

Information and Application for Two Affordable Homeownership Opportunities

11 Wedgewood Drive and Holliston Buy-Down Program

This packet contains specific information for the lottery for the affordable unit at **11 Wedgewood Drive** in Holliston MA offered by the Holliston Municipal Housing Trust, and home offered through the **Holliston Buy-Down Program**, including eligibility requirements, the selection process, and a lottery application including eligibility requirements, the selection and purchase process, and a lottery application.

This single application and lottery will be used for these two opportunities:

1. 11 Wedgewood Drive: One 3BR unit offered for **\$213,000**.
2. Holliston Buy-Down Program – At least one home, either detached single family or condominium. This home might be a 2 or 3 bedroom home. The maximum sales price that the Buy-Down unit will be offered at is **\$192,000** for a two-bedroom home and **\$213,000** for a three-bedroom home.

The key milestones for this housing opportunity:

- Application Period opens September 13, 2016
- Open House Directly before Info Session
- Information Session October 6, 2016, 7:30PM ,Holliston Town Hall, Room 105, 703 Washington St, Holliston
- Application Deadline November 14, 1pm
- Lottery November 30, 7PM p.m. Holliston Town Hall, Room 014, 703 Washington St, in Holliston MA.

This application is a first step in the lottery process and does not assure you a home. Applicants must secure approval for a mortgage loan and submit a mortgage pre-approval letter with the application.

Only one application per household will be accepted, there is no need to submit multiple applications.

Please return the application and contact the Lottery Agent below for any questions.

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Project description

The home at **11 Wedgewood Drive** is a 1,226 square foot detached single 3 bedroom ranch sitting on a large, sunny, corner lot in a quiet neighborhood on 0.43 acres of land. A fire-placed living room has been added with access to a 3 season porch, and a great sized dining room. There is gas appliances and heat. There is a finished basement offering extra living space. Freshly painted exterior and detached 1 car garage plus car port.

The **Holliston Buy-Down Program** is a new program offered by Holliston Municipal Affordable Housing Trust to preserve current housing stock while creating affordable Local Action units. This program offers condominiums or single-family detached homes with their own yard at affordable prices, preserving them for first time homebuyers.

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The houses are subject to a Local Initiative Program affordable housing restriction, and the Trust subsidizes the difference between the market price and the affordable price.

Once the ranked buyer list is established through the lottery, the home will be selected for purchase, and submitted to DHCD for approval. Buyers will be offered the home in ranked order and the Trust will work closely with the buyer through the sale process.

The Holliston Municipal Affordable Housing Trust, continually searches for appropriate homes for its programs. These are well-maintained homes being sold on the open market or offered to the Trust. When a suitable property is found, The Trust negotiates a [market] purchase price, and takes the lead on bringing the parties together from the offer through to the closing. The Town also recognizes that initial repairs on the homes may be needed prior to closing. The Trust will complete required critical home repairs as reasonably approved by the Trust based on inspection results from licensed local home inspectors at no cost to the buyer. The inspection results and the home repair plan are available for the potential purchaser to review.

Lottery description:

1. The applications for these housing opportunities will be generally available, including on-line, in hardcopy at Holliston Town Clerk's Office and Library, sent to anyone interested in the lottery. Notice of the lottery will be advertised, and communicated widely through local, regional and state channels.
2. Applications must be received in hardcopy and will be checked for completion of all required components. An application will be considered complete when all required items on the checklist have been provided. Applicants are encouraged to complete the checklist as an aide to the process. Applications must be submitted in hard copy – no faxed or emailed applications will be accepted
3. For all units, the applicant's household size will be determined from the application, and required number of bedrooms as indicated on the application. Within each lottery pool, priority shall be given to households requiring at least the number of bedrooms for that unit. Smaller households are encouraged to apply.
 - There is at least one occupant and no more than two occupants per bedroom.
 - A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom.
 - School-aged children of the opposite sex are not expected to share a bedroom.
 - Other household members may share but shall not be required to share a bedroom.
4. The applicant's income will be verified and compared to the income limits published by HUD for the Boston Metropolitan Statistical Area. Income includes all income prior to any deductions from all adult household members, and are determined using the method as in the HUD Section 8 program defined at 24 CFR 5.609. An imputed income amount of 0.06% of assets will be added to income for assets over \$5,000. The current income limits will be used, currently the 2016 limits:
 - 1 person household - \$51,150, 2 person household- \$58,450, 3 person household - \$65,750
 - 4 person household - \$73,050, 5 person household - \$78,900, 6 person household \$84,750
5. Household assets shall not exceed \$75,000 in net cash value. Assets include but are not limited to all cash, cash in savings accounts, checking accounts, certificates of deposit, bonds, stocks, retirement accounts, value of real estate holdings and other capital investments. Include the value of the asset, with a deduction for the reasonable cost of selling the asset. The value of necessary personal property (furniture, vehicles) is excluded from asset values.

If a potential purchaser divests himself or herself of an asset for less than full and fair present cash value of the asset within one year prior to application, the full and fair cash value of the asset at the time of its disposition must be declared and shall be included for purposes of calculating eligibility.

Assets that are included conform to the guidance from DHCD, and include retirement and pension funds amounts that can be withdrawn less penalties or transaction costs.

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6. Eligible applicants must be First Time Homebuyers, defined as one who has not have owned a home within three years preceding the application, with the exception of displaced homemaker, single parents and senior households (where at least one household member is 55 or over). Any property must be sold prior to purchase of an affordable home, and any equity is added to the household asset limit of \$75,000.

A displaced homemaker is an individual who is an adult, who has owned a home only with a spouse, who is legally separated from a spouse, and who does not currently own the home previously owned with a spouse.

Single parents, are individuals who owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of whom the individual has custody or joint custody, or is pregnant);

Additional exceptions are made for households that owned a principal residence not permanently affixed to a permanent foundation, and households that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

7. Persons who have not submitted all the necessary information by the deadline will waive their rights to proceed. No faxed or emailed applications will be accepted. Late applications or documents (mailed and/or received after the deadline) and applications that are incomplete will not be accepted. All applicants will be screened for eligibility. Applicants who have been deemed ineligible will be notified in writing of the decision.
8. Once the Lottery Agent has verified the information contained in the application and confirmed eligibility, a lottery number or numbers and lottery form will be issued, and the applicant will move forward to the lottery.
9. Applicants that qualify for a local preference will be placed in the local pools. One of the units is available for local residents. Applicants will be entered into all the pools for which they qualify; so a local resident will be included in both general and local pools. Local resident includes:
- Current Holliston residents
 - Families with children enrolled in the Town of Holliston's schools;
 - Holliston municipal employees; or
 - People employed by businesses located in the Town of Holliston.
10. Once the Lottery Agent has verified the information contained in the application and confirmed eligibility, a lottery number or numbers and lottery form will be issued, and the applicant will move forward to the lottery. There will be two lottery pools created for these opportunities.
- 1) General Pool (1 unit, Wedgewood)
 - 2) Local Pool (1 unit, Holliston Buy Down Program)
11. A final lottery eligibility letter will be mailed to each applicant indicating their final eligibility determination, preferences and the lottery specifics (date/time).
12. The lottery numbers will be pulled by an independent third party in a public setting. Lottery numbers will be assigned a number in the sequence in which they are drawn and recorded in the order of selection on the Lottery Drawing List.
13. Once the tickets have been randomly drawn and listed in the drawn order, the unit is then awarded based on bedroom size within each lottery pool. The top ranked household needing at least two bedrooms will be offered the opportunity to purchase the specific unit. The household size preference shall be given to households based on the following criteria.
- There is at least one occupant and no more than two occupants per bedroom.
 - A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom.
 - Other household members may share but shall not be required to share a bedroom.

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14. The lottery agent shall maintain the Lottery Drawing List. In the event that any of the applicants withdraw for any other reason, or do not comply with guidelines, the next qualified applicant will be offered that particular unit. If no local applicant purchases the Local unit, then the local unit will be offered to the next ranked applicant in the general list. Top ranked applicants are offered the next available unit. If any applicant is offered a unit and opts not to proceed, they will be moved to the bottom of the list, unless there are extenuating circumstances related to hardship.
15. The lottery agent shall maintain the Lottery Drawing List until the units closes. In the event that any of the applicants are unable to obtain financing, withdraw for any other reason, or do not comply with guidelines, the next qualified applicant will be offered that particular unit.
16. The winners will sign a reservation form within 15 calendar days of the lottery with \$100 deposit which will be applied to the purchase price as part of the down payment.
17. The Purchase and Sale Agreement will be completed within 20 days after as the reservation form with \$900 which will be applied to the purchase price as part of the down payment.
18. Final qualification against all requirements will be verified before the execution of Purchase and Sale, and again before closing as determined by the Lottery Agent and DHCD.
19. There are specific closing and financing requirements for loans on these units, which include:
 - The loan must have a fixed interest rate through the full term of the mortgage, at most 30-years.
 - The loan must have a fair market interest rate, no more than 2 percentage points above the MassHousing rate.
 - The loan can have no more than 2 points.
 - The buyer must provide a down payment of at least 3%; half must come from the buyer's own funds.
 - The buyer may not pay more than 38% of their monthly income for housing costs.
 - No FHA or family mortgages are permitted.
 - Non-household members shall not be permitted as co-signers of the mortgage.
20. Resale process: The Monitoring Agents have up to 90 days after you give notice of your intention to sell the home to close on a sale to an Eligible Purchaser, or to close on a sale to a Monitoring Agent, or to a buyer that one of them may designate. This time period can be extended, as provided in the LIP Deed Rider, to arrange for details of closing, to locate a subsequent purchaser if the first selected purchaser is unable to obtain financing, or for lack of cooperation on your part. If you attempt to sell or transfer the home without complying with the LIP Deed Rider requirements, the Monitoring Agents may, among their other rights, void any contract for such sale or the sale itself.
21. Disabled persons are entitled to request reasonable accommodation of rules, policies, or services, or reasonable modification of housing in accordance with applicable regulations if such modifications and accommodations are necessary to afford an equal opportunity to use and enjoy the housing.
22. Applicants with diverse backgrounds are encouraged to apply for housing at this property. For those with Limited English Proficiency, the agent will provide translation services if requested.
23. The Fair Housing Act prohibits discrimination in housing because of Race or color, National origin, Religion, Sex, Familial status (including children under the age of 18 living with parents or legal custodians; pregnant women and people securing custody of children under 18. An applicant who believes that they have been discriminated against in the buyer selection and sales process may contact: the Massachusetts Commission Against Discrimination (617) 994-6000; and/or the United States Department of Housing and Urban Development (617) 994-8300.

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AFFORDABLE HOUSING APPLICATION
Must Be Completed and Returned by XXXX 2016 1PM

Applicant Legal Name _____ Phone Number _____ E-mail _____

Address _____ City _____ State/Zip _____

Co-Applicant Legal Name _____ Phone Number _____ E-mail _____

Address _____ City _____ State/Zip _____

I learned of this lottery from (check all that applies):

Website: _____ Letter: _____

Advertisement: _____ Other: _____

THIS APPLICATION IS NOT COMPLETE IF NOT SUBMITTED WITH:

- _____ Completed application signed by all individuals over the age of 18
- _____ Copy of 2013, 2014 and 2015 Federal tax returns (not STATE), as filed, with the 2015 W-2's and schedules, for every current person living in the household over the age of 18.
- _____ Copy of the five most recent pay stubs for all employed household members over 18. More income information may be required based on the individual circumstances
- _____ Copy of benefit statements and other documents for any other income source such as alimony, child support, Social Security benefits, pensions, unemployment compensation, workman's compensation, disability and any other form of income
- _____ Copy of current bank and asset statements, on financial institution letterhead, showing current value including all bank accounts, investment accounts, cash life insurance policies, retirement accounts. Include copy of last three months of each asset statement, with explanations for all deposits over \$100 that are not income.
- _____ Mortgage pre-approval and proof of adequate assets to cover down payment and closing costs. These units are not eligible for FHA loans.
- _____ Documentation regarding eligibility of local preference, if applicable
- _____ Documentation regarding current interest in real estate, if applicable
- _____ Self declaration regarding eligibility of minority preference, if applicable
- _____ No Income Statement, signed and notarized, for any household member over 18 with no source of income, if applicable, containing the language "Under penalties of Perjury"
- _____ No Child Support Statement, signed and notarized, if applicable, containing the language "Under penalties of Perjury"

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Household Information - List all members of your household including yourself

Number of Bedrooms Needed: _____

Names of all Persons to Reside in Dwelling (First Name, Middle Initial, Last Name)	Relation to Head	Married? (Y/N)	Full Time Student? (Y/N)	Age	Date of Birth	Minority Category * (Optional)
HEAD						
2						
3						
4						
5						
6						

*Minority preference categories include only Native American or Alaskan Native, Black or African American, Asian, Native Hawaiian or Pacific Islander; or other (non-White); and the ethnic classification Hispanic or Latino. Requires a separate self-declaration document.

Property - Do you own or have an interest in any real estate, land and/or mobile home? Yes () No ()

Address: _____ Current Value: _____

[Provide current assessment information such as tax statement, and current mortgage statement]

Have you sold real estate or other property in the past three years? Yes () No () If yes, attach settlement statement

When: _____ Address: _____

Sales Price: _____, [Provide sales settlement form]

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Income - List all income of all members over the age of 18 listed on application to reside in the unit, such as wages, child support, Social Security benefits, all types of pensions, employment, Unemployment Compensation, Workman's Compensation, alimony, disability or death benefits and any other form of income; including rental income from property. Adults with no income are required to submit a notarized statement. If additional space is needed, please attach another sheet.

#	Source of Income	Address/Phone# of Source	Amount per Year
1			
2			
3			
4			
5			
TOTAL			

Assets - List all checking, savings accounts, CD's, stocks, bonds, retirement accounts, savings bonds and any other investments below. If additional space is needed, please attach another sheet. Household assets do not include necessary personal property.

#	Type of Asset	Account No	Value, Balance
1	Checking account		
2	Savings account		
3	Retirement account		
4	Other: _____		
5	Other: _____		
6	Other: _____		
7	Other: _____		
8	Other: _____		
9	Other: _____		
TOTAL			

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APPLICANT(S) CERTIFICATION

I/We certify that our household size is _____ persons, as documented herein.

I/We certify that our total household income equals \$ _____, as documented herein.

I/We certify that our household has assets totaling \$ _____, as documented herein.

I/We certify that the information in this application and in support of this application is true and correct to the best of my/our knowledge and belief under full penalty of perjury. I/We understand that false or incomplete information may result in disqualification from further consideration.

I/We certify that I am/we not related to the Holliston Municipal Housing Trust, the Lottery Agent, or any party of this project.

I/we understand that it is my/our obligation to secure the necessary mortgage for the purchase of the home and all expenses, including closing costs and down payments, are my/our responsibility.

I/We understand that if I/we do not obtain a mortgage commitment and sign a purchase and sale agreement within the time specified after the lottery the unit will be offered to the next eligible applicant on the waiting list.

I/We understand the provisions regarding resale restrictions and agree to the restriction. The unit can't be refinanced without prior approval of DHCD, no capital improvements can be made without DHCD pre-approval; the unit must be owner's primary residence; the resale price is calculated according to the deed rider; and an increase in equity is very minimal to ensure affordability over time; the deed rider remains in effect in perpetuity. All prospective buyers are advised to review the deed rider with their own attorney to fully understand its provisions.

I/We have been advised that a copy of the Local Initiative Program Affordable Housing Deed Rider is available with the Lottery Agent and on the DHCD website: <http://www.mass.gov/Ehed/docs/dhcd/hd/lip/lipdeedrider.pdf>

I/We understand that if I/we are selected to purchase a home, I/we must continue to meet all eligibility requirements of the Holliston Municipal Housing Trust and any participating lender(s) until the completion of such purchase. I/We understand that I/we must be qualified and eligible under any and all applicable laws, regulations, guidelines, and any other rules and requirements.

Your signature(s) below gives consent to the Holliston Municipal Housing Trust or its designee to verify information provided in this application. The applicant agrees to provide additional information on request to verify the accuracy of all statements in this application. No application will be considered complete unless signed and dated by the Applicant/Co-Applicant.

Applicant Signature

Date

Co-Applicant Signature

Date

THIS IS APPLICATION IS ONLY FOR THIS SPECIFIC DEVELOPMENT.