

Town of Sudbury

Sudbury Housing Trust

Jody A. Kablack, Director
Beth Rust, Community Housing Specialist

Flynn Building
278 Old Sudbury Rd
Sudbury, MA 01776
978-639-3388

Housing@Sudbury.Ma.US

Information and Application for Affordable Housing Lottery Sudbury, MA

This packet contains information for the affordable housing lottery for single-family detached homes in the Sudbury Home Preservation Program, including eligibility requirements, the selection process, a lottery application, and a commonly asked questions and answers.

Sudbury is also creating a Ready-Buyer List through this lottery to offer qualified and prospective buyers the opportunity to any future resales of existing affordable units.

The key milestones for this housing opportunity:

- Application Period opens October 1, 2008
- Information Session November 6, 2008, 7:00 p.m. at the Goodnow Public Library, 21 Concord Rd in Sudbury MA.
- Application Deadline December 1, 2008 1PM
- Lottery December 11, 2008, 7:30pm at the Sudbury Town Hall

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 evidence of such approval together with the application.

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

Please contact the Town of Sudbury Department of Planning and Community Development for any questions.

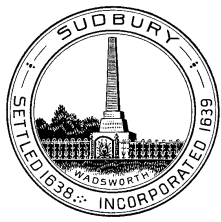
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Town of Sudbury, Flynn Building
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Project description

The **Home Preservation Program** is being undertaken by The Town of Sudbury to preserve current housing stock while creating affordable units. This program offers single-family detached homes on their own property with their own yard at affordable prices, preserving them for first time homebuyers. The houses are subject to an affordable housing restriction, and the Town subsidizes the difference between the market price and the affordable price. Through the Home Preservation Program, two homeowners acquired two homes in 2008, and the Town plans to create at least one unit of housing in the 2009 calendar year. These will be offered to the ranked list created from this lottery.

Preserving homes in Sudbury, by creating affordable homes, has multiple benefits including creating new affordable units while preserving existing housing stock, and neighborhood character. It provides a quick method of providing available affordable housing, while conserving materials.

The Town, acting through the Sudbury Housing Trust, continually searches for appropriate homes for this program. These are well-maintained 3-BR homes with 1 ½+ bath being sold on the open market. 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.



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If there are initial repairs needed, they are paid for by the Town. It is not the intention of the Program to burden the potential buyer with excessive maintenance costs; licensed local home inspectors are engaged to inspect the homes and determine repair needs. The inspection results and the home repair plan are available for the potential purchaser to review.

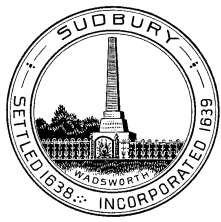
A suitable home will be selected immediately after this lottery, provided one is on the market.

The *maximum* sales price has been set by DHCD as \$178,000. This is a maximum price, and Town reserves the right to reduce this price based on individual circumstance of the homes and buyer.

The potential purchasers meeting the household size criteria from the Ready-Buyer List (created from the Lottery Drawing List) will be offered the opportunity to purchase the home in ranked order. Interested applicants will be re-qualified and will continue immediately to the P&S process.

Lottery description:

1. An application will be available on-line and 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 received by the Department of Planning and Community Development will be date stamped, and then checked for completion of all required components. An application will be considered complete when all required items on the checklist have been provided.
3. The applicant's household size will be determined from the application, and used for bedroom size preference. The Home Preservation units will be awarded to households with a two-bedroom minimum requirement. Smaller households are encouraged to apply for inclusion on the Town's ready-buyer list for resales of future units. Within each applicant pool first preference shall be given to households requiring at least 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.
 - 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 and asset limits. The applicant household is required to be at or less than the 80% of Boston Area Median Income (AMI) as published by HUD. This includes all income prior to any deductions from all adult household members. Income and assets are determined using the method as in the HUD Section 8 program, defined at 24 CFR 5.609. Household income limits are:
Household of 1 - \$ 46,300, Household of 2 - \$ 52,950, Household of 3 - \$ 59,550
Household of 4 - \$ 66,150, Household of 5 - \$ 71,450
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.
6. All qualified applicants shall be first-time homebuyers and must not have had an ownership interest in a residential property for the preceding 3 years, with exceptions made for:
 - 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;
 - 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);
 - households where at least one household member is 55 or over;



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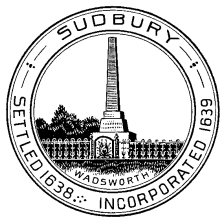
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- households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
 - households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.
7. Applicants will be notified for incomplete application packages by email first and letter if no response has been received after 3 days.
 8. Persons who have not submitted all the necessary information by December 1, 2008 at 1:00 pm will waive their rights to proceed. No faxed applications will be accepted. Late applications (applications mailed and/or received after the above date) and applications that are incomplete at that time will not be accepted.
 9. Persons who have not submitted complete residency verification and/or minority self declaration by December 1, 2008 at 1:00 pm will waive their right to claim any preference and will be treated as a standard applicant.
 10. All applicants will be screened for eligibility. Applicants who have been deemed ineligible will be notified in writing of the decision.
 11. Once the Town 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 maintained for the affordable units:
 - 1) Home Preservation General Pool – All eligible applicants
 - 2) Home Preservation Local Pool - Eligible applicant with verified local preference
 12. The Home Preservation units are offered alternately as local, general, local in a pattern of three, as established in the start of the Program in the lottery of December 2007. This lottery starts with the third unit, and it will be offered as a Local Unit. Applicants will be entered into all the pools for which they qualify; and a local resident will be included in both general and local pools. Local resident includes:
 - current residents
 - families with children currently enrolled in the Sudbury/LS schools
 - employees of the Town of Sudbury
 - employees of the Lincoln-Sudbury Regional High School system
 - employees of the Sudbury Public School system
 - employees of the Sudbury Water District
 - employees of the Sudbury Housing Authority.
 13. The local pool will be adjusted with increased opportunities for minorities if the representation of the local pools is less than 20.7%. This is done by selecting as many minority applicants from the general pool as needed to augment the local pool.
 14. A letter will be mailed to each applicant indicating the following information:
 - You have been deemed (eligible/ineligible) based upon the information provided.
 - You will have been found to (qualify/not qualify) for a local preference.
 - You (have/have not) been provided additional opportunities based upon your minority status.
 - Enclosed are your lottery numbers and tickets associated with the preferences claimed. You must contact the lottery agent in writing if you disagree with the preferences you have qualified for. Failure to contact the lottery agent in writing will result in the waiving of your rights for further review.
 - Eligible applicants will be told the date, time and place of the lottery.
 15. The lottery numbers will be pulled by an independent third party and witnessed by the Town 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. All lottery numbers from the local pool will be drawn first, followed by all lottery numbers from the general pool. The list of numbers drawn will be posted and letters will be mailed within three business days to the winners.



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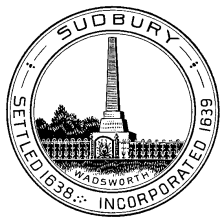
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16. Home Preservation homes are awarded based on bedrooms. The top ranked household needing at least the number of bedrooms in the home will be considered offered the opportunity to purchase the specific unit, when available.
17. The lottery coordinator shall maintain the Ready-Buyer List. 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.
18. For the Home Preservation Program, DHCD - as the Monitoring Agent, has specific closing and financing requirements. DHCD requires at least two weeks approving the signed P&S and firm financing commitment letter, to prepare the deed rider and resale price certificate. DHCD current mortgage requirements include:
 - 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 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 the mortgage
 - Non-household members shall not be permitted as co-signers of the mortgage.
19. The Town of Sudbury will assist the lottery winner as needed or requested to in obtaining financing.
20. All lottery winners must attend and obtain a completion certificate from an accepted First Time Homebuyer Class prior to closing. This is a policy of the Sudbury Housing Trust to assist all first-time homeowners in Sudbury to be successful.
21. Purchasers who require special accessibility or reasonable accommodation features or modifications will be given the opportunity to request such modification, with supporting documentation.
22. Final qualification against all requirements will be verified before closing. The final Certificate of Eligibility submitted by the Town will be completed and be recorded upon the closing of the unit.
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 **December 1, 2008 1pm**

Applicant Legal Name _____ Phone Number _____ E-mail _____

Address _____ City _____ State/Zip _____

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

Address _____ City _____ State/Zip _____

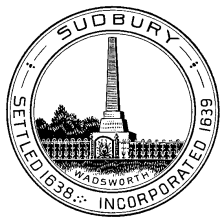
I learned of this lottery from (check all that applies):

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 2005, 2006 and 2007 Federal and State tax returns, as filed, with the most recent year's 1099's, W-2's and schedules, for every current or future person living in the household over the age of 18
- _____ Copy of three consecutive months pay stubs, for salaried employed household members over 18, longer for seasonal and hourly workers.
- _____ Current statements and documents that indicate the payment amounts from all other sources of income of all members listed on the application, such as alimony, child support, Social Security benefits, pensions, unemployment compensation, workman's compensation, disability and any other form of income
- _____ Current statements of all assets, 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.
- _____ Mortgage pre-approval and proof of adequate assets to cover down payment and closing costs
- _____ 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	Age	Date of Birth	Social Security Number	Minority Category * (Optional)
HEAD						
2						
3						
4						
5						

*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.

Local Preference – Check all that apply, and attach documentation showing this preference:

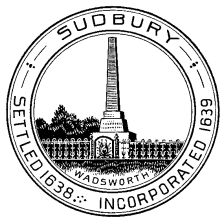
- 1) current resident, address: _____
- 2) family of children currently enrolled in the Sudbury/LS schools, school/grade: _____
- 3) employee of the Town of Sudbury, title: _____
- 4) employee of the LS Regional High School system, title: _____
- 5) employee of the Sudbury Public School, title: _____
- 6) employee of the Sudbury Water District, title: _____
- 7) employee of the Sudbury Housing Authority, title: _____

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

Address: _____ Current Value: _____

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

When: _____ Address: _____ Sales Price: _____



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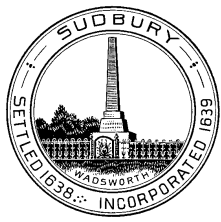
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Income - List all income of all members over the age of 18 listed on application to reside in the unit, such as wages, child support, Social Security benefits, all types of pensions, employment, Unemployment Compensation, Workman's Compensation, alimony, 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: _____		
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 no member of the household has a criminal record which would disqualify them from eligibility for public housing under the rules and regulations of the Department of Housing and Community Development and understand that the same rules and regulations will apply to this lottery.

I/We certify that I am/we are lawfully present in the United States, and we, or our family, are not related to the Lottery Agent, the Monitoring 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 forty-five after the lottery the unit will be offered to the next eligible applicant on the waiting list.

I/We have read and understand the provisions regarding resale restrictions and agree to the restriction. I/We have been advised that a copy of the Deed Rider is on file at the Town of Sudbury Office of Planning and Community Development, and is available on the Town's 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 Town of Sudbury 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 Town of Sudbury 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.

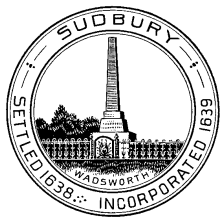
Applicant Signature

Date

Co-Applicant Signature

Date

THIS IS APPLICATION IS ONLY FOR THIS SPECIFIC DEVELOPMENT.



COMMONLY ASKED QUESTIONS

WHAT ARE THE INCOME LIMITS?

The following figures are the maximum gross income limits: 1 person: \$ 46,300, 2 person: \$ 52,950, 3 person: \$ 59,550, 4 person: \$ 66,150, 5 person: \$ 71,450. Households must earn enough income to qualify for a mortgage loan in an amount, together with available resources for a down payment, equal to the purchase price plus closing costs

WHAT ARE THE ASSET REQUIREMENTS/LIMITS?

The asset limits for this development is \$75,000. This means the total current value of all assets that you have including but not limited to bank accounts, stocks, 401K plans, IRA's etc. Applicants will be required to demonstrate that at the time of purchase they will have unencumbered assets in an amount sufficient to cover the required down payment and closing costs, and that at closing they will have no more than \$75,000.

CAN I QUALIFY TO APPLY IF I ALREADY OWN A HOUSE/CONDO?

These units are for first time homeowners and people who own a condo or a house cannot apply if they currently own or have owned in the past three years. There are some exceptions noted in item #6 on page 3 above.

WHAT IS CONSIDERED INCOME?

You must report any type of income that you receive and the Town will verify all income. Income is projected for next 12 months based on previous year's income. Some examples are public assistance, employment wages, social security, child support, alimony, annuities, tips, pensions, income from a business such as daycare etc. and any other type of payments that you receive including lottery winnings. The Town will include any income derived from your assets. Assets are bank accounts, certificates of deposit, retirement accounts, IRAs, stock and bonds, ownership of a business, Savings Bonds, property held by someone else in your name etc. This formula takes the greater of the actual income from an asset or the current market value of any asset multiplied by 1%. The amount derived from this calculation is then added to your income.

WHAT TYPE OF VERIFICATION DO I NEED TO SUBMIT WITH THE APPLICATION?

You must provide all documentation and statements as outlines on the checklist on page one. Incomplete information will prevent your application from being entered in the lottery. The Sudbury Community Housing Specialist (housing@Sudbury.Ma.Us) will be glad to assist you. The application process requires time to complete all the pieces. Please take the time necessary.

WHY ARE THERE SPECIAL CONDITIONS ON THE USE AND RESALE OF THESE HOMES?

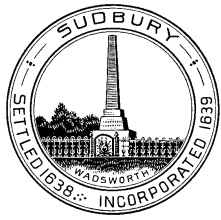
The State and the Town of Sudbury has made a commitment to provide affordable homeownership opportunities. Using special financing assistance and relief from regulation granted through Chapter 40B and other State Programs, housing is made affordable by reducing the purchase price to below market values, thus reducing monthly mortgage payments and requiring lower down payments. With this help, many families who could not afford to purchase a home in the private market will be able to own their own home. To preserve these benefits for future buyers, certain conditions are placed on the use and resale of the property. They are designed to balance the interests of initial and future owners fairly.

WHEN I WANT TO SELL MY UNIT HOW MUCH WILL I BE ABLE TO SELL IT FOR?

When you sell your home, the sale price must be no more than the "Maximum Resale Price". The Maximum Resale Price is set in accordance with a formula that gives a limited return on your investment but keeps the house affordable to the next buyer. Please refer to the sample Deed Rider for more information.

CAN I MAKE IMPROVEMENTS – WILL I BE ABLE TO SELL THE UNIT FOR MORE?

You will not be reimbursed for upgrades such as granite counters or high end bath tubs when your unit is sold. Upgrades to your unit do not have the same impact as if you were living in a regular market rate unit. Allowable capital improvements must be approved first by the Monitoring Agent. Please refer to the sample Deed Rider available at the Town of Sudbury Department of Planning and Community Development for more information.



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TO WHOM CAN I SELL MY HOME?

When you sell your home, you must notify the Town and the Monitoring Agent in writing. The Town will have the right to market your unit once the Maximum Resale Price is determined by their office. If a qualified family is not identified within the identified timeframe, the unit can be sold to someone in the private sector for the Maximum Resale Price.

CAN I RENT MY HOME TO SOMEONE ELSE?

You must agree to live in this property as your primary residence. You cannot rent out your unit without the written consent of the Monitoring Agent. If consent is given, the maximum rent you may charge will be approved by the Monitoring Agent. This will only be granted based upon a documented hardship.

HOW LONG DO THESE RESTRICTIONS APPLY TO THE PROPERTY?

The use and resale restrictions described here apply to the property in perpetuity.

WHAT LEGAL DOCUMENTS DO I NEED TO REVIEW?

The property restrictions are described in a document that you should review carefully before you sign a Purchase and Sale Agreement. This document is called the Deed Rider and it will be recorded at the Middlesex Registry of Deeds along with the deed to your unit. **AN ATTORNEY'S ADVICE SHOULD BE SOUGHT IN REVIEWING THIS DOCUMENT.**