



June 28, 2023

Request for Qualifications Subrecipient Agencies for the Administration of ARPA Downpayment Assistance

The City of Worcester received approximately \$146 million from the federal government, through the U.S Treasury, as a result of the American Rescue Plan Act (ARPA). This direct allocation is part of the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. The goal of the SLFRF program is to ensure that state, local and tribal governments have the resources needed to fight the pandemic, strengthen, and sustain economic recovery, maintain vital public services, and make investments that support long-term growth, opportunity, and equity. The funding is intended to address local needs within the following eligible categories: replacing lost public sector revenue, addressing public health and economic impacts, providing premium pay to essential workers, and improving water sewer and broadband infrastructure.

In an effort to address the public health and economic impacts of the COVID-19 pandemic on the area of housing, the City has set aside \$1 million in funds to launch an ARPA Downpayment Assistance Program. The city is aware that many residents and families in Worcester have struggled to purchase their first home and obtain the stability and independence of homeownership. The ARPA Downpayment Assistance Program will assist residents in purchasing their first home through 1st time homeownership downpayment assistance program.

In order to identify and properly qualify 1st time homebuyers purchase of a home in the city, the City of Worcester's Housing Development Division requests the assistance of a qualified local Community Development Financial Institution to administer the aforementioned downpayment assistance program by qualifying, approving and disbursing funding to eligible 1st time homebuyers purchasing a home in the city. The goal is to assist up to 36 total residents.

Overview of City of Worcester ARPA Downpayment Assistance Program

- Funding is available through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) made available through the U.S Treasury, as a result of the American Rescue Plan Act (ARPA)

- Qualified local Community Development Financial Institution will be contracted as subrecipients to help administer the program by qualifying, approving and disbursing funding to eligible 1st time homebuyers. In addition, the agency will be responsible for ensuring an owner-occupied Affordable Housing Restriction is placed on the property for five years.
- Up to \$25,000 per eligible homebuyer to cover up to 3.5% down payment and eligible closing costs.
- Applicant must qualify based on one of four qualifying categories outlined in the Department of Treasury's Final Rule:
 1. Qualified Census Tract (QCT) as defined as any census tract in which at least 50 percent of households have an income less than 60 percent of the Area Median Income (AMI), or which has a poverty rate of at least 25 percent.
 2. Disproportionately impacted households which include the following populations; *Hispanic/Latino, Black/African-American and American Indian/Alaska Native*.
 3. Recipients of federally funded income restricted programs and services.
 4. Low income as defined by the U.S. Treasury as; income at or below 185 percent of the Federal Poverty Guidelines for the size of its household based on the most recently published poverty guidelines; or income at or below 40 percent of area median income for its county and size of household based on the most recently published data.
- At least one of the applicants must be a current Worcester resident.
- Agency payments are to be made directly closing agents/attorneys as part of closing
- In addition to the ARPA qualifying information, the agency will be required to obtain purchase information including:

Collect applicant information for all programs including:

- City of Worcester Application
- Home Buyer Training Certificate (FTHB)
- One year of signed federal tax returns
- Notice to Seller (FTHB)
- Home Inspection Report (FTHB)
- Purchase & Sale Agreement (FTHB)
- Massachusetts Required Lead Property Transfer Notification
- Homeownership Affordable Housing Restriction (including \$105 registry fee from proceeds)
- Mortgage Application (FTHB)
- Loan Estimate (FTHB)
- Closing Attorney contact information (FTHB)

The qualifying income limits, consistent with ARPA guidelines, are as follows:

ARPA 2023 INCOME LIMITS								
2023 Income Limit Category	Persons In Household							
	1	2	3	4	5	6	7	8
Annual Income - Moderate	\$53,235	\$60,840	\$74,580	\$90,000	\$105,420	\$120,840	\$136,260	\$151,680

Qualified Subrecipient Agency

A qualified subrecipient agency must have the following qualifications:

1. Previous experience qualifying homeowners for federal and state income-based housing assistance.
2. *Show staff capacity to accommodate qualification process for the projected number of clients to be served in a one- year period. Show financial capacity to administer the program on a reimbursement basis.*
3. Ability to adhere to privacy regulations regarding confidentiality of information.

Upon successful completion and payment of each homeowner’s application package and payment to closing attorney, an agency delivery fee of 10% of the downpayment assistance payment will be paid to the qualified agency. The selected agency will receive a one-year performance-based contract which will be solely based upon successfully completed 1st time homeownership downpayment assistance payments. No additional administrative or overhead costs are provided outside of the above-mentioned agency delivery fee.

Request for Qualifications Submittal

The City of Worcester’s Executive Office of Economic Development’s Housing Development Division is requesting interested organizations submit their qualifications to each question on organizational letterhead in the following areas:

1. The ability to communicate in multiple languages.
2. Capacity to produce and distribute various outreach materials and application packages to diverse populations throughout the city.
3. Previous experience with purchaser, Realtor and closing attorney coordination and communication.

4. Describe the agency's previous experience adhering to federal and state fair housing regulations.
5. Ability to engage with diverse populations throughout the city to communicate the availability of downpayment assistance.
6. The total number of projected homeowners over a one-year period the organization could provide downpayment assistance with their current capacity.
7. Demonstrate the financial capacity to provide clients with immediate eligible payments at transaction closing while awaiting reimbursement from this contract.
8. Ability to adhere to privacy regulations regarding confidentiality of information.
9. Ability to begin this contract on or before August 1, 2023.
10. Ability to have a representative attend monthly coordination meetings.
11. In addition to the above, the organization must submit insurance with a minimum liability policy of \$1,000,000 and worker's compensation insurance if applicable. In addition, the organization must be listed on SAM.gov and not flagged for exclusion from federal contracts.

All submittals must be received prior to July 14, 2023 by 4PM either by mail or email with return receipt

Mailed Submissions-

**City of Worcester Executive Office of Economic Development,
Neighborhood and Housing Development Division, Customer Service Desk,
City Hall, 4th Floor
455 Main Street
Worcester, Massachusetts, 01608**

Email Submissions-

brooks@worcesterma.gov A confirmation email will be sent upon receipt.

Any questions prior to July 14, 2023 should be in writing to James Brooks, Director of Housing Development at brooks@worcesterma.gov.