The City *of* Worcester

HOMEOWNER GUIDELINES

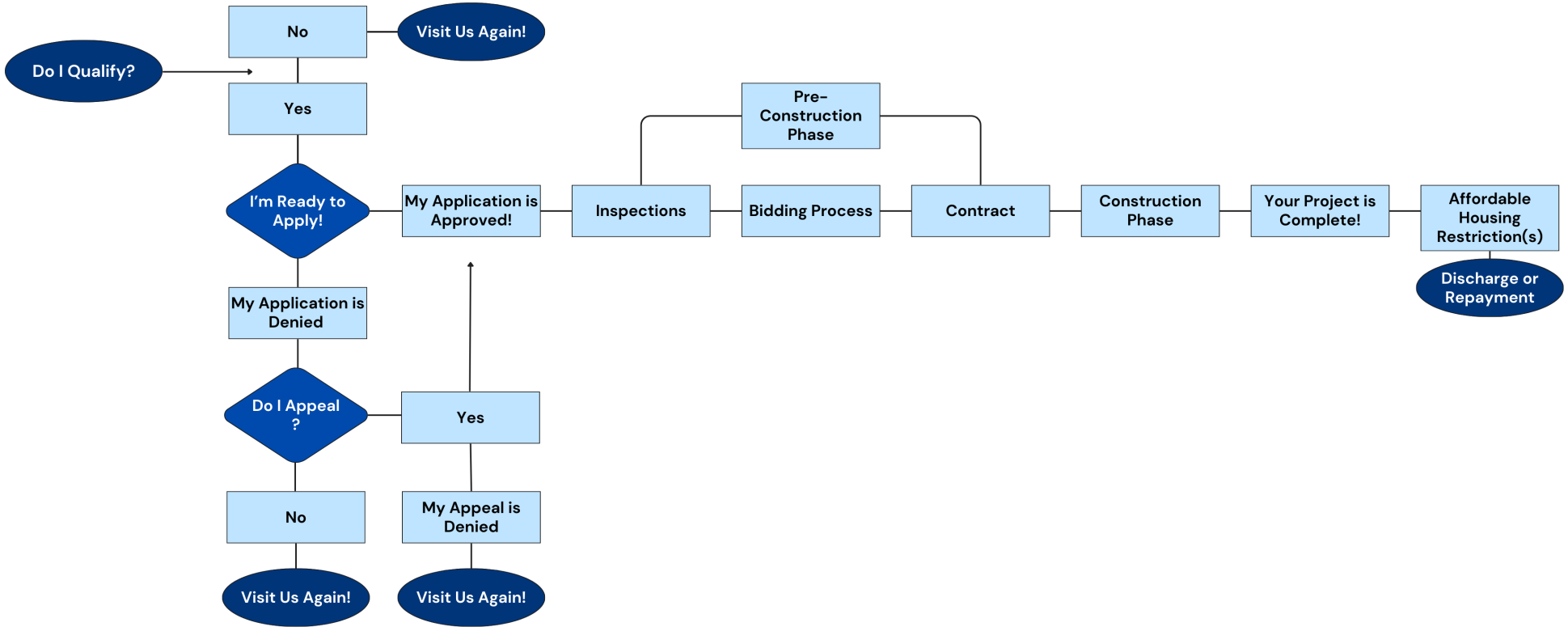
A Guide to the City of Worcester's Housing Rehabilitation & Lead Programs for Homeowners

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

Homeowner Guidelines Flowchart



OUTLINE

- **Key Terms**
- **Income and Rent Definitions**
- **Additional Notice for Homeowners**
- **Estimated Project Timeline**
- **Do I Qualify?**
- **Application Process**
  - Denials & Appeals
- **Pre-Construction Phase**
  - Inspections & Bidding Process
  - Environmental Review
  - Contract
- **Construction Phase**
- **Project Completion**
- **Affordable Housing Restriction (AHR)**

KEY TERMS

- AHR = Affordable Housing Restriction
- AMI = Area Median Income
- CDBG = Community Development Block Grant
- Contract = Grant Agreement
- HUD = United States Department of Housing and Urban Development
- FMR = HUD Fair Market Rent
- WLAP = Worcester Lead Abatement Program

INCOME AND RENT DEFINITIONS

FY2026 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	$27,650	$31,600	$35,550	$39,500	$42,700	$45,850	$50,040	$55,720
50% Limits	$46,100	$52,700	$59,300	$65,850	$71,150	$76,400	$81,700	$86,950
80% Limits	$73,750	$84,300	$94,850	$105,350	$113,800	$122,250	$130,650	$139,100

FY2027 Fair Market Rent by Unit Bedrooms							
Worcester, MA HUD Metro FMR Area							
		Efficiency	1 Bdrm	2 Bdrm	3 Bdrm	4 Bdrm	
		$1,577	$1,587	$2,043	$2,560	$2,915	

ADDITIONAL NOTICE FOR HOMEOWNERS

- Grant funds must be used to rehabilitate major systems of the home (ex. mechanical, heating, electrical, roof, siding, windows), remediate environmental hazards, or address code compliance and accessibility features.
  - No cosmetic repairs permitted
- The City is assisting where possible with grant funding to address as many code violations as possible but does not have the capacity/resources to address all code issues, nor is it responsible for doing so.
- The homeowner is responsible for meeting code requirements for the building and any upgrades for safety/security beyond these codes.
- **If the cost needed to bring the property into minimum habitable quality is excessive, the project cannot be funded due to cost reasonableness concerns.**

ESTIMATED PROJECT TIMELINE

Due to the amount of time needed to address the federal requirements for administering these grant funds, these rehabilitation programs may take 6-8 months to complete. These programs are not designed or available for emergency repairs. **The homeowner is responsible for meeting any urgent needs in their property as well as addressing code requirements and for any safety, health, or security issues.**

These time designations are estimates only, as some projects may move faster or slower based on a variety of factors.

1 - Application to Pre-Qualification (1 - 2 months based on receiving all required application documents)

2 – Initial Inspection, Scope Development, Bidding, Bid Opening (1 month)

3 – Environmental Review, Contract Development (1 - 2 months)

4 – Construction/Post Construction (3 – 4 months)

DO I QUALIFY?

- All applications include a list of qualifications and/or requirements which **must** be met to qualify for our programs. Each program has a unique set of qualifications and/or requirements, which are subject to change.

- Visit the City of Worcester's Housing & Neighborhood Grants page for available programs and applications:
  https://www.worcesterma.gov/housing-neighborhood-development/housing-neighborhood-grants

APPLICATION PROCESS

I'm Ready to Apply!

Submit a Complete Application

- Provide all applicable documentation along with a complete application.
- Applications will not be reviewed until all documents are submitted.
- Reach out to our Housing Intake Specialist, Luis Santos, with any application related questions!
  - Phone: 508-799-1400 Ext. 31468
  - Cell: 774-502-0534
  - Email: santosl@worcesterma.gov

My Application is Approved!

- You will receive a pre-qualification letter detailing next steps in the application process.

This does not mean your project is approved, but Pre-Qualification is a necessary step in the process

- Additional requirements for approval may be noted in your pre-qualification letter including, but not limited to, the payment of any taxes/fees owed to the City of Worcester, addressing any deed issues such as executions or judgments, providing proof of flood and/or home insurance where applicable etc.

APPLICATION PROCESS

Denials & Appeals

My Application is Denied

- You will be notified in writing if your application is denied.
- Denials may be due to not meeting applicable program requirements or based on funding availability.

Appeals

- Appeals must be made in writing within the time specified in your notice of denial.

My Appeal is Denied

- If your appeal is denied, you are ineligible to reapply until the next funding cycle.

PRE-CONSTRUCTION PHASE

Inspections & Bidding Process

Inspections

- Multiple inspections will occur once your project is pre-qualified. These include an inspection by the Housing Rehabilitation Specialist to inspect all areas of the residence and conduct a radon test. A lead paint assessment by a licensed lead inspector will also occur. Additional inspections may be conducted before a final scope of work is developed.

- The project cannot proceed until all inspections are complete. Please promptly reply to the Housing Rehabilitation Specialist with available dates and times.

Bidding Process

- After the final scope of work is developed, a bid walkthrough will be scheduled. Approved contractors will be invited to see and bid on the project. Once bids are received, they will be reviewed, and a winning bid will be chosen (lowest qualified bid).

- *If you have a specific contractor you would like to bid on the project, ensure they reach out to the Housing Rehabilitation Specialist as early in the process as possible to get them approved for bidding.*

PRE-CONSTRUCTION PHASE

Environmental Review

- Per the requirements for receiving federal grants, an Environmental Review will take place for your property/project.

- This will be completed by the Housing Program Coordinator, once bidding has completed, and will involve researching the property for environmental concerns (floodplains, rivers and streams, historical features and components, endangered species, etc.).

- The timeline for completing the Environmental Review can take approximately 30 days to complete due to the reporting and comment periods of both Local and State Historic Commissions.

PRE-CONSTRUCTION PHASE

Contract

Grant Agreement

- The grant agreement between you, the Owner, and the City of Worcester will cover the terms of the applicable grant program and include a breakdown of costs covered by the grant as well as any owner contribution(s), the scope of work, authorization of direct payment to the contractor, and the affordable housing restriction (More details on AHRs to follow).

- All signatories must be present at the time of signing.

Owner Contractor Agreement

- The grant agreement between you, the Owner, and the Contractor, will cover the breakdown of costs covered by the grant as well as any owner contribution(s), the scope of work, and the proposed construction schedule.

CONSTRUCTION PHASE

Work Starts

- Once all contract documents have been signed, the contractor will contact the owner to schedule a start date for the project.
- Contractor will need to apply for permits with the City of Worcester and order any special-order materials.
- Contractors will complete the work included in the scope of work and will communicate with the Housing Rehabilitation Specialist to ensure the scope, and all applicable codes, are completed to standard.

Sign Off

- After all work is completed, the contractor needs to complete the project sign off steps. This includes getting all permits signed off, any applicable lead paint or asbestos sign offs, and the final sign off from the Housing Rehabilitation Specialist.

PROJECT COMPLETION

Your Project is Complete!

Final Walkthrough

- A Housing Rehabilitation Specialist will conduct a final walkthrough of your property at project completion to ensure the scope of work has been completed and performed in a workmanlike manner.

- Once the project is complete, further concerns regarding construction shall be directed to the contractor.

Final Payment

- Once the scope of work items have been completed, and any final inspections have been passed, final payment may be issued to the contractor.

AFFORDABLE HOUSING RESTRICTION (AHR)

AHR Overview

- All Housing Rehabilitation and Lead grants include owner-occupancy requirements and/or tenant rent and income restrictions for a period specified in the Affordable Housing Restriction (AHR). These terms may vary based on the applicable grant program(s).
- Sale or transfer of ownership and cash-out refinancing during the restriction period is not permitted.
- Repayment of grant funding is required if the terms of the AHR are violated within the restriction period.
- If you anticipate refinancing or selling your property during the restriction period, please contact the Housing Development team early in the process. Approval can take 15-30 days.

Recording the AHR

- Homeowners are responsible for the cost of the recording fee (amount subject to change):
  - $105 made payable to **"The Commonwealth of Massachusetts"**
- Housing Development staff will record the AHR at the Worcester District Registry of Deeds once project has been completed and final payment has been issued to the contractor.
- Once the restriction period has passed, please reach out to Housing Development staff for a Request for Assignment and Assumption or Subordination or Discharge.

CONTACT US

City of Worcester

Executive Office of Economic Development, Housing Development Division

455 Main Street, 4th Floor (City Hall)
Worcester, MA 01608

James Brooks,

Director of Housing Development & Healthy Homes

508.799.1400

development@worcesterma.gov