

Ware PARP – Funding Sources for Housing Investors

Town of Ware Planning and Community Development (PCD)	<p>The Town of Ware provides numerous resources for both owner-occupants and investor-owners in need of housing-related assistance. The Office of Planning and Community Development (PCD) should be a homeowner’s first contact. PCD can provide assistance to eligible homeowners through numerous programs and direct them to additional local, state, and federal agencies for assistance, as well as help navigate the funding sources listed on this form. PCD can help or refer owner to:</p> <ul style="list-style-type: none"> - Community Development Block Grant Program (CDBG) for housing rehabilitation assistance - Fuel Assistance/Community Action - Help Paying Bills & Rent/Salvation Army - New Windows/Community Action - Low Income Housing/Ware Housing Authority - Non-CDBG Housing Grants/USDA Rural Development - Home buyer and Homeownership programs/HAP, Inc. - Foreclosure Prevention & Financial Literacy/Valley CDC
---	--

**SFOO (Single-family, owner-occupied); SFIO (Single-family, investor-owned); MFOO (Multi-family, owner-occupied); MFIO (Multi-family, investor-owned)*

Funding Source/Program	*Applicable Property Type	Eligible Applicants	Type and Use of Funding	Max Amount	Requirements	Comments
Mass Development: Pre-development Loans	MFOO, MFIO	For-Profit and Not-For-Profit Applicants	Loans for pre-development costs. (Architect, Engineering, Traffic, Feasibility)	\$100,000	Requires 50% match of MassDevelopment funds	
Mass Development: Real Estate Loans	SFOO, SFIO, MFOO, MFIO	NFP & For-profits	Acquisition, renovation, construction, and permanent financing	\$5,000,000 (For owner-occupied properties up to 90% Loan To Value)	Permanent financing available for multi-tenant, mixed use, commercial, multi-unit rental apartment buildings	Note: Construction loans usually made in conjunction w/another lender
Mass Development MHIC: Tax Exempt Bonds	MFIO	NFP & For-profits	Acquisition, renovation construction of rental housing developments if a portion are affordable (other uses as well).	Varies based on availability and Project		If 50% of Total development cost is financed through tax exempt bonds, project may be eligible for a tax credit allocation

Ware PARP – Funding Sources for Housing Investors

Funding Source/Program	Applicable Property Type	Eligible Applicants	Type and Use of Funding	Max Amount	Requirements	Comments
Mass Development & MHIC: State Bond Tax Credit Financing	MFIO	NFP & For-profits	4% tax credits (equity financing)	Varies w/market conditions and type of project	50% of TDC of an eligible multi-family rental project must be financed with MassDevelopment tax exempt bonds	
Mass Development, MHIC, DHCD: LIHTC (Federal Tax Credit Program)	MFIO	NFP & For-profit developers of affordable housing	9% and 4% Tax Credits. Equity Investment	9% of basis for 10 years	Complex regulations.	Normally combined w/other funding. Strong competition for 4% credits.
Mass Housing Partnership: Rental Housing Financing	MFIO	NFP and For-Profit Developers	Acquisition, Rehab, Acquisition and Rehab or Permanent Financing takeout of construction loans.	Minimum of \$250,000. Projects over \$15 M. w/participating lenders. Max 85% LTV. Max Term 20 years amortized at 30 years. Min. 5 unit project	20% units affordable at 50% AMI OR 40% of units affordable to 60% AMI or 50% of units affordable to 80% AMI. Term of affordability same as loan term even loan is paid in full early.	See Term Sheets
Mass Housing Partnership: MATCH Tax Exempt Financing	MFIO	NFPs and For-Profit Developers	Affordable Rental Housing. Program provides AAA credit enhancement to bonds and can place the bonds through their lenders – avoiding cost of bond issue to developer		See term sheet	May qualify development for tax credits
Mass Housing Partnership: Energy Performance Improvement Program	MFOO, MFIO	NFPs and For-Profits with developments that have MHP funded mortgages	Loans to enhance energy efficiency of affordable multi-unit developments	\$15,000 per unit	See Term Sheet and Guidelines	

Ware PARP – Funding Sources for Housing Investors

Funding Source/Program	Applicable Property Type	Eligible Applicants	Type and Use of Funding	Max Amount	Requirements	Comments
Mass Housing Partnership: Home Funders Program	MFIO	NFPs and For-Profit Developers	Provides additional discounted financing for developments with 10 or more new affordable family-size units (2 BR or larger) that provide affordable units to extremely low income households (<30%AMI)	\$750,000 per project at \$50,000 per eligible unit	Must have MHP permanent first mtg. HomeFunders 2 nd mortgage provided at interest rate of 2% with interest only payments during term of loan (20 years) with principal due at end of term	See term sheet
Mass Housing Partnership and MHIC: One Source	MFIO	NFPs and For-Profit Developers	Simplified lending covers both construction and permanent financing with one coordinated process.	Not stated	At the end of the construction phase a “mini-closing” is held at which MHP takes over the lending role from MHIC or other construction lender	
MassHousing: Mixed Income Rental Housing	MFIO	NFPs and Sole Purpose LLCs	Tax-exempt and taxable financing for mixed income rental housing developments. Amortization up to 40 yrs	Varies by Project	Prevailing Wage for tax exempt either 20% affordable to 50% AMI or 40% affordable to 60% AMI. Taxable requires 20% affordable to 80%	See Underwriting Term Sheet
MassHousing: Elder Mixed Income	MFIO	NFPs or For-profits	Rental Housing for Elders who want to live in independent rental units with access to on-site supportive services	Varies by Project	20% of units must be affordable to elders at or below 50% AMI remainder of units can be market rate	See Underwriting Term Sheet
MassHousing: ElderCHOICE	MFIO	NFPs and For-Profits	Assisted Living Units for frail elders with onsite services.	Varies by Project	20% affordable to 50% AMI or 40% affordable to 60% AMI. Rents must not exceed 30% of target income group. Very specific service requirements	See Underwriting Term Sheet. Program Guide available at MassHousing website

Ware PARP – Funding Sources for Housing Investors

Funding Source/Program	Applicable Property Type	Eligible Applicants	Type and Use of Funding	Max Amount	Requirements	Comments
MassHousing and DHCD: Affordable Housing Trust Fund	SFIO, MFOO, MFIO	Gov't, Housing Authority's, NFPs, For-profit developers	Funding to create new affordable units (through construction or rehab). Loans can be DPLs, Low or no-interest amortizing loans, matching funds for municipalities that sponsor affordable housing projects;	Based on available funding – largely uses bond funds	Although technically available to for profit developers this program is highly weighted for NFPs	Preference for projects for households at or below 80% Area Median Income, that serve families, the disabled and homeless, have the longest affordability period (30 yr minimum) or are sponsored by NFPs.
DHCD: CATNHP (Commercial Area Transit Node Housing Program)	MFOO, MFIO	Municipalities, NFPs, and For-Profit Developers	Funding for Housing Projects of 25 units or fewer in Commercial Areas within ¼ mile of a public transit node as defined by TOD regulations.	\$50,000 per unit not to exceed \$1M per project. Funding provided at 0%-2% generally a 30 yr DPL	At least 51% of units must be affordable to households at or below 80% of AMI. Not more than 25 units per project.	Funding limited - only one project per commercial area will be accepted by funding round. Process begins with DHCD sponsor meeting. Can be combined w/other DHCD programs.
DHCD: Community Based Housing	MFIO	NFPs, Single purpose corp. controlled by a non-profit.	Permanent DPLs for 30 years with extensions available for an unlimited number of times if units remain affordable.	Up to 50% of TDC of CBH units or project maximum of \$750K.	Maximize tenant empowerment and integration/community. Priority to projects that have 15% or less CBH units.	A for-profit developer can partner with a NFP but NFP must own 51% (controlling interest). See CBH FAQs
DHCD: Housing Innovations Fund	MFIO	NFPs only	30 year renewable DPLs to be used to create alternative forms of housing such as SROs, limited equity cooperatives, transitional housing, etc.	50% of TDC up to a project maximum of \$500,000	Long term use restrictions, right of first refusal to DHCD upon sale,	Not a suitable model for a for-profit developer. Formula requires a break even only income stream.

Ware PARP – Funding Sources for Housing Investors

Funding Source/Program	Applicable Property Type	Eligible Applicants	Type and Use of Funding	Max Amount	Requirements	Comments
DHCD: MA HOME Program	SFIO, MFOO, MFIO	For-profit and NFP developers and CHDOs as well as municipalities in conjunction with any of the above	Acquisition and rehabilitation of rental housing units including distressed properties. 30 year 0% DPLs (DHCD reserves the right to increase interest rate for a given project).	Lesser of project maximum of \$750,000 per project or (In entitlement or HOME consortium communities max of \$50,000 per HOME-assisted unit) or (in non-entitlement communities \$65,000 per HOME assisted unit.	Projects located in entitlement or HOME consortium communities will be required to provide a local match for DHCD HOME funds.	See Program Guidelines
DHCD: Economic Development Fund (EDF) (from CDBG funds)	MFOO, MFIO	For-Profit and NFP developers	Acquisition and Development costs for mixed use properties in commercial areas to develop workforce housing	\$100,000 to \$750,000 per project plus admin costs.	Submission of AIF and meeting with DHCD then submission of One-Stop application.	Rolling applications accepted.
DHCD: Housing Stabilization Fund (HSF)	MFIO	NFP, For-profit, municipalities and housing authorities	50 year 0% DPLs for acquisition and rehab of rental housing	\$1M max per project \$50K per HSF eligible unit	For first 40 years must be occupied by HH <= 80%. Years 41-50 by HH up to 100% AMI, High HOME rents apply.	See Program Description