directly or indirectly, give, offer, or promise anything of value to any representative of any financial institution in connection with any transaction or business that HAP may have with such financial institutions.

7. No employee shall use or attempt to use his/her position at HAP to secure for him/herself or others unwarranted privileges or exemptions that are of substantial value and which are not properly available to similarly situated individuals.

8. HAP employees must comply with the state conflict of interest law (Chapter 268A of the General Laws), where applicable. All employees who are considered to be local, municipal, or state employees are required to disclose the name of the office and the nature of the duties associated with that office. Such disclosure shall be made to the Personnel Officer on HAP's Disclosure Form, and retained in the employee's personnel file. Employees are reminded that they should not participate as local, county, or state employees in any discussion, votes, or other official acts with respect to matters involving HAP.

Any disclosure required by the foregoing policy must be submitted to the Personnel Officer on HAP's Disclosure Form. The Personnel Officer will distribute the form to the Executive Director, Department Director and/or supervisor as appropriate. This written disclosure should include:

1. Name of the employee and date of disclosure
2. Description of potential conflict of interest including all relevant specifics (i.e. name of client, business associate, contractor, supplier, type and scope of staff's outside business, participation in HAP decision making, financial interest, etc.)

3. Specific request for approval if pertaining to outside employment (either as an employee or a consultant) or continued involvement in a HAP project, decision, or other matter.

The Executive Director, or his/her designee, will have final authority (or the Chairperson of the Board if it involves the Executive Director) to approve or disapprove outside employment as well as involvement in a HAP decision, project, or other matter, which raises questions of conflict of interest.

I. FUNDRAISING

In working towards our mission, HAP engages in fundraising from individuals and businesses. The funds raised will supplement funding received from federal, state, and private contracts and grants. The following policies and procedures guide HAP's fundraising activities.

1. COMPLIANCE WITH LAWS AND REGULATIONS OF THE COMMONWEALTH OF MASSACHUSETTS

HAP will comply with all laws of the Commonwealth pertaining to fundraising by non-profit organizations. In particular, HAP will:

- Maintain a current, valid ***Certificate For Solicitation*** issued by the Division of Public Charities, Public Protection Bureau, and Office of the Attorney General. The certificate indicates that HAP is current in all its filings with the Attorney General's Division of Public Charities, including Form PC, Annual Report of Non-Profit Charitable Organizations Conducting Business in the Commonwealth.
- ***File a Raffle and/or Bazaar Tax Return*** with appropriate tax payment within 10 days of any raffle conducted by HAP to the Massachusetts State Lottery Commission.

2. COMPLIANCE WITH LAWS AND REGULATIONS GOVERNING THE USE OF CONTRACT AND GRANT FUNDS

HAP will comply with all Federal and State laws and regulations governing use of contract and grant funds, including those pertaining to fundraising activities. More specifically:

- In accordance with the Office of Management and Budget ***OMB Circular A-122, Cost Principles for Non-Profit Organizations***, HAP will not use federal contract or grant funds to pay fundraising expenses, including expenses associated with financial campaigns, endowment drives, solicitation of gifts or bequests, or contributions associated with sponsorships, fundraising dinners, or other fundraising events.
- HAP similarly will not use contract or grant funds from state funding sources to pay for fundraising expenses, whether such state funds originate solely from state sources, or are a combination state and federal funding, or are entirely federal funds passed through state agencies.

Implementation of these policies requires procedures to segregate expenses associated with fundraising activities and charge those expenses to “private” or “local” funds rather than state or federal contracts and grants.

- The chart of accounts in HAP’s accounting system includes contract, general ledger, and function codes sufficient to segregate fundraising expenses from all other expenses.
- The salaries and fringe benefit expenses of employees who engage in fundraising activities will be tracked and charged to “private” or “local” funds proportionate to the time they engage in fundraising activities.
- All other (non-salary/fringe benefit) expenses associated with fundraising will be charged directly to “private” or “local” funds. Such expenses may include, but are not limited to, the costs of postage, printing, food, transportation, rental of function rooms, entertainment, and advertising.

3. SOLICITATION OF HAP VENDORS AND RELATED BUSINESSES FOR CONTRIBUTIONS

In the course of HAP’s fundraising activities, HAP may solicit contributions from members of the business community. Such solicitations may reach organizations with which HAP has a business relationship. For example, HAP may solicit contributions to a fundraiser from banks in the community, including one or more banks with which HAP has accounts.

It is HAP policy that managers and employees will adhere to the Conflicts of Interest Policy described in HAP’s Personnel Policies, as well as the Association of Fundraising Professionals Code of Ethics, and not solicit contributions in exchange for favored treatment in HAP’s business relationships or transactions, whether such favored treatment may occur in fact or in appearance.

To preclude the fact or appearance of favored treatment to contributors, HAP managers and employees will adhere to the following procedures:

- Managers and employees who evaluate the qualifications or performance of individuals or businesses seeking to provide goods or services to HAP or its clients as part of their programmatic responsibilities will not solicit contributions from such individuals or businesses (see exception below).
- Managers and employees who make procurement decisions on behalf of HAP or its clients as part of their responsibilities will not solicit contributions from the vendors from whom such procurements are made (see exception below). These employees also must strictly adhere to HAP’s Procurement Policy.
- Managers and employees whose functional duties include primary responsibility for making decisions regarding the procurement of goods and services for HAP or its clients will not solicit contributions from **any** individuals or businesses that provide or seek to provide goods and services to HAP or its clients. These managers and employees include, but are not necessarily limited to, the Property Management Director and Maintenance Supervisor, Chief Financial Officer, Executive/HR Assistant, and some Development Staff.

- Exception - Because of the nature of the position and its responsibilities, HAP's Executive Director must solicit funds as well as provide final approval of all contracts. HAP's Board of Directors will provide the necessary oversight of the Executive Director to adhere to the established fund development ethical principles through the disclosure and review of all contributors and their relationship to HAP, if any, and approve the acceptance of these funds or gifts. If a donor insists on remaining anonymous, the Chairperson of the Board of Directors will only review this information on behalf of the Board.

The above-specified policies apply to any solicitations, whether by mail, email, telephone, personal contacts, or other means of communication.

Further, HAP employees who engage in fundraising activities will not provide written or oral reports to programmatic or purchasing staff on which individuals and businesses made or did not make contributions to HAP. This policy is not intended to prevent contributors from being publicly thanked for their contributions at a fundraising event or listed as a donor in program booklets or publications available to the general public.

The HAP Board may elect to exclude certain vendors from fund raising solicitations. The HAP Board may also limit the maximum amount of contributions to avoid the appearance of conflict of interest.

4. SOLICITATION OF HAP EMPLOYEES

HAP employees are committed to HAP's mission and may wish to make cash or in-kind charitable contributions, purchase raffle tickets, or otherwise contribute to HAP. HAP provides employees opportunities to make such contributions. It is HAP policy that making or not making such contributions is an individual, private decision and will not influence employment status, performance appraisals, employee recognition, or pay.

To preclude the fact or appearance of favored treatment to contributors, HAP managers and employees will adhere to the following procedures:

- Supervisors will not individually solicit or accept contributions from employees they supervise, hire, or evaluate. The Executive Director, or Associate Executive Directors, or other senior managers will not solicit contributions from any individual HAP employee. This policy does not restrict general appeals to all staff, or from encouraging all staff to contribute to HAP through fundraising events, payroll withholding or other means.
- Applicants for a position at HAP will not be solicited for a contribution by any manager or employee of HAP. If it is determined that an applicant has made such a contribution within 30 days of applying for a position at HAP, the contribution will be returned to the applicant.
- HAP will not compile reports listing employees who have not made contributions to HAP. Records identifying employees that make contributions to HAP, and the amount of their contributions, will only be used to process and account for those contributions. Employees who have made contributions to HAP may be publicly recognized for their contributions by including their names in reports that list all contributors, including non-employee contributors. Similarly, employees who have won HAP raffles may be included in a list of winners.

5. SOLICITATION OF HAP CLIENTS

It is HAP policy that current HAP clients or persons seeking benefits under a HAP program (i.e. prospective clients) will not be solicited for contributions to HAP. This is not intended to restrict volunteers from soliciting contributions to HAP through the sale of raffle tickets or tickets to fundraising events, regardless of whether they solicit HAP employees, other volunteers, or the general public.

Contributions may be solicited from former HAP clients. Records of such contributions will not be provided to HAP program managers or employees who at some future date may have to evaluate the contributors' eligibility for a HAP program.

6. NON-COMPLIANCE WITH FUNDRAISING POLICIES

HAP employees who violate HAP's fundraising policies are subject to disciplinary action, which could include the termination of their employment.

If HAP management determines that fundraising activities may have violated federal or state law or contract or grant provisions, HAP management will notify the funding source and cooperate in any required investigation.

J. LOBBYING AND POLITICAL ACTIVITY

1. PARTISAN ELECTORAL ACTIVITY

Because HAP is a tax-exempt organization, federal rules prohibit HAP employees from engaging in any partisan electoral activity in their capacity as employees of the corporation. This prohibition extends to the use of corporation property, equipment or supplies. Employees may of course engage in partisan political activity in their individual capacities. Employees should not, however, act in such a manner that their partisan electoral activities could in any way be construed as the actions of HAP, nor should they use the positions, authority or influence of themselves or other HAP employees, directly or indirectly, for any partisan electoral purpose; nor should they use corporation property or personnel for such activities.

2. LOBBYING OF THE STATE OR FEDERAL LEGISLATIVE BRANCH

Again because HAP is a tax-exempt organization, there are restrictions on the amount of staff time and funds that can be spent to influence the decisions of the legislative branches of the state or federal governments. It is permissible activity, but must be both tracked and limited. (Various funding contracts may also place limitations on legislative lobbying activity.) Therefore, employees may participate in such activities on behalf of HAP only in accordance with instructions given by the Executive Director.

3. LOBBYING OF THE FEDERAL EXECUTIVE BRANCH

The federal "Byrd Amendment" of 1989 places restrictions on all individuals and organizations, tax exempt or not. It prohibits the use of federally-appropriated funds to pay any person for influencing Executive or Legislative branch personnel in connection with the award of any federal grant, contract,

loan, etc. It allows non-federally appropriated funds to be used for that purpose, but requires disclosure of such expenditures, with some exceptions.

Additionally, there are restrictions that apply specifically to expenditures to influence a HUD officer or employee in the award of financial assistance or the taking of a management action. Certain record keeping, disclosure, and registration requirements must be complied with.

Therefore, before engaging in, or arranging for anyone else to engage in, such activities, all HAP employees must receive and act in accordance with instructions from the Executive Director and Counsel.

Appendix 1.2 Signed Certification

HAP, Inc. as lead agency for the Springfield NSP2 Consortium hereby makes the following certifications on behalf of the Consortium:

1. Affirmatively furthering fair housing.

The applicant certifies that it will affirmatively further fair housing, which means that it will affirmatively market NSP2 assisted units and carry out NSP2 activities that further fair housing through innovative housing design or construction to increase access for persons with disabilities, language assistance services to persons with limited English proficiency (on the basis of national origin), or location of new or rehabilitated housing in a manner that provides greater housing choice or mobility for persons in classes protected by the Fair Housing Act, and maintain records reflecting the actions in this regard.

2. Anti-lobbying.

The applicant must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

3. Authority of applicant.

The applicant certifies that it possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.

4. Acquisition and relocation.

The applicant certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP2 program published by HUD.

5. Section 3.

The applicant certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

6. Citizen participation.

The applicant certifies that it is carrying out citizen participation in accordance with NSP2 requirements.

7. Use of funds.

The jurisdiction certifies that it will comply with Title III of Division B of the

Housing and Economic Recovery Act of 2008, as modified by the American Reinvestment and Recovery Act by expending 50 percent of its grant funds within 2 years and expending 100 percent within 3 years of receipt of the grant.

8. The applicant certifies:

a. that all of the NSP2 funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
b. The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

9. Compliance with anti-discrimination laws.

The applicant certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

10. Compliance with lead-based paint procedures.

The applicant certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

11. Compliance with laws.

The applicant certifies that it will comply with applicable laws.

12. The City of Springfield shall assume all responsibility for environmental review, decision making and action for proposed projects within its jurisdiction on behalf of the Consortium in accordance with the requirements of 24 CFR Part 58.

Certified by:



Peter Gagliardi
CEO/Executive Director
HAP, Inc.

Appendix 1.3
Removing Negative Effects Rubric

The Springfield Consortium is seeking points for leverage under this criterion. As defined in the NOFA's rubric for addressing vacant properties, the Springfield NSP2 program expects to have a substantial impact on the number of vacant properties in the target area as shown below:

Number of vacant properties to be addressed through acquisition and rehabilitation/redevelopment in target area = 96

Number of vacant properties to be addressed through demolition = 14

Number of vacant tax title properties in target area = 275

Number of vacant REO properties in target area = 87

Total number of vacant properties in target area = 362

$$(1.5 \times (96+14))/362 = 45.6\%$$

1.5 x (Sum total of vacant properties proposed to be addressed through acquisition and rehab) + (Sum total of vacant properties to be addressed via demolition) divided by (Sum total of all vacant residential properties in target area)

The number of vacant properties in the target area was determined using the Warren Group published data on REO properties in the target area (87) plus the City of Springfield's Department of Housing data on tax title properties in the target area (275).

Appendix 1.4
Summary of Citizen Comments

One citizen comment was received during the public comment period. The emailed comment and response are detailed below:

Comment:
Dated 7/13/09

To: Elizabeth O'Donoghue HAP, Inc.

Maybe I missed something because I don't see one dime of tis 29,114,680.00 that helps current home owners who are nearing foreclosure to stay in their homes. Pleases tell me what is the purpose of providing assistance to people after the fact when assistance could be provided to prevent foreclosures. If this money will allow assistanceto current homeowners to prevent foreclosures, then I would suggest that at least 20 to 25% of the 29, million be utilized for that purpose. If the Commonwealth of Massachusetts can provide the city of Springfield 52 million in no interest loans, surely this stimulus money could allow for a combo of outright grants and no interest loans to homeowners in danger of loosing their homes.

Please respond before you submit the application.

Response:
Dated 7/14/09

Dear Nbaker67:

Thank you for your comments and question. Activities that may be funded under a specific grant are determined by the governmental agency overseeing the grant program and/or Congress. Assistance to homeowners facing foreclosure is not an eligible activity under the Neighborhood Stabilization Program 2 (NSP2).

However, the federal government has a program called "Making Home Affordable" that was introduced in March. It provides some remedies for people who have not yet defaulted. I have attached to this email information about the program for you.

Another state-funded resource is the Western Mass Foreclosure Prevention Center located at HAPHousing in Springfield. They have foreclosure prevention counselors available to assist households facing foreclosure. They may be reached at 413-233-1622.

URL where plan is posted: www.springfieldcityhall.com

Appendix 1.5
Definition of Blighted Structures

The Springfield NSP2 Consortium defines "Blighted Structure" for the purpose of its NSP2 program as any structure meeting the definition set forth in Springfield City Ordinance 7.36.030: any vacant building, structure or parcel of land in which at least one of the following conditions exist:

1. It is becoming dilapidated as documented by the code enforcement department.
2. It is attracting illegal activity as documented by the police department.
3. It is a fire hazard as determined by the fire marshal or as documented by the fire department; or
4. It is determined by the code enforcement department that the building, structure or parcel of land is in a condition which poses a serious threat to safety, health, morals and general welfare of the city.

Appendix 1.6
Definition of Affordable Rents

“Affordable rents” shall mean the Maximum Allowable HOME rents as published by HUD from time to time. These rents include utilities. If a tenant pays utilities, a utility allowance must be subtracted from the maximum allowable rent to determine the maximum contract rent. Utility allowances shall be calculated as they are currently calculated for HDF projects.

HUD’s FY 2009 Fair Market Rents by unit bedrooms in effect at the time of this application are:

	Efficiency	One-Bedroom	Two-Bedroom	Three-Bedroom	Four-Bedroom
FY 2009 FMR	\$579	\$688	\$874	\$1,046	\$1,214

Appendix 1.7
Definition of Housing Rehabilitation Standards
to be used in NSP2 Activities

I. Minimum Standards for Basic Equipment and Facilities

A. Kitchens – Every dwelling shall have a kitchen room or kitchenette equipped with the following:

1. **Kitchen Sink.** The dwelling shall have a kitchen sink, connected to both hot and cold potable water supply lines under pressure and to the sanitary sewer waste line. When replacing such components, water supply shut off valves shall be installed. If the existing faucet is to remain, a 2 gallon per minute (GPM) flow restricting aerator shall be installed.
2. **Oven and Stove or Range.** The dwelling shall contain an oven and a stove or range (or microwave oven), either gas or electric, connected to the source of fuel or power, in good working order and capable of supplying the service for which it is intended.
3. **Refrigerator.** The dwelling shall contain a refrigerator, connected to the power supply, in good working order and capable of supplying the service for which it is intended.
4. **Counter Space Area.** Every kitchen or kitchenette shall have a minimum storage area of eight (8) square feet with a minimum vertical clearance of twelve inches (12") and a minimum width of twelve inches (12"). Every kitchen or kitchenette shall have a minimum of four (4) square feet of counter space.

B. Toilet Room: Every dwelling shall contain a room which is equipped with a flush toilet and a lavatory. The flush water closet shall be connected to the cold potable water supply, under pressure, and to the sanitary sewer. The lavatory shall be connected to both a hot and cold potable water supply, under pressure, and connected to the sanitary sewer. When replacing such components, water supply shut off valves shall be installed. When replacing toilets, these will have a flush valve that use less than or equal to 1.6 gallons per flush. Toilet throat size will be no less than 2 inches and glazed smooth.

C. Bath Required: Every dwelling shall contain a bathtub and/or shower.

1. The bathtub and/or shower unit(s) need not be located in the same room as the flush water closet and lavatory. The bathtub and/or shower unit may be located in a separate room.

2. The bathtub and/or shower unit shall be connected to both hot and cold potable water supply lines, under pressure, and shall be connected to the sanitary sewer. All shower heads must be equal to or less than 2.0 (GPM) water flow. Where feasible, shut off valves shall be installed on the water supply lines. All faucets, when replaced, shall be water balancing scald guard type faucets.

D. Privacy in Room(s) Containing Toilet and/or Bath: Every toilet room and/or every bathroom (the room or rooms containing the bathtub and/or shower unit) shall be contained in a room or rooms that afford privacy to a person with said room or rooms.

1. Every toilet room and/or bathroom shall have doors equipped with a privacy lock or latch in good working order.

E. Hot Water Supply: Every dwelling shall have supplied water-heating equipment (water heater and hot water supply lines) that is free of leaks, connected to the source of fuel or power, and is capable of heating water to be drawn for general usage.

1. No water heaters (except point-of-use water heaters) shall be allowed in the toilet rooms or bathrooms, bedrooms or sleeping rooms. No gas water heaters shall be allowed in a clothes closet(s).
2. All gas water heaters shall be vented in a safe manner to a chimney or flue leading to the exterior of the dwelling. Unlined brick chimneys must have a metal B-vent liner installed to meet manufacturer's venting requirements. If metal chimney venting cannot be added, a power vented water heater may be installed. Size of the B-vent is critical for proper venting. Install according to manufacturer's recommendations.
3. All water heaters shall be equipped with a pressure/temperature relief valve possessing a full-sized (non-reduced) rigid copper or steel discharge pipe to within six (6) inches of the floor. The steel discharge pipe shall not be threaded at the discharge end.
4. All water heaters must be installed to manufacturer's installation specifications.
5. All new water heaters shall have internal foam insulation that is a minimum of R-10. Gas water heaters shall have an EF rating of .62 or higher and a recovery efficiency of .75 or better and/or meet Energy Star requirements at the time of installation. All new fuel burning hot water heaters shall be direct-vent sealed-combustion. Electric water heaters shall be Energy Star Rated.
6. Where feasible, tankless water heaters may be installed in accordance with manufacturer's guidelines and sized to provide adequate hot water supply to all fixtures. Gas supply lines and or

electrical capacity must be evaluated before installing tankless water heaters. Before installing, careful consideration should be made regarding supply and water temperature to owners.

F. Exits: Every exit from every dwelling shall comply with the following requirements:

1. Every habitable room shall have two (2) independent and unobstructed means of egress. This is normally achieved through an entrance door and an egress window.
2. All new egress windows from habitable rooms shall comply with current Massachusetts Building Code requirements.

When windows are being replaced within existing openings, the existing window size shall be determined to be of sufficient size even if current window sizes do not meet current egress standards. However, if the specification writer determines that changing the window size is beneficial; such egress window size modification will be allowed but not required. If new construction windows are being installed, these windows must meet all egress window requirements.

G. Stairs: If replacing existing stairs, stairs will need to conform as close as possible to new construction standards, but replacement stairs do not need to be in compliance with new codes. All newly constructed stairs (interior and exterior stairways) shall comply with the following requirements:

1. All stairways and steps of three (3) or more risers shall have at least one (1) handrail.
2. All handrails shall comply with the current Massachusetts State Building Code.
3. Porches, balconies or raised floor surfaces, including stairway riser and/or landing, located more than thirty (30) inches above the floor or the grade, shall have guardrails installed that are not less than thirty-six inches (36") in height. Open guardrails and stair railings shall have intermediate rails or ornamental pattern such that a sphere four inches (4") in diameter cannot pass through.
4. All stairs and steps shall have a riser height of not more than eight inches (8") and a tread depth of not less than nine inches (9"). All newly constructed stairs, not replacement stairs, shall have a riser height of not more than seven and three quarters (7 3/4") and a tread depth of not less than ten inches (10"). Risers and treads cannot be different in size by more than 3/16 of an inch from the top to the bottom of the stairs.

- H. **Smoke Detectors:** All smoke detectors shall comply with current regulations. A certificate of compliance must be obtained from the local fire department.
- I. **Carbon Monoxide Detectors:** All carbon monoxide detectors shall comply with current regulations. A certificate of compliance must be obtained from the local fire department.

II. Minimum Standards for Ventilation

- A. In general, sufficient ventilation shall be present to ensure adequate air circulation in the dwelling.
- B. Every habitable room shall have at least one (1) exterior operable window. All operable windows shall be capable of being easily opened and held in an open position by window hardware. All operable exterior windows shall be provided with screens if none exist. Half screens on windows are allowable.
- C. Bathrooms, including toilet rooms, shall be provided with a mechanical means of ventilation that is rated at 50 CFM or greater. Fans shall be ducted to the outside of the dwelling. All new fans will be rated for continuous operation and provided with a programmable control.

III. Minimum Standards for Electrical Service

A. Minimum Electrical Service:

- 1. Every dwelling unit, at a minimum, shall have a 100 ampere breaker controlled electrical panel. All electrical work shall be in compliance with adopted State electrical code requirements. The panel, service mast, etc. shall also be installed to local utility company requirements.

B. Convenience Outlets:

- 1. Every habitable room within the dwelling shall contain at least two (2) separate duplex, wall-type electrical outlets. Placement of such outlets shall be on separate walls. All newly installed receptacles shall be grounded duplex receptacles or GFCI protected.
- 2. All electrical outlets used in bathrooms and toilet rooms, all outlets within six foot (6'-0") of a water source (excluding designated simplex equipment circuits for clothes washing machines and sump pumps), outlets located on open porches or breezeways, exterior outlets, outlets located in garages and in non-habitable basements, except those electrical outlets that are dedicated appliance outlets. All kitchen receptacles serving the countertop area shall be ground

fault circuit interrupter (GFCI) protected. All exterior receptacles shall be covered by a receptacle cover that when a cord is plugged in, the GFCI outlet will stay covered and protected.

3. All electrical outlets carrying heavy appliance loads (i.e., window air conditioning units, central air-conditioning units where they exist, refrigerators, freezers, electric stoves, microwaves, clothes washing machines, dish washing machines, electric clothes dryers, furnaces, etc.) shall be simplex receptacles on a separate circuit of the proper amperage and wire size.
4. Basements shall have a minimum of one (1) wall-type electrical outlet for every two hundred (200) square feet, or fraction thereof, of the floor area. Unfinished basements shall have a minimum of one (1) GFCI wall-type electrical receptacle. Such receptacle shall be within 20 feet of the furnace.
5. All accessible knob and tube wiring shall be removed and replaced with type NM cable (Romex) or as required by code.
6. All broken, damaged or nonfunctioning switches or outlets shall be replaced. All fixtures and wiring shall be adequately installed to ensure safety from fire so far as visible components are observed.
7. All missing or broken switch and outlet covers (including junction boxes) shall be replaced.

C. Lighting:

1. Every habitable room and every bathroom (including toilet room), laundry room, furnace or utility room, and hallway shall have at least one (1) ceiling or wall-type electric light fixture, controlled by a remote wall switch. Habitable rooms (except kitchens or kitchenettes) may have a wall-type electrical outlet controlled by a remote wall switch in lieu of a ceiling or wall-type light fixture. Energy efficient fixtures that meet energy star ratings and compact florescent bulbs shall be installed in all new fixture installations.
2. Basements with no habitable rooms shall have a light illuminating the stairs with a switch controlling the light located at the top of the stairs. Basements with habitable rooms shall have at least one light fixture controlled by a remote wall switch at the top and bottom of the stairs. If new fixtures are being installed, Energy Star rated fixtures shall be installed with compact florescent bulbs.
3. Porcelain type fixtures with pull chains are acceptable for use in basements (except for the one controlled by a remote wall switch) cellars, and attics.

4. All pendant type lighting fixtures that are supported only by the electrical supply wire shall be removed or replaced. If replaced, replace with Energy Star rated fixtures.
5. All existing closet lights shall be covered.

IV. Minimum Standards for Heating Systems

- A. Heating System:** All heating systems (and central air-conditioning systems where they exist) shall be capable of safely and adequately heating (or cooling as applicable) for all living space.
- B. Cooling System:** Non-working or improperly functioning central air conditioning systems may be replaced as part of the rehabilitation work. New A/C installation will not be a priority unless project funds are available.
- C. Requirements for Heating and or Cooling Systems:**
 1. All existing heating systems, including but not limited to, chimneys and flues, cut-off valves and switches, limit controls, heat exchangers, burners, combustion and ventilation air, relief valves, drip legs and air, hot water, or steam delivery components (ducts, piping, etc.) that are not being replaced, shall be inspected to be in a safe and proper functioning condition at the time of inspection.
 2. Every heating system burning solid, liquid or gaseous fuels shall be vented in a safe manner to a chimney or flue leading to the exterior of the dwelling. The heating system chimney and/or flue shall be of such design to assure proper draft and shall be adequately supported.
 3. No heating system source burning solid, liquid or gaseous fuels shall be located in any habitable room or bathroom, including any toilet room.
 4. Every fuel burning appliance (solid, liquid or gaseous fuels) shall have adequate combustion air and ventilation air. All new furnaces will have sealed combustion with combustion air brought in from the exterior of the house and installed in accordance with manufacturer's guidelines.
 5. Every heat duct, steam pipe and hot water pipe shall be free of leaks and shall function such that an adequate amount of heat is delivered where intended. All accessible duct joints must be sealed with mastic or any other acceptable product. Newly installed ductwork must also be sealed. All accessible steam piping and hot water piping must be installed with an approved material.

6. Every seal between any of the sections of the heating source(s) shall be air-tight so that noxious gases and fumes will not escape into the dwelling.
7. No space heater shall be of a portable type.
8. Minimum requirements for forced air furnaces, when installed, will be no less than a 92% AFUE, or the minimum AFUE, if greater than 92%, to obtain a local utility rebate (Energy Star rated for northern climates). Also install a digital programmable thermostat. Condensate lines will drain to a floor drain or have a condensate pump installed and piped to discharge. All furnace duct work shall be equipped with an air filter clean out location that has a tight fitting cover installed over it.
9. All boilers, when replaced, will have an "A" rating and be no less than 90% AFUE rating. All combustion air will be from the exterior of the house. The addition of zone valves may be useful to reduce energy cost. Heat lines shall be insulated with approved material. Programmable thermostats will be installed.
10. A/C units, if added or replaced, shall not be less than 14 SEER or the lowest SEER rating that is available at the time of installation but not less than 14 SEER. All units shall be installed, when possible, on either the north or east side of the dwelling or in an area that will provide shade for the unit. The correct coil will be installed that is compatible with both the furnace and A/C unit.

D. Energy Conservation

1. All structures shall comply with certain energy conservation measures (U.S. Department of Energy recommendations). These measures include, but are not necessarily limited to, the following:
 - a. The provision of insulation at various locations and at the following recommended resistance factors (r-values). Insulation shall be primarily made from recycled glass or newspaper when available.
 - i. Ceilings – R-49 or as close as possible to these requirements where sloped ceilings exist.
 - ii. Crawl Spaces (floors or walls) – R-19
 - iii. Band Joists – R-19
 - b. When siding is vinyl or is being replaced and/or interior wall finishes of exterior walls are being replaced on a dwelling, such exterior walls are to be provided with cellulose insulation in the greatest amount allowed by the stud cavity space. An air infiltration barrier, such as Tyvek or approved equal, shall be installed on all newly sided exterior walls. If

new walls are being framed and insulated, the minimum R factor is R-19 plus R-5 foam.

- c. The installation of weather stripping at all exterior doors, windows, ground-entry basement doors, etc. is required. Doors, when replaced shall be a metal clad or fiberglass insulated door (energy star rated for northern climates). Door jams will be sealed and thresholds will be caulked.
- d. Caulking shall be provided around exterior doors and windows, at the foundation/sill plate union, and at other air-infiltration areas.
- e. New windows, if installed, must have a maximum U-value of 0.31. All rope weight openings will be insulated and all new windows will have the window jamb sealed.
- f. All heat ducts and hot water or steam heat distribution piping shall be insulated or otherwise protected from heat loss where such ducts or piping runs are located in unheated spaces. Similarly, distribution piping for general use hot water shall also be protected from heat loss where such piping is located in unheated spaces. All water distribution piping shall be protected from freezing.
- g. Attic access passage ways (scuttle holes) shall be no less than 22" by 30" or the size of original construction. If it is impossible to conform to this standard, the largest attic access hole possible will be installed. Scuttle holes shall extend up a minimum 14 inches above the ceiling. The opening on the ceiling will be weather stripped and covered with 6 inches of foam. The door will be made to sit tight against the weather stripping.

V. Minimum Standards for the Interiors of Structures

A. Interior Walls, Floors, Ceilings, Doors and Windows:

- 1. All interior walls, floors, ceilings, doors and windows shall be capable of being kept in a clean and sanitary condition by the owner.
- 2. Every bathroom and/or toilet room, kitchen or kitchenette, and utility room floor surface shall be constructed such that they are impervious to water and can easily be kept in a clean and sanitary condition by the owner.
- 3. All interior doors shall be capable of affording the privacy for which they are intended.

4. No dwelling containing two or more bedrooms shall have a room arrangement that access to a bathroom, toilet room, or a bedroom can be achieved only by going through another bathroom, toilet room, or another bedroom.
5. All paints, stains, varnishes, lacquers and other finishes used in the rehabilitated dwelling shall be low or no VOC paint finishes and installed as required by the manufacture.

VI. Minimum Standards for the Exterior of Structures

A. Foundations, Exterior Walls, Roofs, Soffits and Fascia:

1. Every foundation and bearing wall shall be capable of supporting the structural loads required.
2. Every foundation, exterior wall, roof, soffit and fascia shall be made weather resistant. Products for exterior walls, roofs, soffits, and fascia shall be installed in accordance with the manufacturer's guidelines.
3. Roof replacement shall be installed in accordance with the manufacturer's requirements. When installing asphalt or fiberglass shingles, a minimum of a 30 year shingle shall be used.

B. Drainage:

1. All rainwater shall be conveyed and drained away from every roof so as not to cause wetness or dampness in the structure. No roof drainage systems shall be connected to a sanitary sewer.
2. The ground around the dwelling shall be sloped away from foundation walls to divert water away from the structure.
3. If feasible, the collection of roof water is encouraged.

C. Windows, Exterior Doors and Basement Entries (Including Cellar Hatchways):

1. Every window, exterior door, basement entry and cellar hatchway shall be tight fitting within their frames, be rodent-proof, insect-proof and be weatherproof such that water and surface drainage is prevented from entering the dwelling. In addition, the following requirements shall also be met:
 - a. All exterior doors and windows shall be equipped with security locks. Deadbolts will be provided.

- b. Every window sash shall be fully equipped with glass window panes which are without cracks or holes. Every window sash to be replaced shall use Energy Star rated for northern climate windows unless the existing windows have insulated glass. Stained or leaded glass found to be historically significant may be protected by a fixed low-E glass storm window. Every window sash shall fit tightly within its frame, and be secured in a manner consistent with the window design. All window jambs will be sealed. All rope weight openings shall be insulated before installing the new window. Energy Star rated for Northern climate.
- c. Storm doors, when installed, shall also be equipped with a self-closing device.
- d. Every exterior door, when closed, shall fit properly within its frame and shall have door hinges and security locks or latches. All exterior doors will be no less than metal clad insulated (foam filled) doors. All jambs and thresholds will be sealed.
- e. Every exterior door shall be not less than two foot-four inches (2'-4") in width and not less than six foot-six inches (6'-6") in height. Existing door sizes will be grandfathered, but an attempt shall be made to have at least one exterior door that is not less than 36 inches wide and no less than 6'-8" high.

VII. Minimum Space, Use and Location Requirements

- A. All habitable rooms, except kitchens and/or kitchenettes, shall have a minimum width of seven feet (7').
- B. No cellar space shall be converted to habitable space.
- C. Habitable Basement Space:
No basement space shall be used as habitable space unless all habitable space requirements are met and all of the following requirements are met:
 - 1. The floor and walls are waterproof or damp proof construction.
 - 2. Such habitable space has a hard surfaced floor of concrete or masonry.
 - 3. Such space shall have a minimum of two exits. In addition to the stairs, this would normally consist of one egress window.

VIII. Minimum Standards for Plumbing Systems

- D. All dwelling plumbing systems shall be capable of safely and adequately providing a water supply and wastewater disposal for all plumbing fixtures. Every dwelling plumbing system shall comply with the following requirements.
1. All existing plumbing systems and plumbing system components shall be free of leaks. When repairing or adding to such systems, any type of pipe allowed by the State plumbing code shall be allowed.
 2. All plumbing system piping shall be of adequate size to deliver water to plumbing fixtures and to convey wastewater from plumbing fixtures (including proper slope of wastewater piping) as designed by the fixture manufacturer).
 3. All plumbing fixtures shall be in good condition, free of cracks and defects, and capable of being used for the purpose in which they were intended.
 4. The plumbing system shall be vented in a manner that allows the wastewater system to function at atmospheric pressure and prevents the siphoning of water from fixtures. Venting by mechanical vents is accepted as an alternative to exterior atmospheric venting.
 5. All fixtures that discharge wastewater shall contain, or be discharged through, a trap that prevents the entry of sewer gas into the dwelling.
 6. All plumbing system piping and fixtures shall be installed in a manner that prevents the system, or any component of the system, from freezing.
 7. All plumbing fixtures and water connections shall be installed in such a way as to prevent the backflow of water from the system into the plumbing system's water source.
 8. Toilets, when installed, shall only use 1.6 gallons per flush, or less.
 9. Valves shall be installed with the valve in the upright position. When replacing valves, the use of a full port ball-valve shall be encouraged.

IX. Minimum Standards for Potable Water Supply

- A. Every dwelling shall be connected to an approved (by the jurisdiction having authority) potable water source.

- B. All potable water fixtures and equipment shall be installed in such a manner as to make it impossible for used, unclean, polluted or contaminated water, mixtures or substances to enter any portion of the potable water system piping.
- C. All unused wells on the property shall be abandoned and plugged in accordance with any local or State requirements having jurisdiction. All cisterns shall be drained and filled, and if applicable, in accordance with any local or requirements having jurisdiction.

X. Minimum Standards for Connection to Sanitary Sewer

- A. Every dwelling shall be connected to an approved (by the jurisdiction having authority) sanitary sewer system.