

# Attachment C: Worcester Affordable Housing Trust Fund Pre and Post Closing Requirements

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## PRE-CLOSING CONDITIONS

*(Required prior to financial closing and execution of loan documents)*

### I. Commitment & Readiness

- Conditional commitment accepted and executed
- Closing scheduled prior to conditional commitment expiration (date: \_\_\_\_\_)
- Any extension formally approved (if needed)

### II. Affordability & Regulatory Documentation

- Final affordability structure confirmed (# of affordable units & income limits)
- Lottery administrator identified and qualified
- Local Action Unit (LAU) Application submitted
- Redlined Regulatory Agreement (EOHLC form - units should be “floating” not “fixed”) submitted
- Affirmative Fair Housing Marketing Plan (AFHMP) submitted - the developer or a consultant/partner organization that conducts the housing lottery must have experience with housing lotteries
- LAU and AFHMP approved by City and submitted to EOHLC
- Condominium documents and bylaws (first-time homeownership projects)

### III. Financial & Underwriting Updates

- Updated underwriting forms reflecting any changes to the sources and uses or other project changes, if applicable
- Targeted affordability reflected in final pro forma (Operating Budget and Cash Flow Analysis)
- Updated Project Timeline (with completion date)
- Evidence of other financing commitment(s) including commitment for all sources; executed construction loan term sheet, if applicable; and proof of applicant equity contribution, if applicable (bank statements or escrow letter)

### IV. Legal & Authority Documentation

- Organizational documents (LLC certificate, partnership agreement, etc.)
- Tax certification (e.g., Certificate of Good Standing - [DOR Certificate of Good Standing or Corporate Tax Lien Waiver | Mass.gov](#))

- Form W-9 ([Form W-9 \(Rev. March 2024\)](#))
- No municipal liens
- No tax delinquencies
- All documents approved by AHTF designated closing attorney

**V. Insurance (Certificates Required Before Closing)**

**Awarded Entity:**

- Builder's Risk – full completed value (City named mortgagee & loss payee)
- General Liability – \$1M/\$2M (City named additional insured)

**General Contractor:**

- Commercial Liability
- Automobile
- Workers Compensation
- Umbrella Coverage

Name of Additional Insured and Certificate Holder:

*The City of Worcester, Massachusetts, a municipal corporation in the Commonwealth of Massachusetts, acting by and through the Worcester Affordable Housing Trust Fund  
455 Main Street, 4th Floor  
Worcester, Massachusetts 01608*

*All insurance certificates must show 30 days' notice of cancellation, either in the certificate or by endorsement. If notice is to be given "in accordance with policy provisions," the policy must be provided.*

**VI. Environmental**

- Phase I Environmental Site Assessment submitted (new construction)
- Radon, lead and asbestos inspection reports, and if applicable, evidence of remediation or, a plan and timeline for remediation (substantial rehabilitation) to be carried out according to all applicable state and federal regulations

**VII. Design & Zoning**

- 100% Construction Documents
- ADA unit(s) clearly shown and accessibility compliance demonstrated
- Copies of submitted or issued building permits
- Variances/special permits approved (if applicable)

**VIII. Ordinance & Policy Compliance**

- Construction contract with list of participating subcontractors (the General Contractor must send an updated list of subcontractors within 15 days of any changes)

- Certification of Compliance - before starting work on a project, every General Contractor and subcontractor must sign a Certificate of Compliance
- City Law review for any non-AHTF signature documents (≥2 weeks in advance)

## FINANCIAL CLOSING

**NOTE: Funds are not available at closing. The City requires 30 days after closing for all initial funding requisitions.**

- Deferred Loan Agreement executed
- Regulatory Agreement executed
- Documents recorded at Registry of Deeds
- Financial closing completed

## POST-CLOSING / CONSTRUCTION PHASE / ONGOING CONDITIONS

*(Ongoing compliance through construction, lease-up, and stabilization)*

### I. Construction Compliance

- Construction commences timely
- Signage acknowledging AHTF-CPA funding installed (graphic provided by AHTF Manager)
- Project built per approved plans
- ADA unit(s) constructed as approved
- Any material design changes submitted for AHTF approval

### II. Disbursement Requirements

- All costs documented and eligible under M.G.L. c. 44B
- Reimbursement requests submitted with backup documentation including contractor and subcontractor lien waivers
- Up to 90% drawn during construction
- Final 10% retained until completion (Certificate of Occupancy & lease-up completed)

### III. Marketing & Lottery Execution

- AFHMP implemented
- Lottery conducted in accordance with EOHLC standards
- Tenant income certification completed
- Documentation retained for compliance

#### **IV. Closeout Requirements**

- Certificate of Occupancy obtained
- Final cost certification (if required)
- Tenant income documentation submitted to City
- Confirmation affordability restrictions properly in effect
- Evidence of the property's Worcester Rental Registry registration (rental projects only)
- Final 10% disbursed upon approval

#### **V. Long-Term Compliance (Minimum 30-Year Term)**

- Affordable units rented or sold to qualified tenants in accordance with Regulatory Agreement
- Rents compliant ( $\leq 30\%$  income OR Fair Market Rent, whichever lower)
- Annual tenant income verification (as required by Regulatory Agreement)
- Ongoing compliance with Regulatory Agreement
- Ongoing compliance with Worcester Rental Registry (rental projects only)
- Maintain minimum habitability standards (building, fire, sanitation) throughout compliance term
- No assignment or encumbrance without AHTF approval

## CERTIFICATE OF COMPLIANCE

**Instructions:**

This Certificate of Compliance must be filled out and signed by the general contractor and all subcontractors prior to commencement of their work on the Project. The general contractor is responsible for collecting and furnishing a Certificate of Compliance for itself and each subcontractor to the Project owner.

Name of Project: \_\_\_\_\_ (“Project”)

Address of Project: \_\_\_\_\_

Name of Business: \_\_\_\_\_ (“Contractor”)

Role in Project (Please select one):

General Contractor to \_\_\_\_\_

Contractor/Subcontractor to \_\_\_\_\_

The undersigned certifies under penalties of perjury as follows:

1. I am authorized to sign this Certificate of Compliance on behalf of the Contractor.
  
2. The Contractor will:
  - a. follow all applicable wage and hour laws (including G.L. c. 151, §1, G.L. c. 149, §148);
  - b. properly classify employees;
  - c. comply with all other applicable federal and state laws for the protection of workers, including without limitation, worker’s compensation, non-discrimination and equal opportunity protections, and requirements of the federal Occupational Safety and Health Administration and the Massachusetts Department of Labor Standards;
  - d. comply with the City of Worcester Wage Theft Prevention Ordinance (Ch. 2, §39A); and,
  - e. comply with the City of Worcester Minority and Women Business Enterprise (MWBE) Program.<sup>1</sup>

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<sup>1</sup> If the General Contractor is subcontracting any portion of the project, the General Contractor should demonstrate a good faith effort to seek and use ten percent (10%) minority and fifteen percent (15%) women-owned businesses. Best effort examples include reaching out to local subcontractors; signing up for local hiring events; contacting MassHire, Worcester Night Life, Worcester Technical High School, local community organizations, etc.; and documenting your efforts – save correspondence and make note of every outreach activity.

3. The Contractor and its subcontractors are not currently debarred by a federal or Massachusetts state agency or authority.
4. The Contractor has not been subject to a federal or Massachusetts state criminal or civil judgment, final administrative determination or debarment by the Massachusetts Attorney General's Office, Massachusetts Division of Capital Asset Management and Maintenance, Massachusetts Department of Labor, or the U.S. Department of Labor for violations of such laws within the past three (3) years that resulted in a judgment or a finding by such federal or Massachusetts state government agency or authority that such contractor or subcontractor engaged in one or more violations that:
  - a. Resulted in criminal penalties or debarment,
  - b. Were determined to be with specific intent resulting in civil penalties, including any total assessed fine issued in connection to the judgment or administrative finding as well as all damages, in excess of \$15,000, or
  - c. Were determined to be without specific intent resulting in civil penalties, including any total assessed fine issued in connection to the judgment or administrative finding as well as all damages, in a cumulative amount in excess of \$100,000.

If the Contractor has been in business for fewer than three (3) years, this certification covers the entire period for which the Contractor has been in existence.

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Date

Title: