



# Request for Expression of Interest

Holyoke Redevelopment Authority

South Holyoke Housing Development

November 16, 2017

## 1. Introduction

The Holyoke Redevelopment Authority (HRA) is soliciting Expressions of Interest from potential partners interested in developing an affordable homeownership project around Carlos Vega Park in South Holyoke.

The HRA's project objectives are outlined in Holyoke's 2012 Urban Renewal Plan (URP), "Connect. Construct. Create. - A Plan to Revitalize Center City Holyoke" (see Resources on page 4). The objectives include redeveloping vacant property, adding more density, improving housing options, improving housing stock, and increasing home ownership opportunities. In South Holyoke specifically, as described in Area 8 of the URP, development goals include a priority for affordable homeownership.

The South Holyoke neighborhood has historically been the center of a strong working class neighborhood predominantly consisting of tenement style housing with some single and two family houses. Many of the residents would walk to their place of employment in the nearby and thriving mill district. As the mills closed and jobs declined, the area became challenged with disinvestment, poverty and blight. Although a core of quality housing remains, some residents have departed because of the lack of homeownership opportunities. In recent years a strong and committed movement to restore housing options is underway led by the South Holyoke Neighborhood Association and Nueva Esperanza. Recognizing this opportunity in the URP, the HRA envisions a transformative affordable homeownership project to provide more housing opportunities and allow current residents to have a long-term stake in the neighborhood.

The proposed project site includes 26 vacant parcels totaling 2.26 acres around Carlos Vega Park. The project would entail new construction for infill development as highlighted in the map below:

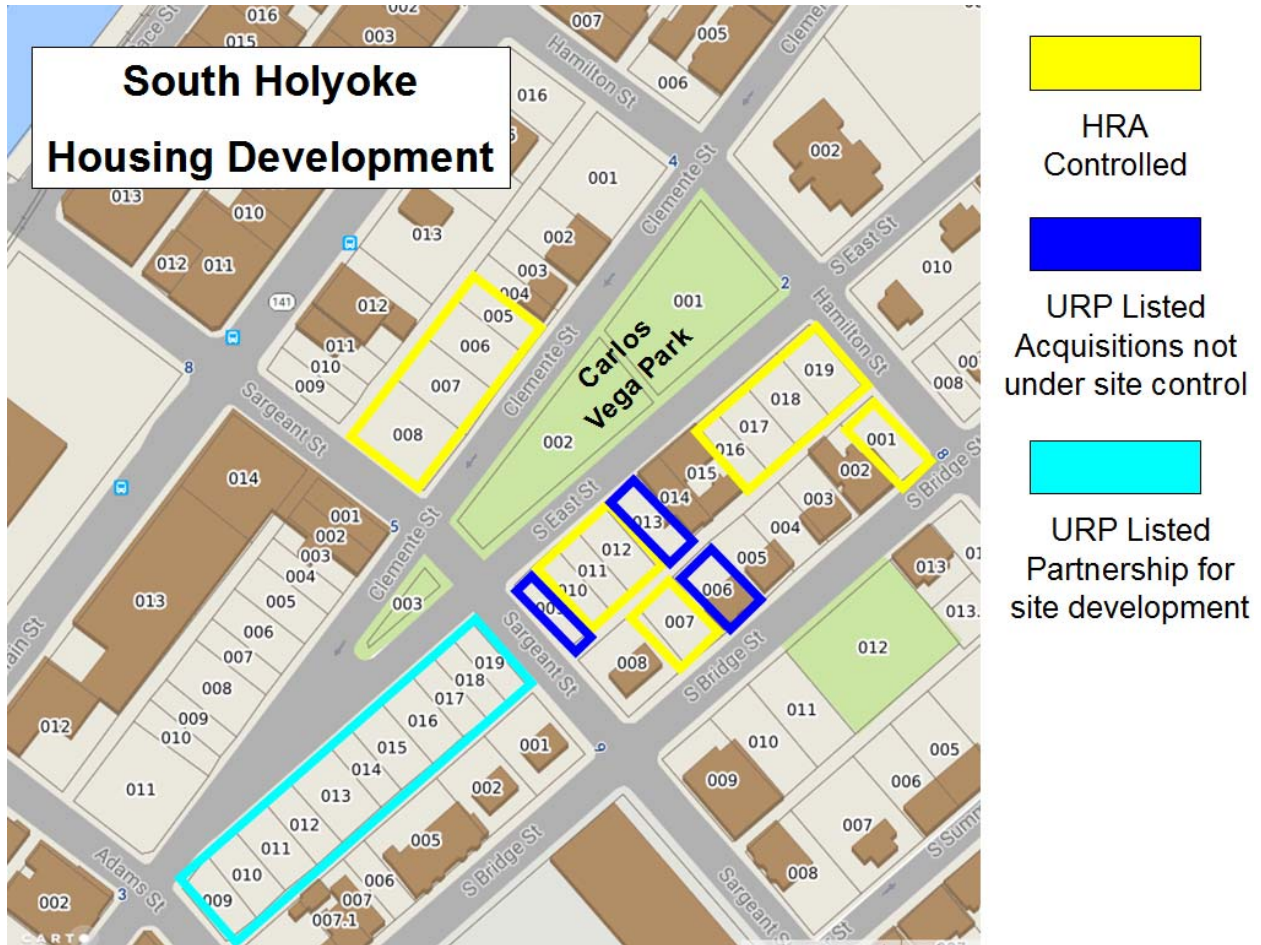
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### HOLYOKE REDEVELOPMENT AUTHORITY

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## 2. Nature of Request

The HRA is seeking to learn from entities, and/or negotiate and partner with entities that could play a critical role in the completion of a project of this scale. This includes any and all public or private sector entities in areas including but not limited to:

- Leading housing developments from predevelopment to occupancy
- Preferential financing and lending
- Technical assistance and know-how
- Mission-driven foundation funding or other foundation support
- Aggregation and layering of incentives, tax credits, grants and general project financing

Interested parties are encouraged to describe their institutions’:

- Mission and area(s) of expertise

- Prior experience with projects of this type and scale
- Interest in this project
- Potential role being sought in partnership with the HRA
- Resources at their disposal (funding, financing streams, real estate, knowledge, other) to advance project goals
- Any suggestions on strategy for completion of project goals

### **3. Project Discussion**

The project goal is to provide affordable home ownership opportunities with a priority to residents of South Holyoke. Non-traditional financing models are being explored for the project to address households that earn less than \$38,000 per year and/or have poor credit. A recent HRA-commissioned market study determined that this income threshold would be the minimum required for an affordable homeownership project at this site. The study used the federal affordability definition that 30% of income should be spent on housing; the threshold was based on an estimated \$11,516 in total housing costs per year, with a monthly mortgage payment of \$476. The market study's findings are based on assumptions of traditional home ownership models that rely on lending institutions providing a mortgage based on income and credit.

The study also showed that the medium income in South Holyoke is \$14,724 and that only 15% to 20% of the entire Holyoke rental market would credit qualify for a traditional mortgage. For this reason, financing would not be able to rely solely on traditional bank issued mortgages. Alternative funding or cost saving tools could include, but are not limited to: HUD Section 8, rent-to-own programs, community land trusts, volunteer labor programs or “tiny” house design concepts.

The HRA has site control of 12 parcels at the project site and has completed predevelopment work including soil sampling, land and utility surveys, geotechnical analysis, soil sampling, Phase I Environmental assessment, an architectural pattern book and a market study. This information is available at [www.HolyokeRedevelopment.com/south-holyoke-housing-development](http://www.HolyokeRedevelopment.com/south-holyoke-housing-development). Community engagement has also commenced, and the findings of the pre-development work were presented and discussed with the community at a public meeting on August 23rd, 2017 for feedback.

The HRA is seeking to build a minimum of 28 housing units, however, architectural renderings for the site indicate that 60 units or more could be developed on site using a combination of architectural and density styles.

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Some affordable rental housing, as well as limited commercial units, or other complimentary uses can also be considered, particularly if it facilitates financing of the affordable home ownership portion of the project which is the priority.

#### **4. Submission Consideration**

The HRA encourages submissions of expressions of interest by **January 10th, 2018** so that the Board may properly evaluate and discuss them at their following meeting. Submittals can be sent via e-mail to Marcos Marrero at [marreroma@holyoke.org](mailto:marreroma@holyoke.org) with the subject “South Holyoke Housing Development Submission,” and can also be hand delivered or mailed to: Holyoke Redevelopment Authority, City Hall Annex, 20 Korean Veterans Plaza, Suite 406, Holyoke, MA 01040.

The HRA expects discussion of responses at its January meeting and successful respondents may be contacted as early as late January. The HRA reserves the right of discussing parts or all of the submitted information in Executive Session whenever information provided is deemed detrimental to the negotiating position of the Board in order to pursue the purchase, exchange, lease of value of real property, in accordance with M.G.L. Chapter 30A Section 21(a).

#### **5. Helpful Resources**

Questions about the submission and project may be directed via e-mail to Marcos Marrero at [marreroma@holyoke.org](mailto:marreroma@holyoke.org).

The following resources will be helpful for interested parties to further understand the project background:

- South Holyoke Housing Project Pre-development documents: [www.HolyokeRedevelopment.com/south-holyoke-housing-development](http://www.HolyokeRedevelopment.com/south-holyoke-housing-development)
- Urban Renewal Plan: “Connect. Construct. Create. - A Plan to Revitalize Center City Holyoke:” <https://holyokeredevelopment.com/plans-studies/urp/documents>
- South Holyoke Revitalization Strategy: <https://holyokeredevelopment.com/wp-content/uploads/B-South-Holyoke-Revitalization-Strategy-2008.pdf>

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