

2026 CPA Application

City of Springfield

Neighborhood

Citywide

Project/Program Title:

Down Payment Assistance Program

Location of proposed project

Citywide

CPA program area— check all that apply. Once you make a selection, only the questions relating to that selection(s) will appear.

Community Housing

Anticipated Start Date of Construction

10/15/2026

Anticipated completion date of project

10/14/2027

Name of Organization or Individual

City of Springfield Office of Housing

Applicant Contact Name and Title

Robert P. DeMuisis, Jr. - Deputy Director Office of Housing

Applicant Contact Phone

Number
(413) 886-5052

Applicant Contact Email

rdemuisis@springfieldcityhall.com

Website

<https://www.springfield-ma.gov/housing/>

Applicant Contact Address

Office of Housing, 1600 East Columbus Avenue, Springfield, Massachusetts 01103

Grant Request

Grant Request Amount

\$300,000.00

Will you be seeking multi-year funding?

No

Total Project Budget

\$300,000.00

Total Sources of Committed Funding. If none write \$0.00

\$0.00

CPA request as % of project

100

List committed funds from all sources and agencies or write none.

None

Budget

CPA DPA - budget 2026-2027.pdf

Sustainability

The Program would ensure owner-occupancy for a minimum of 10 years. \$10,000 in DPA/closing cost assistance would be provided to each income-eligible household as a forgivable loan. The loans would be secured by a "soft-second", or subordinate, mortgage (no interest, no payments). There would be no forgiveness over the first 5 years of owner-occupancy. Beginning with the completion of the 6th full year, and continuing annually through year 10, 20% (or \$2,000) of the loan would be forgiven. For example: if an owner sold (or failed to occupy) after 8.5 years, they would repay \$4,000 out of the sales proceeds. Such repaid funds would be recycled into the CPA DPA program (or returned to the CPC if the CPA DPA

program no longer exists). No repayment required after 10 full years of owner-occupancy.

Community Housing Questions

Community housing funds, including a single-family home development, require affordability restrictions for a substantial duration.

CPA funds cannot be used to build a private, unrestricted single-family home. The home must meet the affordable community housing requirements.

ADU. Accessory Dwelling Units. A new structure created with CPC funds where a separate household could occupy the unit. The unit would need an affordability restriction.

- **Income Limits:** The occupants must be persons or families whose annual income is less than 100% of the area-wide median income (AMI), as determined annually by the U.S. Department of Housing and Urban Development (HUD).
- **Counting for State Inventory:** For the unit to count toward the municipality's state-mandated affordable housing inventory (Chapter 40B), the income limit is stricter, typically requiring residents to earn less than 80% of the AMI.

If units are to be added to Springfield's subsidized housing inventory (SHI), then the developer will need to be in touch with the state to make sure they are following appropriate steps for counting on the inventory. However, even if they will not be added to the SHI, fair housing laws require openness in how housing is marketed with public funds, and that means a lottery for all the affordable units for *initial* lease up. Then the incomes of renters should be monitored annually, and a process in place to fill units at the time of turnover, typically by maintaining a wait list.

- **Restriction Period:** While the exact duration might be determined by project agreements, housing projects will have to provide an affordability restriction for at least a percentage of the project unit/ based on the percentage of CPA assistance in the overall budget. The restriction is a permanent or long-term requirement that transfers to future owners to protect the public investment. A 30-year restriction is a common duration for such agreements, ensuring long-term affordability and public benefit. The specific terms are established in a grant agreement between the Community Preservation Committee (CPC) and the entity developing the housing. The deed restriction is filed with the Registry of Deeds.

If CPA funds are used and you are the seller of the home: the purchase and sales agreement must include an affordability restriction on the deed and buyer's acknowledgment that the home may only be re-sold in the future to another income-qualified buyer during the term designated in the restriction. If CPA funds are used for rental units, an affordability restriction is required on the units.

Deed Restriction: New housing created with CPA funds for homeownership requires 1) deed restriction filed with the registry 2) a qualified entity to administer the lottery or a "lottery agent" and 3) a future monitoring plan that ensures the restriction is enforced. A future owner would be bound by the same restrictions.

Affordability Restriction: Housing created for tenants requires an affordability restriction filed at the registry. In general the CPC is looking for a 30-year affordability restriction on housing. Grantees may lease to a tenant who is qualified up to 100% Area Median Income (AMI). The initial lease-up of the incomes of renters is done by a qualified lottery entity.

Smaller scale developers hire a qualified entity to manage the lottery for initial lease-up and future monitoring. The CPA allocation to the development could help cover that cost.

Annual reporting to the CPC is required. Included in the grant agreement are expected terms of reporting:

- Annual report
- Are all the units filled according to the expected affordability guidelines?
- Update/changes to the monitoring process
- Are there vacancies that require an explanation?

Please outline the model or marketing plan and include the monitoring and management of the home or units that will ensure the unit is affordable to the initial buyer/renter and future buyers/renters. Include other financial resources that will gap fund the project.

What income levels will be the primary target of the project?

First-time homebuyers (as defined by HUD) earning up to 100% Area Median Area Income.

How will a determination of income-eligibility be made? If a lottery is held and you are not an agency, how will you qualify candidates? Are you a certified lottery agent?

The Office of Housing will collect source documentation from applicants and make a formal income determination. Our Office has extensive experience performing income determinations, using HUD guidelines, for its' various programs.

What marketing will be done to make this program known to the public?

The Office of Housing will post the Program, along with an application and income limits, on the official City website. Our existing, long-running program is well known throughout the Greater Springfield realtor, housing counseling, and lending communities. If awarded, the Office of Housing will provide direct outreach to our numerous partner organizations, including all neighborhood councils, City Council, Way Finders, Springfield Partners for Community Action, Realtor Association of Pioneer Valley, Valley Opportunity Council, MassHousing, among others. Our Office also typically participates in several homebuyer fair/info session events each year.

Does the project involve a current building? If yes, what is it currently being used for? Include the age/history of property.

N/A

Has the appropriate city agency been contacted?

Yes

Has the appropriate Neighborhood Civic Association been contacted?

N/A

Project Details

PLEASE NOTE: You have the option of typing in a response or attaching a file. If your responses are lengthy, please upload a document. Be sure to label each document with a title.

If selected for a grant, the Grantee shall submit semi-annual progress reports. The Final report will include before/after photos and a summary of the CPA work completed. I

Disbursement of Funds.

For non-city grants. Reimbursement is made to the grantee once an invoice is submitted with proof of payment. An inspection is required before releasing funds. The CPC does not pay vendors. Reimbursement for work is paid to the grantee.

Or type Narrative (200 words or less)

The City of Springfield has seen home prices and mortgage rates increase dramatically over the past several years. The drastic increases have made the "American Dream" of homeownership more and more difficult for households at, or below, the area median income. A CPA down payment assistance program can be a crucial tool for many of these families, getting them over the finish line to begin generational wealth building and supporting the City's neighborhoods by increasing, and sustaining, owner-occupancy. The Program would ensure owner-occupancy for a minimum of 10 years.

Or type Project Description

\$10,000 in DPA/closing cost assistance would be provided to each income-eligible household as a forgivable loan. The loans would be secured by a "soft-second", or subordinate mortgage (no interest, no payments). There would be no forgiveness over the first 5 years of owner-occupancy. Beginning with the completion of the 6th full year, and continuing annually through year 10, 20% (or \$2,000) of the loan would be forgiven. For example: if an owner sold (or failed to occupy) after 8.5 years, they would repay \$4,000 out of the sales proceeds. Such repaid funds would be recycled into the CPA DPA program (or returned to the CPC if the DPA program no longer exists). No repayment required after 10 full years of owner-occupancy.

Or type Applicant Experience

The City's Office of Housing has run a similar HUD-funded DPA Program (households at 80% AMI, or less) for over 25 years. We have also been fortunate to have been awarded Community preservation Act funding in recent years, allowing us to expand the pool of homeownership candidates to those who might earn more than 80% AMI, but still at or below 100% AMI.

Signature to Submit Application

The applicant certifies that all information in this application and all information furnished in support of this application is given for the purpose of obtaining a Community Preservation Act grant and is a true copy and is complete to the best of the applicant's knowledge and belief.

Robert P. DeMuisis, Jr.