
CITY OF WORCESTER HOUSING DEVELOPMENT PROGRAMS

CITY OF WORCESTER HOUSING DEVELOPMENT DIVISION

Mayor Joseph M. Petty
City Manager Eric D. Batista
Peter Dunn, Chief Development Officer
James Brooks, Director of Housing Development



OUTLINE



The City of
WORCESTER

- Key Terms
- Homeowner & Homebuyer Programs
 - ❑ CDBG Elder HOME Repair Program
 - ❑ CDBG Worcester Housing Now Owner-Occupied Rehab
 - ❑ ARPA Flood Insurance Assistance
 - ❑ ARPA Owner Occupied Rehab
 - ❑ ARPA Lead Abatement
 - ❑ Worcester Lead Abatement Program Owner Occupied (WLAP)
 - ❑ CDBG Down Payment Assistance
 - ❑ ARPA Down Payment Assistance
- Developer & Investor Programs
 - ❑ CDBG Worcester Housing Now Investor-Owned Rehab
 - ❑ 1st Time Homeownership Development
 - ❑ Affordable Housing Trust Fund
 - ❑ HOME Investment Partnerships Program (HOME)
 - ❑ ARPA Affordable Housing Preservation Program
- Other Programs
 - ❑ Rental Assistance
 - ❑ Utility Assistance
 - ❑ Emergency Solutions Grants (ESG)
 - ❑ Housing Opportunities for People with AIDS (HOPWA)
 - ❑ Sustaining Housing First Solutions

KEY TERMS



- ADA = Americans with Disabilities Act
- AHTF = Affordable Housing Trust Fund
- AMI = Area Median Income
- ARPA = American Rescue Plan Act
- CDBG = Community Development Block Grant
- HUD = United States Department of Housing and Urban Development
- FMR = HUD Fair Market Rent
- WLAP = Worcester Lead Abatement Program

INCOME AND RENT DEFINITIONS

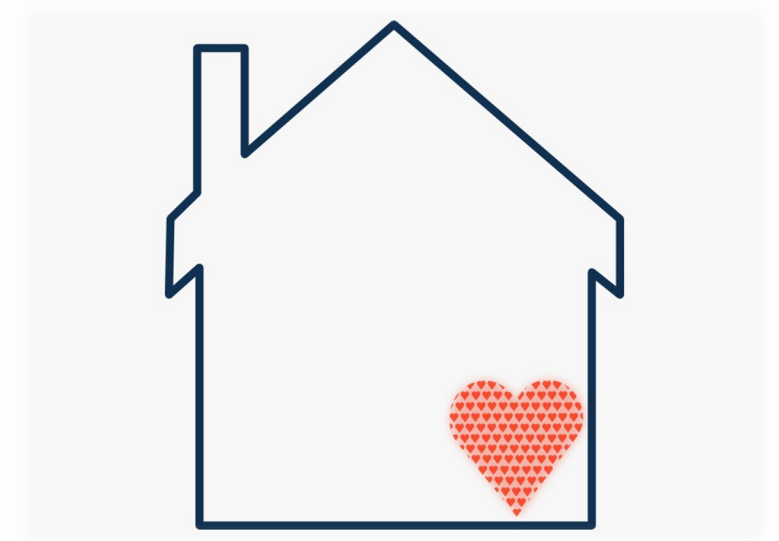


FY2023 Income Limit Summary								
Worcester, MA HUD Metro FMR Area								
	Household Size							
	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Limits	\$24,600	\$28,100	\$31,600	\$35,100	\$37,950	\$40,750	\$45,420	\$50,560
60% Limits	\$49,140	\$56,160	\$63,180	\$70,200	\$75,840	\$81,480	\$87,060	\$92,700
80% Limits	\$65,550	\$74,900	\$84,250	\$93,600	\$101,100	\$108,600	\$116,100	\$123,600
30% of Monthly Maximum Gross Income								
	Household Size							
	1 Person	2 Person	3 Person	4 Person	5 Person			
60% Limits	\$1,229	\$1,404	\$1,580	\$1,755	\$1,896			
80% Limits	\$1,639	\$1,873	\$2,106	\$2,340	\$2,528			
FY2023 Fair Market Rent by Unit Bedrooms*								
Worcester, MA HUD Metro FMR Area								
	Efficiency	1BR	2BR	3BR	4BR			
	\$1,231	\$1,272	\$1,635	\$1,990	\$2,196			

HOMEOWNER/HOMEBUYER PROGRAMS



- CDBG Elder Home Repair Program
- CDBG Worcester Housing Now – Owner Occupied Rehab
- ARPA
 - ❑ Flood Insurance Assistance
 - ❑ Owner Occupied Rehab (To Address Code Violations)
 - ❑ Lead Abatement
- Worcester Lead Abatement Program
- Down Payment Assistance Programs
 - ❑ CDBG Down Payment Assistance
 - ❑ ARPA Down Payment Assistance



CDBG ELDER HOME REPAIR PROGRAM



Program Overview

- Maximum grant amount of \$25,000/unit
- These funds must be used to rehabilitate major systems (ex. mechanical, heating, roof, siding, windows) of the home and ensure code compliance
- City will bid project out on behalf of owner to ensure cost reasonableness
- City makes direct payment to General Contractor

Eligibility Criteria

- Must be at least **62** years of age and own a 1-4 unit owner-occupied property in the City of Worcester
- Owner must meet Household Income Limits (80% AMI)
- If property is over 2 units, at least 51% of the building must also meet Household Income Limits
- Owner agrees to have a **five (5) year owner-occupied restriction**

CDBG WORCESTER HOUSING NOW OWNER-OCCUPIED REHAB



Program Overview

- Maximum grant amount of \$25,000/unit
- These funds must be used to rehabilitate major systems (ex. mechanical, heating, roof, siding, windows) of the home and ensure code compliance
- City will bid project out on behalf of owner to ensure cost reasonableness
- City makes direct payment to General Contractor

Eligibility Requirements

- Must own a 2-4 unit owner-occupied property in the City of Worcester
- At least 51% of building must meet income eligibility (80% AMI), and HUD FMR
- Owner agrees to a Five (5) Year Affordability Period
- **Must remain owner occupied during Five (5) Year Affordability Period**

ARPA FLOOD INSURANCE ASSISTANCE



Program Overview

- Up to 50% reimbursement of annual flood insurance policy premium



Eligibility Requirements

- Must own an owner-occupied property in the City of Worcester
- Homeowner must meet ARPA eligibility guidelines
- Homeowner must have a current flood insurance policy

ARPA OWNER OCCUPIED REHAB



Program Overview

- Maximum grant amount of \$30,000/unit
- These funds must be used to address code violation(s)
- City will bid project out on behalf of owner to ensure cost reasonableness
- City makes direct payment to General Contractor

Eligibility Requirements

- Must own a 1-4 unit owner-occupied property in the City of Worcester
- **Applicant must receive Housing Code Violation Complaint from the City of Worcester**
- Homeowner must meet ARPA eligibility guidelines
- Applicant agrees to a 5-year owner-occupied residency restriction

ARPA LEAD ABATEMENT



Program Overview

- Maximum grant amount of \$15,000/unit
- City will bid project out on behalf of owner to ensure cost reasonableness
- City makes direct payment to Abatement Contractor

Eligibility Requirements

- Must own a 1-4 unit owner-occupied property in the City of Worcester
- Homeowner must meet ARPA eligibility guidelines
- Applicant agrees to a 5-year owner-occupied residency restriction

WORCESTER LEAD ABATEMENT PROGRAM OWNER OCCUPIED (WLAP)



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Program Overview

- Maximum grant amount of \$15,000/unit
- City will bid project out on behalf of owner to ensure cost reasonableness
- City makes direct payment to Abatement Contractor

Eligibility Requirements

- Property Built Before 1978
- Must have a child under 6 living in the property
- Owner's Income must be below 80% HUD LMI
- Any rental units must be below 50% HUD LMI
- 5 years Deed Restriction.

CDBG DOWN PAYMENT ASSISTANCE



Program Overview

- Provides first-time income-qualified homebuyers with up to \$5,000 in down payment and closing cost assistance

Eligibility Requirements

- Buyer must meet the HUD definition of a first-time homebuyer and have an income that does not exceed 80% AMI
- Buyer must be preapproved for a mortgage
- Buyer must complete a HUD-certified Massachusetts Homeownership accredited housing education workshop
- The property must be located in the City of Worcester and be in habitable condition

ARPA DOWN PAYMENT ASSISTANCE



Program Overview

- Provides first-time income-qualified homebuyers with up to \$25,000 in down payment and closing cost assistance
- Administered by Worcester Community Housing Resources

Eligibility Requirements

- Buyer must meet the HUD definition of a first-time homebuyer and have an income that does not exceed 80% AMI
- Buyer must be preapproved for a mortgage
- Buyer must complete a HUD-certified Massachusetts Homeownership accredited housing education workshop
- The property must be located in the City of Worcester and be in habitable condition

DEVELOPER & INVESTOR PROGRAMS



- CDBG Worcester Housing Now – Investor-Owned Rehab
- Affordable Housing Trust Fund
- HOME Investment Partnership Program
- ARPA Affordable Housing Preservation Program



CDBG WORCESTER HOUSING NOW INVESTOR-OWNED REHAB



The City of
WORCESTER

Program Overview

- Up to 50% of the total cost of the project or, up to \$50,000.00 per **each restricted affordable housing unit**; whichever is less

Eligibility Requirements

- Must own at least two (2) rental properties in the City of Worcester
- Subject property is 2-4 units
- At least 51% of building must meet income eligibility (80% AMI), and HUD FMR
 - If vacant, 5% holdback of reimbursement until vacant units are leased to income eligible tenants
- Owner agrees to a **Ten (10) Year Affordability Period**

AFFORDABLE HOUSING TRUST FUND



Program Overview

- Grant will provide up to \$150,000 per affordable housing unit developed, or up to 25% of total development cost, whichever is less
- Bonus funding for units restricted to 30% or less of AMI and ADA units over the minimum required 10% threshold
- Request for Development Proposal (RFP) is open on a rolling basis until all funding available has been committed
- Funding is on a reimbursement basis
- Initial AHTF dollars were provided through the American Rescue Plan Act (ARPA). Moving forward the AHTF will be capitalized through Community Preservation Act Funds, Payments in Lieu through Inclusionary Zoning, and other sources as identified.

Eligibility Requirements

- A property developed through new construction or substantial rehabilitation for the purpose of creating new affordable rental or homeownership housing units
- Projects funded through ARPA must be started by December 31, 2024, and completed with occupancy by September 30, 2026
- Proposals will be evaluated by City staff and the AHTF Board of Trustees with respect to project feasibility, applicant capacity, and alignment with requirements outlined in the RFP
- AHTF-supported units must have a minimum term of affordability of 30 years

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)



Program Overview

- HOME funds a wide range of activities including building, buying, and rehabilitating affordable housing for rent and providing direct rental assistance to low-income households through the Tenant Based Rental Assistance Program (TBRA)
- The City Manager's Task Force for Sustaining Housing First Solutions has prioritized funding for public entities, nonprofit organizations, and private landlords to work together to produce 103 housing units with rental assistance and to continue to preserve and develop adequate units for those who become chronically homeless in future years

Eligibility Requirements

- Rental developments shall provide units to households earning up to 60% of AMI
- Mixed income projects are eligible, however not all units in a mixed income project will be eligible
- All projects must have minimum term of affordability mandated by HUD of at least of 5-15 years for rehabilitation projects and 20 years for new construction projects, secured by an affordable housing restriction and mortgage

ARPA AFFORDABLE HOUSING PRESERVATION PROGRAM



Program Overview

- Provides grants of \$15,000 per unit in exchange for a 10-year deed restriction; or \$25,000 per unit in exchange for a 15-year deed restriction for up to six (6) units per property owner to preserve affordability of quality rental housing units

Eligibility Requirements

- Property must be in a Qualified Census Tract
- Applicant must utilize 12-month leases for unit(s)
- Owners with a chronic history of code violations without swift resolutions are not eligible
- Each unit funded is subject to a 15-year minimum affordability restriction that sets a maximum allowable rent (varying by unit size) and establishes maximum income eligibility limits (60% AMI)

OTHER PROGRAMS



- Rental Assistance
 - The City committed an additional \$1M of ARPA funding for Rental Assistance and is partnering with the Central MA Housing Alliance, Worcester Community Action Council, and Friendly House to implement the program to cover rent arrearages and household utility arrearages including heating, hot water and electricity for up to 3 months of obligations. Eligible tenants are qualified based on ARPA income guidelines, and the maximum amount of rental assistance per applicant is \$7,000.
- Utility Assistance
 - The City committed \$1M in ARPA funds for utility assistance, which is being administered by the Worcester Community Action Council to provide fuel and utility assistance for low- and moderate-income households.

OTHER PROGRAMS/INITIATIVES



- Emergency Solutions Grants (ESG)
 - The ESG program provides funding to: (1) engage homeless individuals and families living on the street; (2) improve the number and quality of emergency shelters for homeless individuals and families; (3) help operate these shelters; (4) provide essential services to shelter residents, (5) rapidly re-house homeless individuals and families, and (6) prevent families/individuals from becoming homeless.
- Housing Opportunities for People with AIDS (HOPWA)
 - The HOPWA Program is the only Federally-funded program dedicated to the housing needs of people living with HIV/AIDS. Under the HOPWA Program, grants are made to nonprofit organizations for projects that benefit low-income persons living with HIV/AIDS and their families.
- Sustaining Housing First Solutions
 - Sustaining Housing First Solutions is intended to support and sustain a long-term system of permanent supportive housing within the City of Worcester. Funding has been dedicated to the development of supportive housing units for chronically homeless individuals.

LANDLORD SUMMIT



Saturday, May 9, 2024

9:00AM – 1:00PM

DCU Center Ballroom

50 Foster Street

Free to attend

