



COMMONWEALTH BUILDER PROGRAM
A MassHousing Initiative

Financing the production of new homes and condominiums for middle-income homebuyers





COMMONWEALTH BUILDER PROGRAM

A MassHousing Initiative

The Commonwealth of Massachusetts needs more homes and condominiums for middle-income buyers. To help get those homes built, the Commonwealth of Massachusetts and MassHousing have launched a \$60 million fund that will provide subsidy to developers of up to \$150,000 per unit, up to a maximum of \$5 million per development.

If you are a qualified developer, you'll benefit from a unique financing program that is designed to get new homes built quickly to meet the troubling lack of supply in key Massachusetts areas.

Build in key communities

If you want to build in Boston, a Gateway City or a Qualified Census Tract, this program is for you.

Help build much-needed supply

Our rapid economic growth and rising population have outpaced the housing supply. You can be a part of the solution.

Help more people of color buy a home

In Massachusetts the homeownership rate for people of color is half of what it is for white residents, a disparity that is the sixth worst in the nation. We can do better. One of the program's goals is to help close the gap.

Work with the best affordable housing experts and advocates in the Commonwealth

MassHousing's Business Development team are experts in affordable housing programs and in getting challenging deals to the closing table. Our mission is affordable housing. We're ready to work with you.



What is considered middle income?

Incomes between 70% and 120% of area median income.

Where can I build?

This subsidy program can be used to build housing in:

- The City of Boston
- Gateway Cities*
- Qualified Census Tracts (QCTs). Find MA QCTs <http://www.masshousing.com/qct>.

**The 26 Gateway Cities are Attleboro, Barnstable, Brockton, Chelsea, Chicopee, Everett, Fall River, Fitchburg, Haverhill, Holyoke, Lawrence, Leominster, Lowell, Lynn, Malden, Methuen, New Bedford, Peabody, Pittsfield, Quincy, Revere, Salem, Springfield, Taunton, Westfield, and Worcester.*

What kind of homes can I build?

Housing must be new construction or adaptive reuse and can be single-family homes or professionally managed condominiums. Units must be built on a single site. There must be a minimum of 20 units and a minimum of 10 subsidized units per project. Homes cannot be age restricted.

Are there preferences for any particular types of housing?

There are preferences for:

- Mixed-income developments
- Projects with units restricted to residents with incomes at 70% of AMI
- Developers requesting less than \$150,000 per unit

What are the profit limitations and maximum developer overhead?

For the City of Boston, the maximum developer overhead is 5% and maximum profit per project is 5%. For the balance of state, maximum overhead is 10% and maximum profit is 10%, unless local requirements require different terms.

What are the homebuyer requirements and limitations?

Boston's Department of Neighborhood Development's (DND) requirements will apply in Boston. In the remainder of the state, buyers may not have owned a home in the past three years. Buyers must be eligible for conforming loans at standard industry rates, provide a downpayment of at least 3% or qualify for an eligible downpayment program, pay closing costs, complete home buyer education and have other assets of less than \$100,000.

Are the affordable units deed-restricted?

Yes. In the City of Boston, the DND's affordable housing covenant will be in effect. In the rest of the state, a Fannie Mae deed rider is required.

For other restrictions and information, see the Program Guidelines at www.masshousing.com/workforce.



www.masshousing.com/workforce

