

State Assistance for Transit-Oriented Development
By Peter N. Kochansky

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The Commonwealth's Executive Office of Transportation (EOT) recently released regulations and guidelines for two new programs providing state assistance for transit-oriented development. These programs should be of particular interest to developers of residential projects near transit stations that meet the affordability requirements of the CATNHP program, described below, or who would consider forming public-private partnerships for the infrastructure components supporting transit-oriented projects. Both programs, and the application process in place for each, are described below. **Please note that the application deadline for the current round of funding is November 14, 2005.**

**Commercial Area Transit Node
Housing Program (CATNHP)**

The CATNHP program, created by Chapter 244 of the Acts of 2002, provides a total of \$10 million over five years in 30-year deferred payment loans at 0% interest to finance housing in mixed-use developments in commercial areas within 1/4 mile of transit stations. "Transit station" is defined in the regulations as "Commuter Rail Station, Subway Station, Ferry Terminal, Bus Station [defined in part as 'a passenger stop with adequate shelter located on a fixed-route bus line that connects to a Regional Transit System; or, a multi-modal transit terminal'], or Bus Rapid Transit Station."

The CATHNP loans, which are administered by the Department of Housing and Community Development, will be made to municipalities, non-profit or for-profit entities, and may not exceed \$750,000 per project or \$50,000 per residential unit. To qualify, a project must include at least 25 units, 51% of which must be available to households earning not more than 80% of the area median income. Projects must be consistent with local zoning requirements, or the applicant must have already begun the process of seeking zoning relief. DHCD encourages meetings with staff to determine the eligibility of a project before submission of the One-Stop Affordable Housing application.

**Transit-Oriented Development Infrastructure
and Housing Support Program**

This program, created by Chapter 291 of the Acts of 2004, is administered by EOT in cooperation with the Office for Commonwealth Development and the Department of Housing and Community Development. The program provides a total of \$30 million over three years in grant assistance for the design, construction, reconstruction or enhancement of housing (25% of units must be affordable to households earning 80% or less of area median income), pedestrian

improvements, bicycle facilities, and/or parking facilities in mixed-use developments within 1/4 mile of transit stations, as defined above.

The maximum grant amounts are \$2 million for individual housing projects, \$2 million for parking facilities, \$500,000 for pedestrian improvements, and \$500,000 for bicycle facilities; there is a limit of \$2.5 million per project. Only public entities or public/private partnerships may apply for the grants. Partnerships between public entities (such as municipalities or MassHousing) and private entities qualify only if (i) the public entity is the lead applicant; (ii) the public entity is the recipient of funding through the TOD; (iii) the applicant demonstrates that the project is in the public interest, and for the public benefit, and that any benefits to private entities from the project are "indirect and incidental and not the principal purpose of the project; and (iv) the application certifies that the project will comply with all applicable laws, including public procurement laws.

To qualify for the grants, EOT does not require that the public and private entities form a legal partnership, but the public entity must have a significant interest in the project, either an ownership interest, financial interest, or, in some cases, significant project oversight responsibilities. The public entity need not own the site. In reviewing applications from public-private partnerships, EOT will require the public partner to provide a letter from counsel stating that the project meets the public interest and public benefit criterion, and that the public entity has the authority to re-grant the TOD program funds to the private partner.

Grant applicants must show that the project is "ready to proceed," including evidence of required permits and zoning relief.

Please contact us if we can assist you in exploring the applicability of these programs to a particular project.

For questions about the information contained in this alert, please contact:

James A. Aloisi 617-574-3543
jaloi@goulstonstorrs.com

Matthew J. Kiefer 617-574-6597
mkiefer@goulstonstorrs.com

Peter N. Kochansky 617-574-3527
pkochansky@goulstonstorrs.com

Marilyn L. Sticklor 617-574-4077
msticklor@goulstonstorrs.com

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