



Town of Westwood
Commonwealth of Massachusetts

**HOUSING PARTNERSHIP
FAIR HOUSING COMMITTEE**

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INFORMATION PACKET

Westwood Affordable Housing Resale Lottery

This packet contains specific information on the background, eligibility requirements, selection priority requirements, application process and affordable housing developments that are participating in the lottery. The Town of Westwood invites you to read this information and submit an application for the lottery if you think that you meet the eligibility requirements. This lottery is the **FIRST STEP** in the application process and does not assure you a house. If an affordable house in either Chase Estates or Cedar Hill Estates becomes available for resale, the Town of Westwood will use this resale lottery list to find a qualified buyer. The town is committed to conducting a new lottery every three years in accordance with the LIP program guidelines and the provisions of the Deed Rider. When a new lottery is held, the old lottery list will be discarded and be replaced by the new lottery list. Therefore, applicants from the existing resale lottery list who remain interested and believe that they qualify should reapply for inclusion in the new resale lottery.

**BACKGROUND
AFFORDABLE HOUSING IN WESTWOOD
(INFORMATION SHEET A)**

Thirteen years ago two private developers and the Town of Westwood started working together to provide affordable housing in Westwood through the Local Initiative Program. Thirty-eight affordable houses were built at Chase Estates and Cedar Hill Estates between 1995 and 2000. These were sold to first-time homebuyers with incomes at or below 80% of area median income. All of these affordable houses are currently owned and occupied and subject to a Deed Rider which defines the terms for resale.

Westwood is conducting a lottery to gather names of interested first-time homebuyers in the event that one of the current owners wishes to sell his house. This resale lottery is being administered under the guidelines and requirements of the Local Initiative Program. The application process and eligibility requirements are described on Information Sheet- B-D. Dates for application availability and a public information workshop will be announced in the Westwood Press, the Hometown Weekly, Bay State Banner, and numerous housing websites beginning October 1, 2010.

**ELIGIBILITY REQUIREMENTS
AFFORDABLE HOUSING IN WESTWOOD
(INFORMATION SHEET B)**

Q: Who is eligible to apply for the resale lottery in Westwood?

A: Any First-time homebuyer whose income falls within the figures published by the Department of Housing and Urban Development.

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 past three years, owned the home they lived in or owned it together with one or more others, such a joint ownership. Such persons are eligible to apply to purchase an affordable home in Westwood, if their income meets the following income eligibility requirements. Priority will be given to households of three or more persons for the three bedroom units and four or more persons for the four bedroom units.

Q: What are the income eligibility requirements?

A: To be eligible to purchase an affordable home the annual household income must be within a range set by the maximum and minimum income levels listed below:

Maximum Income

To be eligible to apply for purchasing an affordable home, the combined annual income from all income sources of all income-earning members in the household must be at or below eighty percent (80%) of median income for the local area. Income in most cases is defined as all **GROSS** income. The maximum income allowed for this program is:

<u>Household Size</u>	<u>Maximum Income Allowed</u>
1	\$ 45,100
2	\$ 51,550
3	\$ 58,000
4	\$ 64,400
5	\$ 69,600
6	\$ 74,750

Minimum Income

To qualify for a mortgage loan to purchase a resale lottery house, there will be minimum income requirements determined by the banks or lending institutions. Normally, the bank will use a “Housing Debt Ratio” of housing expense to include principal, interest, mortgage insurance, real estate taxes, and homeowner’s insurance at 33% and a “Total Debt Ratio” including housing and all other debts of 38%. The precise minimum income requirements will vary for each applicant according to the terms of the loan, the amount of down payments, the interest rate, and other factors. Assuming the current interest rates and terms, the minimum income required to qualify for a mortgage loan appears to be approximately \$50,000. Attached is a handout for the Department of Housing & Community Development with information about the LIP Program standards for new mortgage loans. All affordable buyers must be able to secure financing at a competitive fixed rate in order to purchase the house. **Co-signers are not allowed in this program.**

Q: What are the maximum asset requirements to be eligible to participate in the lottery?

A: Household assets can not total more than \$75,000. If you currently own a dwelling (to be sold and is age 55 or older) you may also have an additional \$200,000 in equity in that home.

Q: What if there are more eligible applicants than units available?

A: Since there will be more eligible applicants than units, certain priority criteria will apply. See SHEET C for an explanation of these criteria. While preference criteria will be used to determine priority for consideration, any income-eligible first-time homebuyer is eligible to apply.

**SELECTION PRIORITY
AFFORDABLE HOUSING IN WESTWOOD
(INFORMATION SHEET C)**

Q: How will applicants for the affordable housing be selected?

A: Households submitting a complete preliminary application will be placed in priority for consideration through a lottery process. Applicants will be ranked according to lottery number drawn for the preference lists that they are eligible to participate in. The top ranked applicant will be contacted if an affordable house becomes available for resale and given an opportunity to actually apply for a mortgage and qualify for the Local Initiative Program. The Town will proceed down the list of applicants if the first applicant does not qualify until it finds a qualified buyer. Applicants will remain on the list for approximately three years when a new lottery list will be established.

Q: Among eligible applicants, who will receive priority for the opportunity to purchase one of the affordable units?

A: Applicants participating in the lottery will receive priority based on the preference Categories list in this Information Sheet. These priorities have been established by the Town of Westwood in cooperation with the Massachusetts Department of Housing and Community Development.

APPLICATION PROCESS AND SCHEDULE AFFORDABLE HOUSING IN WESTWOOD (INFORMATION SHEET D)

Q: What is the schedule for applications and the lottery for the resale list for affordable housing in Westwood?

October 1- November 29, 2010: First-time homebuyers interested in applying for the resale lottery should complete and submit a preliminary application to the Westwood Town Hall. The deadline for application submittal is Monday, November 29, 2010 at 4:00 PM.

October 25, 2010: A public workshop will be held at the Thurston Middle School Cafeteria on Monday, October 25, 2010 at 7:30 PM. This meeting will be held to present information on the application process, eligibility requirements, and the lottery process.

December 13, 2010: Lottery drawing for the resale lists for Cedar Hill Estates and Chase Estates will be held at the Thurston Middle School Cafeteria at 7:30 PM. Applicants do NOT need to be present to participate in the lottery.

December 20, 2010: All applicants for the resale lottery will receive a letter informing them of their status in the lottery drawing.

January 1, 2010: New lottery list will replace old resale lottery list.

**WESTWOOD AFFORDABLE HOUSING
LOCAL INITIATIVE PROGRAM
CHASE ESTATES AND CEDAR HILL ESTATES**

**TOWN OF WESTWOOD
580 HIGH STREET, WESTWOOD
(781) 320-1031**

**DESCRIPTION OF UNITS
AFFORDABLE HOUSING IN WESTWOOD
(INFORMATION SHEET E)**

There are twenty-five affordable houses at Chase Estates and thirteen affordable houses at Cedar Hill Estates. The houses at Chase Estates are three-bedroom and four-bedroom colonial style houses with two car garages. There are five different styles of affordable houses that are representative of the market rate houses. All of these houses were built with 1 ½ baths and stock interiors. Some of these houses may have been upgraded and expanded during the possession of the original owners.

The thirteen affordable houses at Cedar Hill Estates have a colonial exterior with an attached two car garage. These houses were built with three or four bedrooms and 1 ½ baths. Most of the houses had unfinished upstairs space that may have been upgraded and expanded during the possession of the original owners.

Deed Rider Summary

The purpose of this summary 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 may have upon resale. The Deed Rider is an especially important legal document: in part it insures that the unit 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 the obligations of the Deed Rider in its entirety.

All of the deeds for the units designated as affordable will have a deed rider which you will be required to sign. The rider in part will insure that the unit will stay affordable in perpetuity.

Assuming that you qualify, you will be given an opportunity to purchase a unit at a substantial discount (determined by the “Discount Rate”) of the property’s fair market value.

However, at a minimum the purchaser must agree as follows:

PRINCIPAL RESIDENCE

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

LEASING AND FINANCING

You may not rent or lease your unit without the prior written consent of DHCD and town approval. In addition, you must notify both the Town and DHCD if you wish to refinance your mortgage. Both the Town and DHCD must issue written approval for refinancing.

NOTICE WHEN SELLING YOUR UNIT

When you wish to sell your unit, you must notify both the Town and DHCD in writing. This notice is referred to as the “Conveyance Notice” in the Deed Rider. The notice must include the Discount Rate and the maximum resale price, which DHCD must approve.

RESALE PROCESS

Once the Town of Westwood and DHCD receives the notice to sell the unit it must be marketed in accordance with the requirements set out in the Deed Rider with the intention of being sold to another eligible purchaser.

