

Worcester Affordable Housing Trust Fund Request for Proposal (RFP)

Affordable Housing Development – Community Preservation Act (CPA) Funding

Issue Date: April 3, 2026

Submission Deadline: May 7, 2026

Part One: Overview

I. Introduction

The Worcester Affordable Housing Trust Fund (AHTF) invites qualified housing developers to submit proposals for the development of new income-restricted affordable housing units in the city of Worcester. Funding will be made available through the Community Preservation Act (CPA) and is intended to support the creation of new homeownership and rental housing for households earning up to 80% of Area Median Income (AMI), with priority for deeper affordability (30% and 60% AMI).

II. Funding Overview

A total of approximately \$1,350,000 in CPA funds is available through this RFP. Funding awards may not exceed:

- \$150,000 per affordable unit, and
- 25% of total development cost

Projects that are shovel-ready, include deeper affordability, provide accessible housing above the minimum threshold requirement, and propose cost-effective leveraging of AHTF funds will be most competitive.

III. Eligible Applicants

Eligible applicants include community development corporations, non-profit and for-profit housing developers, and the Worcester Housing Authority.

IV. Project Eligibility

All projects must meet the following:

- i. Create new affordable housing units (homeownership or rental)
 - o An eligible project must be a property developed through either new construction or substantial rehabilitation for the purpose of creating new affordable rental or homeownership housing units. New affordable housing units include housing units constructed where none had existed previously; vacant, abandoned, or fire-damaged residential units to be returned to residential use; and non-residential property converted to residential use.
- ii. Serve households earning no more than 80% of Area Median Income (AMI)
- iii. Have a minimum term of affordability of thirty (30) years secured by an affordable housing restriction and mortgage
- iv. Provide a minimum of ten percent (10%) of project units (not less than one unit) and 100% of common areas that are fully wheelchair accessible as defined by the Uniform Federal Accessibility Standards

- v. Provide evidence of site control
 - o Land or buildings proposed as part of a project under this application must have site control at the time the application is submitted in the form of title, purchase and sale agreement, option, long-term lease for a minimum of 50 years, or other acceptable method.
- vi. Describe any required local land use approvals
 - o Local land use approval is not required prior to submitting the application. The applicant must submit an analysis of the project in relation to local land use regulations and site feasibility.
- vii. Demonstrate financial feasibility
 - o AHTF underwriting forms must be developed in accordance with the underwriting guidelines of the primary funding source, including adequate cash flow and debt coverage ratio. Affordable Housing Trust Funds must not account for more than 25% of the total development cost. Replacement reserve must be included in the Operating Budget.
- viii. Comply with all applicable fair housing, building code, and zoning requirements

V. Affordability Requirements

All projects must:

- i. Record a Regulatory Agreement or Affordable Housing Restriction acceptable to the AHTF and City Law Department and in compliance with the MA Executive Office of Housing and Livable Communities (EOHLC) guidelines
- ii. Ensure affordable housing units are eligible for inclusion on the Subsidized Housing Inventory (SHI), which includes implementing an Affirmative Fair Housing Marketing and Lottery Plan in accordance with state guidelines
- iii. Provide permanent housing for income-qualified tenants/buyers (this RFP excludes Single Room Occupancy ("SRO") and other supportive housing projects)

Rental projects must:

- Set maximum rents for affordable units that do not exceed an amount equal to thirty percent (30%) of the monthly adjusted income for the qualifying household, as defined by HUD, including the allowance for any utilities and services (excluding telephone) to be paid by the resident. The utility allowance is published annually. In addition, the maximum rent should not exceed the Fair Market Rent (FMR) published annually by HUD for the Worcester, MA HUD Metro FMR Area.

Homeownership projects must:

- Provide affordable units to buyers that:
 - o Meet HUD's definition of a first-time homebuyer. This definition includes an individual who has not had ownership in a principal residence during the three-year period ending on the date of purchase (closing date) of the property.

- Provide evidence of successfully passing a HUD-approved homeownership course no more than one (1) year prior to closing of the property.
 - Agree that the property will remain their (the purchaser's) primary residence for a period of no less than ten (10) years.
- Set initial maximum sale prices for an affordable homeownership unit such that it is affordable to a household whose income is between 70% to 80% of area median income.

VI. Developer Requirements

All applications must provide evidence of a development team with the capacity to successfully complete the project including:

1. Resumes or short narrative bios for key team members, such as:
 - a. Developer/Project Manager
 - b. Architect/Design Team
 - c. Construction Manager/General Contractor
 - d. Finance Lead
 - e. Compliance/Property Management (if relevant)
2. Relevant project experience (e.g., residential development portfolio)
3. Financial capacity and feasibility – please provide the following:
 - a. Audited financial statements, if available, for the last 2 years - include balance sheet, income statement, and cash flow statement
 - b. Development team's track record with public funding (list recent projects that involved LIHTC, HOME/CDBG, CPA, State bond funds, etc.)
 - c. Letters of interest or commitments from funders (banks, investors, and/or public funding agencies)
 - d. Developer fee deferral capacity or guarantees, if applicable (describe ability to defer fees and/or to access lines of credit or internal funds to cover predevelopment or cost overruns)

VII. Readiness to Proceed

Include any evidence of substantial progress in areas including but not limited to land use and zoning approvals, environmental and historic reviews, and ability to close on sources of financing. Funding sources should be documented by commitment letters outlining terms and conditions.

For properties located in historic districts or designated as buildings having historical significance, the developer/owner must include in a narrative the status of required historical approvals.

VIII. Environmental Review Requirements

Please note that if awarded funding, successful developers will be required to provide applicable environmental reports, including but not limited to lead, asbestos, and radon testing.

Environmental Site Assessment

All applicants must submit:

- Phase 1 Environmental Site Assessment with no recognized environmental conditions (RECs) or only historic RECs or business environmental concerns that require no further action OR
- A completed Phase 1 ESA that 1) identifies a REC or reportable concentration or 2) requires further investigation, and a narrative describing the plan, cost estimate, and timing to complete any required reporting, further assessment, and/or remediation. Any

recommendations for remediation must be included in the Project's scope of work and budget.

If a Phase 1 ESA cannot be completed by the application deadline, a Phase 1 ESA will be required to close.

Lead-Based Paint

All projects involving substantial rehabilitation on structures originally built before 1978 must receive Massachusetts Letters of Deleading Compliance at project completion.

Radon

The city of Worcester is in Zone 1 of the U.S. EPA map of Radon zones. All residential units developed utilizing Worcester Affordable Housing Trust Funding must contain at least a passive subsurface radon system and be tested prior to occupancy and have results showing less the U.S. EPA Action level of 4pCi/L.

IX. Funding Priorities

The AHTF Board adopted their FY2026-2030 Strategic Plan in June 2025, which identified five guiding principles. These guiding principles describe the core values and commitments that consistently inform the AHTF Board's decision-making. They are enduring beliefs that help ensure the Trust's work supports Worcester's broader housing vision and aligns with long-term City plans and community needs. The AHTF Board will prioritize funding for projects, including new construction as well as rehabilitation and conversions of existing buildings, that:

1. Reflect high standards of design, quality, and livability
2. Promote efficient and sustainable land use
3. Are located near jobs, services, transportation, and community amenities
4. Advance fair housing, equity, and long-term affordability
5. Align with the priorities and recommendations outlined in the Worcester Housing Production Plan (HPP) and the Worcester Now | Next Citywide Plan

The AHTF will therefore prioritize proposals that:

- Provide units at or below 60% AMI and 30% AMI
- Ensure affordability in perpetuity
- Incorporate universal design and exceed minimum accessibility requirement (10% of units and a minimum of 1 unit)
- Use infill development or adaptive reuse
- Are transit-accessible and located near jobs, schools, and services
- Demonstrate sustainability and resilience

X. Use of Funds

Eligible uses include:

- Property acquisition
- Site preparation and infrastructure
- New construction or substantial rehabilitation
- Predevelopment soft costs (e.g., architecture, environmental testing, legal)

All uses must comply with the Community Preservation Act (M.G.L. Chapter 44B). Funds may not be used for expenses incurred prior to the execution of a grant agreement or deferred loan agreement with the City and are not available at closing.

XI. Evaluation Scoring Criteria

	Evaluation Criteria	Maximum Points
A1	Depth of Affordability	15
A2	Duration of Affordability	10
B	Readiness to Proceed	15
C	Accessibility and Universal Design	20
D	Financial Feasibility	15
E	Development Team Capacity	15
F	Sustainability and Resilience Features	10
	<i>Total</i>	<i>100</i>

See Attachment B for Evaluation Scoring Criteria.

XII. Submission Requirements

Proposals must include:

1. Completed AHTF Application Form (Part Two)
2. Completed AHTF Underwriting Forms (see Attachment A – must be submitted **as both Excel and PDF documents**)
3. Evidence of site control
4. Developer capacity documentation (see *Section XI. Developer Requirements* above)
5. Financial capacity and feasibility documentation:
 - i. Audited financial statements, if available, for the last 2 years - include balance sheet, income statement, and cash flow statement
 - ii. Funding interest and/or commitment letters with terms and conditions for all sources of debt and non-debt financing
 - iii. If equity is committed by the developer or owner(s), evidence of available equity funds
6. Project readiness documentation
 - i. Any evidence of substantial progress in areas including but not limited to land use and zoning approvals, environmental and historic reviews
7. Preliminary design/site plans
8. If the applicant is a partnership or limited liability corporation, a copy of the partnership agreement or operating agreement, which will indicate the cash contributions by the partner(s) or member(s)

Submit completed proposals via the following online form:

<https://forms.worcesterma.gov/ng/fa/AHTFRFP>

A maximum of ten (10) PDF files and one (1) Excel document may be uploaded, and each file has a size limit of 10MB.

Please use the Project Name as part of the file name for each file submitted (for example, "ProjectNameAppForm" and "ProjectNameUnderwritingForms").

XIII. Evaluation and Selection Process and Timeframe

Applications will be initially reviewed by an evaluation team that will include City of Worcester staff. The following process will be used:

- A. All applications will be reviewed for completeness. Only complete applications will be reviewed under the scoring factors in order to recommend the most qualified applications based on the information submitted. The application review team may confer with the applicants and/or third parties to clarify or verify information and request additional information.
- B. The evaluation and review process should be substantially complete within 60 days of receipt of complete application. Applicants will be notified of their application status as soon as possible.
- C. Applicants may be asked to present their proposals to the Affordable Housing Trust Fund Board of Trustees for funding consideration. For the Spring 2026 funding round, applicant presentations are anticipated to occur during the week of May 20, 2026. The date(s) are subject to change.
- D. Based on AHTF approval, successful applicants will receive a letter of conditional commitment for funding.

Applicants whose proposals are deemed strong and aligned with the AHTF's goals but not funded due to limited availability of funds will be invited to reapply in a future round within the same fiscal year, if additional funding becomes available. However, applications that are denied due to low or non-competitive scores will be subject to a one-year cooling-off period before they may reapply.

XIV. Questions and Technical Assistance

Questions must be submitted via email at least three (3) business days before the application submission date to Jeanette Kazmi, Affordable Housing Trust Fund Manager, at KazmiJ@worcesterma.gov.

Virtual technical assistance workshops will be held on the following dates:

- Tuesday, April 14, 2026 | 12:00pm – 1:00pm | [Teams Meeting Link](#)
- Wednesday, April 29, 2026 | 12:00pm – 1:00pm | [Teams Meeting Link](#)

XV. Reservation of Rights

The City of Worcester, through the AHTF, reserves the right, at its sole discretion, to award all, a portion, or none of the available funding from this application, as well as reject any and all applications for City funding, based on the quality and merits of the applications received, or when it is determined to be in the public interest to do so. Furthermore, the City of Worcester may extend deadlines and timeframes, waive informalities or technical defects, and request additional information as needed within programmatic limits.

The City of Worcester reserves the right to substantiate any proposers' qualifications, capability to perform, availability, past performance records and to verify that the applicant is current in its financial obligations to the City of Worcester.

The successful applicant shall agree to defend, indemnify and save the City of Worcester harmless from all losses, costs or damages caused by its acts or those of its agents, and, before signing the contract, will produce evidence satisfactory to the City of Worcester's Legal Counsel.

Pursuant to City of Worcester procurement policy and ordinance, the City of Worcester is unable to contract with businesses or individuals who are delinquent in their financial obligations to the City of Worcester. These obligations may include but are not limited to real estate and personal property taxes and sewer user fees. Applicants who are delinquent in their financial obligations to the City of Worcester must do one of the following: bring the obligation current, negotiate a payment plan with the City of Worcester's Treasury office, or agree to an offset which shall be established by the contract which shall be issued to the successful applicant.