

FOREST EDGE AT SUTTON



AFFORDABLE HOUSING MARKETING & LOTTERY PLAN



EQUAL HOUSING
OPPORTUNITY

FOREST EDGE AT SUTTON – LOTTERY APPLICATION



INFORMATION & APPLICATION

This packet contains specific information for the lottery for **2** deed restricted units of housing at the Forest Edge at Sutton development at **40 Ariel Circle and 74 Ariel Circle** in Sutton MA, including eligibility requirements, the selection process, and lottery application.

The affordable unit will be sold to a qualifying applicant with incomes at or below 80% of the area median income. **The price is \$204,300** in accordance with EOHLC guidelines using current parameters including \$12.68 property tax rate (FY 2024), insurance of \$4/\$1000, and a monthly condo fee of \$200/mo.

The key milestones for these housing opportunities:

- Application Period opens **7/10/24**
- Information Meeting **8/28/24**
- **OPEN HOUSE THURSDAY, 8/29/24 FROM 4:00 PM – 6:30 PM**
- Application Deadline **9/13/24**
- Lottery **9/25/24**

APPLICATIONS

Applications will be available via email or USPS mail from, and must be returned to the Lottery Agent: Joshua Lioce, Lioce Properties Group, 230 Main St., Milford, MA 01757, (508) 962-2909, info@lioceteam.com

Applications can also be downloaded at the following websites:

L.A. Associates, Inc.: www.laassoc.com

The state affordable housing: www.mymasshome.org

Application deadline: 9/13/2024

INFORMATION SESSION

A public information meeting will take place remotely via Zoom. Following are the details for meeting

access: Date: Wednesday, August 28, 2024 @ 6:00 pm via Zoom

Meeting access: ID: 873 8467 0533, Passcode: 626430, Call in: (646) 931-3860

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LOTTERY

The lottery will take place remotely via Zoom. Following are the details for meeting access:

Date: Wednesday, September 25, 2024 @ 6:00 pm via Zoom

Meeting access: ID: 884 9958 5932, Passcode: 173220, Call in: (309) 205-3325

Project Description

There will be 84 townhouses at Forest Edge at Sutton, arranged in both duplexes and fourplexes. Each home has its own two-car garage and private entrance. The condominium association maintains the common areas of the neighborhood including the street, sidewalks, and grounds. It also provides a master insurance policy, snow removal, landscaping, trash disposal, and other items.

The homes offer an open floor plan with over 2,000 SF of living space, cathedral ceilings, 2 spacious bedrooms, 2 baths, large kitchen with ample cabinetry, a laundry area, and a 2-car attached garage.

Additionally, the homes are energy efficient, with a projected HERS Index that meets or exceeds the State's stretch energy code. All homes come with high efficiency natural gas heat, a hybrid electric water heater, a natural gas clothes dryer connection, a natural gas oven / range, and LED lighting throughout.

The affordable units will be indistinguishable from market rate units on the exterior. Interior rooms, bathrooms, finishes, etc. may differ.

The affordable units are sold in accordance with state EOHLC Guidelines. The initial purchase price was established so that a household earning 80% of the Lowell, MA-NH HUD Metro FMR Area Median Income (AMI) would not spend more than 30% of its gross income for housing costs. These properties are sold below the market prices with deed restrictions. These restrictions maintain the affordability of the property in perpetuity using resale price limitations.

Lottery Description

1. Applicants must submit all the necessary information by the application deadline. **If sending electronically, consider redacting all social security numbers and account numbers.** Late applications (applications mailed and/or received after the above date) and applications that are incomplete will not be accepted. Applications will be reviewed for completeness. An application will be considered complete when all required items on the checklist have been provided.
2. The applicant's household size and required number of bedrooms will be determined from the application. Priority shall be given to households requiring at least the total number of bedrooms in the unit. There may be no more than two occupants per bedroom.

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3. The applicant's income will be verified and compared to the income limits as published by HUD for the Lowell, MA-NH HUD Metro FMR 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. The following 2024 household income limits will be used:

2024 income limits: 1-person \$68,500, 2-person \$78,250, 3-person \$88,050, 4-person \$97,800

4. Household assets shall not exceed \$75,000 in value, including equity in a dwelling (to be sold). Assets include but are not limited to all cash, cash in savings accounts, checking accounts, certificates of deposit, bonds, stocks, cash value of 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/herself of an asset for less than full and fair cash value of the asset within two years prior to application, the full and fair cash value of the asset shall be included for purposes of calculating eligibility.

Income and asset documents required to determine household eligibility shall be updated to be current within 60 days of the purchase closing date of an affordable unit.

5. One of the affordable units has been targeted for local preference. Local Preference households must meet one or more of the following criteria:
 - Town Residents: Household where one or more members are living in the Town of Sutton at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, street listing or voter registration.
 - Town Employee: Employees of the Town of Sutton such as teachers, custodians, firefighters, police officers, librarians, or town hall employees.
 - Employees of Local Businesses: Employees of businesses located in Sutton.
 - Households with children attending Sutton schools, such as METCO students.

MINORITY PREFERENCE - POOL BALANCING

The Town is committed to providing equal access to all applicants. In the event that the pool of applicants with a local preference does not include at least **28.2%** of households who have one or more member who is a minority as defined below, then other eligible minority applicants will be included in the lottery for the local preference units.

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.

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6. Eligible applicants must be first-time homebuyers or shall not have owned a home within 3 years preceding the application, with the exception of:
 - a. displaced homemakers, where the displaced homemaker (an adult who has not worked full-time, full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family), while a homemaker, owned a home with his or her partner or resided in a home owned by the partner;
 - b. single parents, where the individual 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);
 - c. households where at least one household member is 55 or over;
 - d. households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
 - e. households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.
7. Once the Lottery Agent has verified the information in the application and confirmed eligibility, applicants will be given lottery numbers and told the date, time and place of the lottery.
8. There will be two lottery pools maintained for this project; local preference and general. Units are awarded based on bedroom size within the lottery pool. The top ranked household needing at least the number of bedrooms in the home will be offered the opportunity to purchase the specific unit. Within an applicant pool, first preference shall be given to households requiring the total number of bedrooms in the unit 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.
9. The lottery will be held via Zoom. The lottery numbers will be pulled for each pool by an independent, un-biased, third party. The lottery numbers will be ranked in the order in which they are drawn and recorded on the Lottery Drawing List. The list of numbers drawn will be posted and all applicants will be informed of their ranking. Applicants are encouraged, but not required, to attend.
10. The lottery coordinator shall maintain the Lottery Drawing Lists until the units are closed. 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 the unit.

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11. All lottery participants are subject to final approval by the monitoring agent. Qualification for the lottery is not an assurance that the buyer awarded a unit will ultimately purchase.
12. The Purchase and Sale Agreement will be completed as the units are constructed or after completion of the unit(s). The applicant will be required to recertify eligibility prior to executing the Purchase and Sale agreement. The applicant will deposit a minimum \$3,000.00 at time of Purchase and Sale agreement, which is applied to the overall cost.
13. The applicant will be required to make a capital contribution to the condominium association.
14. Affordable housing loans must adhere to the following mortgage requirements:
 - The loan must be a 30 year fixed interest rate.
 - The loan must have a current fair market interest rate, no more than 2 points above the current MassHousing rate.
 - The buyer must provide a minimum down payment of 3%; half must come from the buyer's funds.
 - The buyer may not pay more than 38% of their monthly income for housing costs.
 - No family loans or FHA mortgages can be accepted.
 - Non-household members shall not be permitted as co-signers of the mortgage.
15. The Fair Housing Act prohibits discrimination in housing because of Race or color, National origin, Religion, Sex, Familial status. 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.
16. Disabled persons are entitled to request reasonable accommodation of rules, policies, or services, or reasonable modification of housing.
17. For applicants with Limited English Proficiency, the owner will use a translation service.
18. See the attached Homebuyer Disclosure Statement for restrictions and procedures regarding refinancing, capital improvements, resale and foreclosure.

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AFFORDABLE HOUSING APPLICATION

Must Be Completed and Returned By: **9/13/24**

Applicant Name _____ Phone _____ E-mail _____

Co-Applicant Name _____ Phone _____ E-mail _____

Address _____ City _____ State/Zip _____

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

Ad / Flyer: _____ Website: _____ Social Media: _____ Other: _____

THIS APPLICATION IS NOT COMPLETE IF NOT SUBMITTED WITH:

- _____ Completed application signed by all individuals over the age of 18.
- _____ Mortgage pre-approval (**DO THIS FIRST!**) and proof of adequate assets to cover down payment and closing costs. No FHA or VA loans.
- _____ Copy of 3 prior year's tax returns **Federal only** with 1099's, W-2's and schedules, for every current or future person living in the household over the age of 18.
- _____ Copy of 5 most recent pay stubs for employed household members over 18. If self-employed, submit a current 6 month Profit & Loss statement for the business.
- _____ Copy of 3 most recent statements and documents from all other sources of income, on organization letterhead, for all members listed on the application.
- _____ Copy of 3 most recent statements of all assets showing current value including all bank accounts, investment accounts, retirement accounts, etc., on organization letterhead, for all members listed on the application.
- _____ Copy of school registration for full time students over 18 who are not heads of household (only \$480/yr. income is included).
- _____ No Child Support Statement, signed and notarized, if applicable, containing the language "Under Penalties of Perjury".
- _____ No Income Statement, signed and notarized, for any household member over 18 with no source of income, if applicable.
- _____ Documentation regarding current or past interest in real estate, if applicable.
- _____ Proof of pregnancy, if applicable.

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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	Age	Date of Birth
1				
2				
3				
4				
5				
6				

Property:

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

Address: _____ Value: _____ [Provide current assessment information]

Do you currently own or have you sold real estate or other property in the past three years? Yes () No ()

If yes, attach settlement statement or current tax bill.

When: _____ Address: _____

Income: 2024 income limits: 1-person \$68,500, 2-person \$78,250, 3-person \$88,050, 4-person \$97,800

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.

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

Assets:

Household limit is \$75,000. 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	Bank/Credit Union Name	Account No	Value, Balance
1	Checking account			
2	Savings account			
3	Retirement account			
4	Other: _____			
5	Other: _____			
6	Other: _____			
TOTAL				

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APPLICANT(S) CERTIFICATION

I/We certify that I am/we are first-time homebuyers as described in the application.

I/We certify that my/our household size is _____ person(s), as documented herein.

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

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

I/We certify that I am/we are not related to the Developer or any party of this project.

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 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 the provisions regarding resale restrictions and agree to the restriction. You must notify EOHLC and/or the Monitoring Agent when you wish to sell. The unit can't be refinanced without prior approval of EOHLC and/or the Monitoring Agent, no capital improvements can be made without EOHLC and/or the Monitoring Agent 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 EOHLC Universal Deed Rider is available with the Lottery Agent and on the EOHLC website.

I/We understand that if I/we are selected to purchase a home, I/we must continue to meet all eligibility requirements of the Lottery Agent 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. I/We understand that the Lottery Agent makes no representation on the availability of the unit.

My/Our signature(s) below gives consent to the Lottery Agent or its designee to verify information provided in this application. I/We agree 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.

Applicant Signature

Date

Co-Applicant Signature

Date

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THIS IS APPLICATION IS ONLY FOR THIS SPECIFIC DEVELOPMENT.
KEEP THIS DOCUMENT ACCESSIBLE
IT CONTAINS VALUABLE CONTACT INFORMATION

LOCAL INITIATIVE PROGRAM (LIP) **HOMEBUYER DISCLOSURE STATEMENT**

This Homebuyer Disclosure Statement summarizes your rights and obligations in purchasing this home. You are about to purchase a home located at Ariel Circle , in **Sutton**, Massachusetts (the “Municipality”) at less than the home’s fair market value, under the Local Initiative Program (LIP). When you sell the home, that same opportunity will be given to the new buyer. In exchange for the opportunity to purchase the home at less than its fair market value, you must agree to certain use and transfer restrictions. These restrictions are described in detail in a LIP Deed Rider that will be attached to the deed to your home and recorded at the Registry of Deeds.

PLEASE REMEMBER:

- You must occupy this home as your primary residence;
- You must obtain consent from the Executive Office of Housing and Livable Communities (EOHLC) and the Municipality [and _____ (if another monitoring agent is listed)] (together they are referred to as the “Monitoring Agents” in this Homebuyer Disclosure Statement) before renting, refinancing or granting any other mortgage, or making any capital improvements to your LIP home;
- You must give written notice to the Monitoring Agents when you decide to sell your property; and
- Your LIP property may not be transferred into a trust.

The contact information for the Monitoring Agents is listed in the LIP Deed Rider.

Please read the LIP Deed Rider restriction in its entirety because it describes and imposes certain important legal requirements. It is strongly recommended that you consult an attorney to explain your legal obligations and responsibilities.

Primary Residence

You must occupy your LIP property as your primary residence.

Renting, Refinancing and Capital Improvements

You must obtain the prior written consent of the Monitoring Agents before you do any of the following:

- Rent your LIP home;
- Refinance an existing mortgage or add any other mortgage including a home equity loan; or
- Make any Capital Improvements (for example, a new roof or a new septic system – see attached Capital Improvements Policy) if you wish to get credit for those costs (at a discounted rate) when you sell your home.

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Before taking any action, please contact EOHLC for instructions on renting, mortgaging, or making capital improvements to your home. If you do not obtain the required consent from the Monitoring Agents, you can be required to pay all of the rents or proceeds from the transaction to the Municipality.

Resale Requirements

When you sell your home, you are required to give written notice to the Monitoring Agents of your desire to sell so that they may proceed to locate an Eligible Purchaser for your LIP home. Your sale price will be computed by EOHLC based on the formula set forth in the LIP Deed Rider to reflect your original purchase price plus certain limited adjustments.

The allowed sale price is defined as the “Maximum Resale Price” in the LIP Deed Rider. It is calculated by adjusting the purchase price you paid for the home to reflect any change in the area median income from the time you purchased the LIP home to the time of the resale plus:

- a) The Resale Fee as stated in the LIP Deed Rider;
- b) Approved marketing fees, if any; and
- c) Approved Capital Improvements, if any.

The Maximum Resale Price can never be more than the amount which is affordable to an Eligible Purchaser earning 70% of the area median income, as determined by a formula set forth in the LIP Deed Rider. The sales price will also never be less than the purchase price you paid, unless you agree to accept a lower price.

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.

It is your obligation to cooperate fully with the Monitoring Agents during this resale period.

If an Eligible Purchaser fails to purchase the home, and none of the Monitoring Agents (or their designee) purchases the home, you may sell the home to a purchaser who does not qualify as an Eligible Purchaser (in this event, this purchaser is referred to as an Ineligible Purchaser), subject to the following:

- (i) the sale must be for no more than the Maximum Resale Price;
- (ii) the closing must be at least 30 days after the closing deadline described above;
- (iii) the home must be sold subject to a LIP Deed Rider; and
- (iv) if there are more than one interested ineligible purchasers, preference will be given to any purchaser identified by EOHLC as an appropriately-sized household whose income is more than 80% but less than 120% of the area median income.

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Any sale by you to an Eligible Purchaser, or to an Ineligible Purchaser (as described in the LIP Deed Rider), is subject to the normal and customary terms for the sale of property, which are set forth in the LIP Deed Rider and which will be included in your Purchase and Sale Agreement.

There is no commitment or guarantee that an Eligible Purchaser will purchase the LIP home, or that you will receive the Maximum Resale Price (or any other price) for your sale of the LIP home.

A sale or transfer of the home will not be valid unless (1) the total value of all consideration and payments of every kind given or paid by the selected purchaser do not exceed the Maximum Resale Price, and (2) the LIP Compliance Certificate that confirms that the sale or transfer was made in compliance with the requirements of the LIP Deed Rider is executed by the Monitoring Agents and recorded at the Registry of Deeds by the closing attorney.

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.

Foreclosure

In the event that the holder of a mortgage delivers notice that it intends to commence foreclosure proceedings, the LIP Deed Rider gives the Municipality an option to purchase the home (or to designate another party to purchase the home) for a period of 120 days after notice of the Lender's intent to foreclose.

If this foreclosure purchase option is exercised, the purchase price will be the greater of (i) the amount of the outstanding balance of the loan secured by the mortgage, plus the outstanding balance of the loans secured by any mortgages senior in priority, up to the Maximum Resale Price as of the date the mortgage was granted, plus any future advances, accrued interest and/or reasonable costs and expenses that the mortgage holder is entitled to recover, or (ii) the Maximum Resale Price at the time of the foreclosure purchase option, except that in this case the Maximum Resale Price may be less than the purchase price you paid. By signing the LIP Deed Rider, you are agreeing that you will cooperate in executing the deed to the Municipality (or its designee) and any other required closing documents.

If the foreclosure purchase option has not been exercised within 120 days of delivery of the foreclosure notice to the Monitoring Agents, the mortgage holder may conduct a foreclosure sale. The mortgage holder or an ineligible purchaser may purchase the home at the foreclosure sale, subject to the LIP Deed Rider.

If the sale price at the foreclosure sale is greater than the purchase price that would have applied for the Municipality's foreclosure purchase option as described above, the excess will be paid to the Municipality. By signing the LIP Deed Rider, you are agreeing to assign any rights and interest you may otherwise have in the balance of any foreclosure proceeds available after satisfaction of all obligations to the holder of the foreclosing mortgagee, for delivery to the Municipality.

There is no commitment or guarantee that the Municipality will exercise the foreclosure purchase option, or that your Lender will receive the Maximum Resale Price (or any other price) in any foreclosure sale of the LIP home. In addition, the foreclosing lender retains the right to pursue a deficiency against you.

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Violation of Restriction Requirements

If you violate any of the Restriction terms, you will be in default and the Monitoring Agents may exercise the remedies set forth in the LIP Deed Rider.

If one or more of the Monitoring Agents brings an enforcement action against you and prevails, you will be responsible for all fees and expenses (including legal fees) for the Monitoring Agent(s). The Monitoring Agent(s) can assert a lien against the home to secure your obligation to pay those fees and expenses.

Acknowledgements

By signing below, I certify that I have read this Homebuyer Disclosure Statement and understand the benefits and restrictions described. I further certify that I have read the LIP Deed Rider and understand the legal obligations that I undertake by signing that document.

I also certify that I have been advised to have an attorney review this document and the LIP Deed Rider with me.

Dated _____, 2024

Homebuyer

Witness

Homebuyer

Witness

**Local Initiative Program (LIP)
Executive Office of Housing and Livable Communities
100 Cambridge Street, Suite 300
Boston, MA 02114
617-573-1100**

Forest Edge at Sutton
Affordable Housing Marketing and Lottery Plan
July 12, 2024
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