

Information Package

Sugar Maple Lane

Powers Road
Westford, MA 01886

Affordable Homeownership Opportunity

This packet contains specific information on the affordable housing program as well as background, eligibility requirement, selection priority categories, and application process for 7 affordable homes being offered for purchase in Sugar Maple Lane in the Town of Westford.

We invite you to read this information packet and submit an application if you think you meet the eligibility requirements.

An information session will be held at the Westford Housing Authority on Tuesday, February 26th at 6:30 p.m. The address is 65 Tadmuck Road, Westford, MA 01886.

Phone: 978-256-7425, ext. 16 or lisa@chelmsfordha.com

General Overview and Sales Prices

The town of Westford is located along the Interstate 495 corridor north of the town of Littleton. It features rolling hills, scenic lakes available for recreational use, two town beaches on spring-fed ponds, and a variety of apple orchards throughout. The Nashoba Valley Ski Area rises up above the landscape, offering panoramic views of the area and a place to play during the winter months. Originally, Westford was noted for its farms and woolen mills, but today is mostly a bedroom community with an emphasis on high tech. Its highly acclaimed school system and state of the art library adds to its desirability for young families, while the Roudenbush Community Center offers activities for all ages. Westford is also home to the Nashoba Valley Technical High School.

Sugar Maple Lane is a 28-unit homeownership development that will consist of seven (7) affordable units and twenty-one (21) market rate units. The affordable homes will be made available to first-time homebuyers* who are income and asset eligible. All 2- and 3-bedroom homes will feature a kitchen, living room, dining area and either 1 ½ or 2 ½ bathrooms, depending on the model.

Other unit details include heat and central air conditioning by high efficiency heat pumps, painted cabinets and stainless-steel appliances including gas stove, dishwasher, and microwave. All units will also feature laminate flooring throughout; washer/dryer and refrigerator provided by owner.

The affordable sales prices are being set based upon income limits for the Lowell, MA HUD Metro FMR Area for families earning no more than 80% of median income. The sales price for the 2-bedroom homes is \$158,400; the price for the 3-bedroom home is \$179,400. The monthly condo fee for all affordable homes will initially be set at \$235.

The opportunity to purchase these homes will be done through a lottery process. Any household that does have an initial opportunity to purchase will be placed on a waiting list.

Unit Type	Bedroom Size	# of Units	Sales Price	Condo Fees	Baths	Square Footage	Parking Spaces
Townhome	2	6	\$158,400	\$235.00	1 ½	1740*	2
Townhome	3	1	\$179,400	\$235.00	2 ½	1740*	2

*Approximate square footage of total finished areas

The developer and its representatives do not discriminate based on race, color, disability, religion, sex, familial status, sexual orientation, national origin, genetic information, ancestry, children, marital status, or public assistance reciprocity. Persons with disabilities are entitled to request a reasonable accommodation of rules, policies, practices, or services, or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the persons with disabilities equal opportunity to use and enjoy the housing.

GENERAL ELIGIBILITY REQUIREMENTS

Maximum Allowable Income

To be eligible to apply for purchasing an affordable unit, the combined gross annual income for all income sources of all income-earning members in the household must be at or below eighty percent of median income for the Lowell area. The maximum incomes allowed for this program are:

<u>HOUSEHOLD SIZE</u>	<u>INCOME LIMIT</u>
1	\$50,350
2	\$57,550
3	\$64,750
4	\$71,900
5	\$77,700
6	\$83,450
7	\$89,200
8	\$94,950

Approximate Minimum Income

While there is no specific minimum income, all households must qualify for a mortgage to purchase an affordable unit. The minimum income limits to qualify for a mortgage will be determined by a lender or bank. All applicants must receive mortgage preapproval and submit it with their application in order to be considered eligible.

Asset Limits

All households shall not have total gross assets exceeding \$75,000 in value.

Household assets are calculated at the time of application. Any monies you would use as a future down payment on the home will still be counted as assets. Assets may include cash, cash in savings and checking accounts, net cash value of stocks, net cash value of retirement accounts (such as 401K), real property, bonds and capital investments.

FAQs

Q: Who is eligible to apply for the affordable units?

A: In order to qualify for an affordable unit, households must meet each of the three following criteria:

- 1.) Everyone in the household must qualify as a “first-time homebuyer.”
- 2.) The entire household’s income and assets must be below the maximum allowable income and asset limits.
- 3.) The household must be pre-approved for a mortgage.

Q. Who is a “first-time homebuyer”?

A: A person is a “first-time homebuyer” if no person in his or her household has, within the preceding three years, either owned the house they lived in or owned an interest in one or more other houses, such as through joint ownership. Exceptions may be made in the following instances:

- 1.) A displaced homemaker: A displaced homemaker is an adult individual who meets ALL the following criteria: Has not worked full-time 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; Owned a home with his or her partner, or resided in a home owned by the partner; Does not own the home previously owned with a partner; Is unmarried to or legally separated from the spouse.
- 2.) A single parent, 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 one or more children of whom the individual has custody or joint custody, or is pregnant).
- 3.) An age-qualified household (in which at least one member is age 55 or over) that is selling a home in order to purchase an affordable unit.
- 4.) A household 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.
- 5.) A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

Q: If someone in my household is age 55 or over, can I currently own a home?

A: Yes. You will not, however, be given the opportunity to purchase an affordable home until your current home is under a Purchase and Sale Agreement. For how much equity you are allowed to have in your current home, please see the Asset Limits in the following pages.

Q: Can I apply as a displaced homemaker or single parent if I currently own a home?

A: Yes. However, you will not be given the opportunity to purchase an affordable home until your current home is under a Purchase and Sale Agreement. For how much equity you are allowed to have in your current home, please see the Asset Limits in the following pages.

Q: Does my separation or divorce have to be finalized when I apply?

A: Your separation or divorce does not need to be finalized when you *apply* but it must be finalized *before you sign a Purchase and Sale Agreement* (see Step 5). You will not be allowed to purchase an affordable home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase an affordable home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time. Therefore, you should try to expedite all divorce/separation hearings as your divorce/separation will need to be finalized in the next few months.

Q: Do I need to be a resident of Westford to apply?

A: No. There is no residency requirement assigned to the purchase of an affordable unit at Sugar Maple Lane.

MAXIMUM INCOME AND ASSET LIMITS

Q: How is a household's income determined?

A: The Chelmsford Housing Authority, in its capacity as the Lottery Agent, will calculate the income a household makes over the course of a 12-month period. In an effort to provide as accurate an income estimation as possible, the CHA must review all current and historical income data.

ALL SOURCES OF INCOME ARE COUNTED. Any monies you receive will be counted as income. This includes, but is not limited to, Social Security, alimony, child support, overtime pay, bonuses, unemployment, severance pay, part-time employment, matured bonds, monies received in court settlements and imputed interest and dividends on bank accounts and other assets.

There are some exceptions under which income will not be counted, most notably income from employment of children under the age of 18.

It is not up to the household to determine what monies should and should not be counted as its calculated income. All monies, therefore, should be listed on the application and the inclusion of these monies in determining a household's eligibility will be based on affordable housing guidelines.

Households must also submit their three most recent federal tax returns for all household members.

Q: I cannot withdraw money from my 401K or retirement fund. Do I have to include it when I list my assets?

A: Yes. You need to include the net cash value of all your current retirement funds. We realize that most retirement funds assess large penalties for early withdrawal but this does not technically mean that you cannot withdraw your funds or don't have access to them. The post-penalty value is what you need to provide along with supporting documentation.

Q: Are there eligibility exceptions for households that are barely over the income limit but considerably under the asset limit (or vice versa)?

A: No. All households must be under BOTH the income limit and the asset limit. Eligibility is not based solely upon one or the other.

Age Qualified Households, Displaced Homemaker and Single Parent Exception:

Only households qualifying under the exceptions listed on Page 3 may own a home when applying. This home must be sold before they will be allowed to purchase an affordable unit. The amount that the household will retain in equity from the sale of the house will be added to their asset total. Their asset total must still be below \$75,000.

MORTGAGE PRE-APPROVAL

STANDARDS

Mortgage pre-approval is required with the application. Households can apply with any lender, but the pre-approval must meet the following standards:

Mortgage Standards

- The loan must have a fixed interest rate through the full term of the mortgage
- The loan must have a current fair market interest rate. (no more than 2 percentage points above the current Freddie Mac's weekly published rate*)
- The loan can have no more than two points
- The buyer must provide a down payment of at least 3% ~ half of which must come from the buyer's own funds

Once an applicant is ready to seek a mortgage, we strongly encourage households to apply through banks that are familiar with resale restrictions and guidelines for affordable housing programs. These banks will likely be aware of products designed especially for first-time homebuyers.

Households will need to bring a copy of the EXAMPLE Deed Rider to their lender. A copy can be downloaded directly off our website at www.chelmsfordha.com. The Deed Rider is a document that details, among other things, the restrictions that will be placed upon the unit at the time of resale in order to preserve its affordability. It is in the buyer's best interest, therefore, to show all lenders a copy of the Deed Rider when applying for a mortgage. Otherwise, they may find a lender who grants a commitment for a mortgage, but backs out at the time of purchase once they are made aware of the resale restrictions.

Q: Can a non-household member co-sign on the mortgage?

A: No. Only members of the applying household can sign on the mortgage. All monies gifted to household members to assist in down payment or other costs will be counted as assets.

HOUSEHOLD SIZE AND COMPOSITION

Q: How is appropriate household size determined?

A: First priority shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:

- a.) There is at least one occupant per bedroom;
- b.) A married couple, 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;
- c.) A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent received reliable medical documentation as to such impact of sharing.

Household size shall not exceed state sanitary code requirements for occupancy of a unit.

Household Size and Composition FAQs

Q: Does the unborn child of a currently pregnant household member count towards our household size?

A: Yes. A household may count an unborn child as a household member. You will have to submit proof of pregnancy.

Q: I am currently going through a divorce/separation or planning on being divorced/separated soon. Can I still apply?

A: Your separation or divorce does not need to be finalized when you apply but it must be finalized before you sign a Purchase and Sale Agreement. You will not be allowed to purchase an affordable home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase an affordable home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time.

STEP-BY-STEP PROCESS AND TIMELINE

Q: What is the application, selection and move-in process for the affordable units being offered at Sugar Maple Lane?

A: The following steps outline the entire process of applying for and purchasing an affordable unit. The following pages explain each step in greater detail.

Step 1:	Program Application	Current
Step 2:	Unit Selection	Soon after lottery
Step 3:	Sign Purchase and Sale Agreement	7 business days after Unit Selection
Step 7:	Obtain Mortgage Commitment	45 days prior to closing
Step 8:	Final Review for Program Eligibility	Three weeks prior to closing
Step 9:	Closing and Move-in	TBD

Step 1: Program Application

Once a household reads this Information Packet in its entirety, applicants will need to fill out a Program Application. The applying household must list all income and asset information for every person that will be residing in the unit. The Program Application must be signed and dated by all heads of household.

Additionally, the household must submit with their application all required income and asset documentation for every claim made in the Program Application. The Program Application will guide households through the documentation submission process.

All households must also submit a copy of their mortgage pre-approval.

All applications should be sent to:

Chelmsford Housing Authority
Re: SUGAR MAPLE LANE
10 Wilson St.
Chelmsford, MA 01824

You may also submit your application by fax at 978-256-7425 or via email to:
lisa@chelmsfordha.com.

Once a completed Program Application is received with all required documentation and a mortgage pre-approval, eligible households will be reviewed for eligibility and compliance.

Step 2: Lottery Ticket Assigned

Once the CHA has received the Program Application, required documentation and mortgage pre-approval, it will determine initial eligibility and compliance.

If the household is determined to be eligible for the lottery, it will receive one or more Lottery Tickets in the order in which their completed application was received. This ticket will be entered into each Lottery for each affordable unit for which the applicant is eligible. Additional lottery tickets will be entered according to Local Preference and Minority Status (*see Step 3*).

Households that are deemed ineligible by the CHA will be notified by mail.

Q: What happens if I don't submit all necessary documentation or fail to correctly complete my Affordable Housing Program Application?

A: Households that submit incomplete documentation will be mailed a notice detailing the additional documentation that is needed to make their application complete. The application will remain in an “Incomplete Application Pool” until all requested materials have been received.

Households with applications in the Incomplete Application Pool will not be entered into the Lottery.

Age-Qualified Households, Displaced Homemakers and Single Parents that have yet to sell their homes and/or finalize their divorce/separations will be given conditional approval and will be given a Lottery Ticket(s) to be entered into the lottery like all other eligible households. They will be required to submit all additional documentation verifying their claims later in the process if they wish to purchase a unit.

Step 3: The Lottery

The Lottery will be held on April 17, 2019, at noon at the Westford Housing Authority, 65 Tadmuck Road, Westford, MA 01886. Applicants are welcome, but do not have to attend the Lottery to remain eligible; results will be mailed to all participants.

All eligible applicants will receive one blue lottery ticket for the Open Pool size. Applicants with Local Preference status will receive an additional red lottery ticket for the Local Preference Lottery.

The Potential Minority Drawing

If the percentage of minority applicants who qualify for Local Preference is less than 27%, a preliminary lottery will be held comprised of all the minority applications who do not qualify for the Local Preference Pool, and applicants will be ranked in the order in which they are drawn. The Local Preference Pools will then be adjusted by taking the required number of minority applicants, according to their ranking, from the Open Pool and adding them to the Local Preference Pool to achieve appropriate minority representation.

The Lottery Day Procedure

Households do not need to be present for the Lottery drawings. All households will be notified of the results by the CHA. A representative from the Town of Westford will pull the tickets.

Step 4: Unit Selection

The Sales Office will set up a time for the lottery winners to select a unit. At this selection, households will receive a copy of the Condominium Documents, the Master Deed, Deed Rider, and the Reservation Form. Households will have to sign the Reservation Form and provide a \$1,000 deposit (this will be considered as part of the 3% down payment) in the form of a certified or bank check.

After unit selection is complete, the Sales Office will prepare the Purchase and Sale agreement that must be signed by the applicant within 7 business days of receipt. It is highly recommended that the household retain an attorney to review this agreement. The remainder of the 3% down payment in the form of a certified or bank check must also be paid at this time.

Households that currently own a home when they applied will need to provide a copy of a signed P&S Agreement to the Chelmsford Housing Authority showing that their current residence is under agreement to be sold before being allowed to select a unit.

Applicants who are in the process of being separated/divorced when they applied must provide a copy of their Divorce Decree/ Separation Agreement before being allowed to select a unit.

Q: Can I buy upgrades from the developer?

A: Yes, you cannot purchase upgrades from the developer outside of the purchase price.

Step 5: Obtain Mortgage Commitment

Mortgage pre-approval does not ensure a mortgage commitment. Once a household has signed a P & S Agreement, it needs to obtain a mortgage commitment. Representatives of local banks will be made available to households to assist prospective buyers mortgage information tailored to first-time homebuyers. At this time, the lender will want to see the P&S Agreement, Condominium Documents, Master Deed, and Deed Rider. They will also do an appraisal of the property once it is ready to move into. Once the appraisal is complete, the household will be able to close on the home.

Step 6: Final Review of Eligibility

Three weeks prior to their closing date, households must submit the following documentation to the Chelmsford Housing Authority:

- A copy of the Purchase and Sale Agreement.
- A copy of the Mortgage Commitment Letter from the buyer's lender, including interest rates, points, length of loan and annual percentage rate.
- Contact information for the loan closing attorney including name, address, and phone and fax numbers.

The CHA will forward this documentation to the Westford Housing Authority, which requires the documents no less than two weeks before the loan closing date. The WHA will review the P & S and mortgage, then provide the Resale Price Certificate, Deed Rider and a non-financial mortgage document to the buyer's closing attorney in time for the closing.

If more than 60 days lapses between the lottery and the closing, the Westford Housing Authority, in its role as Monitoring Agent, must do another review of the household's income and asset eligibility as well as its mortgage eligibility.

It is essential that all households continue to maintain records of all income and assets until they close on their affordable unit.

Age Qualified Households, Displaced Homemakers and Exempt Single Parents that are current homeowners will not be able to receive a Resale Price Certificate until they have sold their home. Once their home is sold, they will need to send their HUD-1 Settlement Statement Certificate (received at closing) to the WHA along with all of the above documentation. WHA will then perform a final review of their eligibility to ensure that the household did not exceed the established limit of \$75,000 in net proceeds from the sale of their home.

Step 7: Closing and Move-in

The Purchase & Sale Agreement will set the Closing Date.

If all the steps above are followed, the closing should go smoothly. Your lender and lawyer will be able to guide you through the process.

If a household does not close on their unit within 60 days of signing the P&S Agreement, another review of income and asset documentation will be required to ensure continued eligibility prior to closing.

Once you have closed on the unit, you may move in.

Additionally, once you have closed on the unit, there is no future income or asset eligibility reviews.

DEED RIDER SUMMARY/ PROPERTY RESTRICTIONS

The Deed Rider will be prepared for your specific unit in time for the closing. A copy of an example Deed Rider will be available on the Chelmsford Housing Authority's website, www.chelmsfordha.com.

The purpose of the following summary of the deed rider is intended to be informational only and is not a substitute for independent legal advice. It is intended to highlight some of the obligations a purchaser will have upon resale. The Deed Rider is an especially important legal document; in part, it ensures that the home remains affordable for future buyers of your property. Purchasers are encouraged to read carefully and to seek legal counsel to have a full understanding of their obligations of the Deed Rider in its entirety.

All of the deeds for the homes designated as affordable will have a deed rider, which you will be required to sign.

Assuming you qualify, you will be given an opportunity to purchase a home at a substantial discount ("the affordable price") of the property's fair market value.

However, at a minimum, the purchaser must agree to the following:

PRINCIPAL RESIDENCE

To occupy the home as a principal residence, where you regularly live, eat, sleep, are registered to vote, etc.

LEASING AND REFINANCING

You may not rent, lease or refinance your home without the prior written consent from the Westford Housing Authority.

NOTICES WHEN SELLING YOUR HOME

When you wish to sell your home, you must notify the WHA in writing. This notice is referred to as the "Conveyance Notice" in the Deed Rider. The WHA will set the Maximum Resale Price.