

## **INFORMATION PACKET**

### **ACTON AFFORDABLE HOUSING LOTTERY**

#### **QUAIL RIDGE**

This packet contains specific information on the background, eligibility requirements, selection priority categories, application process and the affordable housing program that is part of the Quail Ridge condominium development. The developer of this project, Pulte Homes of New England, LLC, invites you to read this information and submit an application 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 condominium. If you are selected in the lottery, you must then apply and secure approval for a mortgage which must meet the following minimum 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 two percentage points above the current Mass Housing rate), the loan must have no more than two points, the buyer must provide a down payment of at least 3%, half of which must come from buyer's own funds, and the buyer may not pay more than 38% of their monthly income for monthly housing costs (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance and condominium fees).

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**QUAIL RIDGE**  
**354 B GREAT ROAD**  
**ACTON, MA 01720**  
**PHONE NUMBER: (781) 329-8201**

**BACKGROUND**  
**Affordable Housing in Acton**  
**(Information Sheet A)**

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A developer, Pulte Homes of New England, LLC, and the Town of Acton are working to provide this affordable housing opportunity in Acton through the Local Action Units Program. In this project, eight affordable condominiums will be constructed in Acton and will be sold to homebuyers with incomes that shall not exceed 80% of the Boston Massachusetts-NH PMSA area median income. The price of these two bedroom units will be \$161,100. These condominiums are part of a 153 unit development called Quail Ridge. The condo fees are projected to be \$125 per month for the affordable units. This fee is proportional to the fees of the market rate units.

Quail Ridge will be a town home development constructed on 149 acres on Great Road in Acton. All units are two bedroom town homes and have two and ½ baths and a two car garage. Eight of the units will be available as affordable units through the Local Action Units program. These units are identical in outward appearance to the market rate units. The square footage of the affordable units is approximately 1900-2100 square feet.

All affordable units must be owner occupied as a primary residence and will have a “Deed Restriction” that will be filed with the mortgage at the time of purchase. This deed restriction limits the amount that the unit can be refinanced for or resold for, or leased, and requires another affordable buyer. The deed restriction insures that the unit stays affordable in perpetuity.

Since it is anticipated that there will be more interested and eligible applicants than available condominiums, the developer will be sponsoring an application process and lottery to rank the eligible applicants for the program. The application and lottery process as well as the eligibility requirements, are described in Information Sheets B-E. Applications are available at the Acton Town Hall, Acton Memorial Library, and the Acton Council on Aging or online at [www.quailridgelottery.com](http://www.quailridgelottery.com) or by request at (781) 329-8201.

A public information workshop is scheduled for **SEPTEMBER 17, 2012 at 7:00 PM at the Acton Memorial Library, Acton, MA.**

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**ELIGIBILITY REQUIREMENTS  
Affordable Housing in Acton  
(Information Sheet B)**

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**Q: Who is eligible to apply for the affordable condominiums in Acton?**

A: Households who meet income and asset limits set by the Department of Housing and Urban Development (HUD). One of the household members must be age 55 or older.

**Q: What are the eligibility requirements?**

A: To be eligible to purchase an affordable condominium annual income must be within a particular range, set by maximum and minimum income levels as follows:

**Maximum Household Income**

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

<b><u>Household Size</u></b>	<b><u>Income Limit</u></b>
<b>1 person</b>	<b>\$45,500</b>
<b>2 person</b>	<b>\$52,000</b>
<b>3 person</b>	<b>\$58,500</b>
<b>4 person</b>	<b>\$65,000</b>

**Down Payment Requirements:**

A Down Payment of at least three percent of the purchase price is required. One and one half percent of the sale price must be from the applicants own funds. Co-signers are not allowed for this program.

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## **Minimum Income**

To qualify for a mortgage loan to purchase these condominiums, there will be minimum income limits to be determined by the lender. 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 30% 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 payment, the interest rate, and other factors. Assuming current interest rates and terms, the minimum income required to qualify for a mortgage loan appears to be **approximately** \$50,000.

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

**A:** If there are more applicants than units, as is likely, a Lottery drawing will be held to rank the applicants in order that their numbers are drawn. Households requiring three bedrooms will receive first preference over households that require only two or one bedrooms.

## **Asset Limits**

Household asset limits shall not exceed \$75,000 in value. Assets may include net cash value of stocks, savings, bonds, retirement funds, and other capital investments. The value of personal property such as furniture and clothing will not be counted. Income from assets over \$5,000 will be counted towards household income. Applicants over age 55 are allowed to have additional \$200,000 net proceeds from the sale of a house. Please see Appendix A for a complete definition of assets for this affordable housing program. Assets may include net cash value after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment.

All applicants must sell any home that they own before purchasing an affordable unit, and any asset sold at less than market value within two years of application will be counted at full and fair market value for the purpose of imputing income. The greater of actual income from assets or imputed income from assets will be added to the applicant’s annual income to determine eligibility.

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**SELECTION PRIORITY  
Affordable Housing in Acton  
(Information Sheet C)**

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**Q: How will applicants for the affordable condominiums be selected?**

A: Households submitting an eligible application prior to the application deadline will be placed in a lottery. Applications will be screened before the lottery. Applicants will be ranked according to their lottery number drawn. Late applications will not be considered for the lottery- **there will be no exceptions to this rule.** After the lottery, the highest ranked participants will be invited to apply for a final (mortgage loan) application to purchase an affordable unit. Affordable condominiums will be offered to the highest-ranking applicants who are found to be eligible and qualify for a home mortgage loan. Applicants will have 30 days to secure financing.

**Q: Will there be Local Preference for some of the units?**

A: There will be Local Preference for six of the eight affordable units. Only applicants with Local Preference can be put in the Local drawing. All applicants will be entered in the General lottery drawing for the one General unit.

There will also be preference for households that require two bedrooms. There must be at least one occupant per bedroom and no more than two occupants per bedroom. A husband and wife, or those with a similar living arrangement, shall be required to share a bedroom unless they provide medical documentation on a severe adverse impact of sharing. All households who require two bedrooms will be drawn first and then the other households will be drawn for both the Local and the General drawings.

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**LOCAL PREFERENCE: SIX UNITS**

(The following categories are equal in priority)

- \* Priority for a household with one or more applicants who are a current Acton resident.
- \* Priority for households with at least one member who is an employee of the Town of Acton or works for a business in Acton.

**GENERAL PREFERENCE: TWO UNITS**

All applicants, whether they are included in the Local Preference category or not, are included in the General Preference category.

**Q: Will there be preference for minority applicants?**

There are no specific requirements to set aside a unit for a minority applicant. However, the Local Action Units Program requires that the local preference pool reflects the area's minority population. After the lottery application deadline has passed, the lottery agent, JWO Consultant Services, will determine if the number of minority applicants meets the percentage of minorities households in the surrounding HUD- defined area of 20.7 % and will add minority applicants from the General pool to the Local preference pool if this percentage is not initially reached. The additional minority applicants will be added through a random drawing of total minority applicants.

Households requiring two bedrooms will have at least one occupant per bedroom and no more than two occupants per bedroom. A husband and wife, or those living in a similar situation, shall be required to share a bedroom unless they provide reliable medical documentation that sharing would cause a severe adverse impact on his or her physical or mental health.

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**SELECTION PRIORITY  
Affordable Housing in Acton  
(Information Sheet D)**

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**Q: What is the schedule for applications and the selection of buyers for the affordable condominiums at Quail Ridge?**

**8/24/12- 11/9/12:** The developer will be publicizing the availability of this affordable housing opportunity in Acton all interested citizens throughout the area.

**9/17/12:** A Public Workshop will take place at the Acton Memorial Library, Acton, MA on **SEPTEMBER 17, 2012 at 7PM** to answer questions about the lottery process. Advertising will continue for the sixty-day marketing period from 8/24/12 UNTIL 11/9/12.

**11/9/12:** Homebuyers interested in applying for one of the eight affordable condominiums should complete and submit an application to participate in the lottery. The deadline for application submittal is **NOVEMBER 9, 2012 AT 5 PM.**

**ALL APPLICATIONS SHOULD BE MAILED TO JWO CONSULTANT SERVICES, P.O. BOX 323, WESTWOOD, MA 02090. Applications must be postmarked 11/9/12. Late applications will not be accepted.**

**11/20/12:** The lottery for the Quail Ridge will be held at the Acton Memorial Library, Acton, MA at 7 PM.

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**MAIL YOUR APPLICATIONS EARLY**

Upon receipt of a completed signed Lottery application the application will then be reviewed to determine if the household meets the threshold eligibility criteria. Eligible applicants will be issued a letter and lottery number confirming entry in the lottery selection process within ten days (10) days after the close of the advertising and pre-lottery activities period.

Your application will be reviewed for eligibility after it has been received. If you are eligible to enter the lottery, you will be notified with a confirmation letter that will include your registration number as well as information regarding the pool you are eligible to participate in. If you are eligible for the Bedford preference pool, you will also be qualified to enter the general pool as well.

You are encouraged, but not required to be present at the lottery drawing. Once the lottery selection is complete, the selected applicants will be notified that they must begin the process of obtaining their financing. If at any point in the lottery process, a selected applicant becomes ineligible, the next eligible applicant on the wait list will be notified and they must begin the process of obtaining their financing. If you are a selected lottery applicant, you will have a period of 30 days from the lottery date to secure financing.

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**QUAIL RIDGE**  
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**PHONE NUMBER: (781) 821-0000**

**DESCRIPTION OF QUAIL RIDGE**  
**(Information Sheet E)**

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Quail Ridge is an age restricted townhouse development that is being constructed at 354 B Great Road in Acton, MA. One hundred and fifty-three townhouses will be built in this development with eight of the units being designated as affordable units. This area is part of a former golf course and will have over 88 acres as open space and a nine hole golf course in a natural setting.

All units will have two bedrooms and two and ½ baths. The master bedroom will be on the first floor and the second bedroom and another bath and open loft area will be on the second floor. Each unit will have a two car garage. Pulte Homes of New England is constructing two models with a variety for both the market and affordable units. This town home development is being built in phases and will be completed in approximately two years.

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## Department of Housing and Community Development (DHCD) Eligibility Summary for the Subsidized Housing Inventory (SHI)

### Appendix A: Definition of Assets

**The value of necessary items of personal property, such as furniture or automobiles shall be excluded. Determination of assets shall be based upon a full and fair present cash value of the asset at the time of application to the program. If a potential purchaser divests himself or herself of an asset for less than full and fair present cash value of the asset within one year prior to application, the full and fair cash value of the asset at the time of its disposition must be declared and shall be included for purposes of calculating eligibility.**

### **Household Assets include the following:**

1. Cash held in savings and checking accounts, safe deposit boxes, homes, etc: For savings accounts, use the current balance. For checking accounts, use the average balance for the last six months. Assets held in foreign countries are considered assets.

2. Revocable trusts: The cash value of any revocable trust available to the applicant

3. Equity in rental property or other capital investments: The current fair market value less (a) any unpaid balance on any loans secured by the property and (b) reasonable costs that would be incurred in selling the asset (e.g., penalties, broker fees, etc.).

4. Stocks, bonds, Treasury bills, certificates of deposit, mutual funds, and money market accounts: The value of stocks and other assets vary from one day to another and should be determined within a reasonable time in advance of the applicant's submission of an application to participate in the subject housing program.

5. Individual retirement, 401K, and Keogh accounts: When the holder has access to the funds, even though a penalty may be assessed. If the applicant is making occasional withdrawals from the account, determine the amount of the asset by using the average balance for the previous six months. (Do not count withdrawals as income.)

### 6. Retirement and pension funds

#### a) While the person is employed:

- Amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs.

#### b) At retirement, termination of employment, or withdrawal:

- Periodic receipts from pension and retirement funds are counted as income. Lump-sum receipts from pension and retirement funds are counted as assets. Count the amount as an asset or as income, as provided below. If benefits will be received in lump sum, include the lump-sum receipt in net household assets. If benefits will be

received through periodic payments, include the benefits in annual income. Do not count any remaining amounts in the account as an asset.

If the applicant initially receives a lump-sum benefit followed by periodic payments, count the lump-sum benefit as an asset as provided in the example below and treat the periodic payment as income. In subsequent years, count only the periodic payment as income. Do not count the remaining amount as an asset.

**NOTE:** This paragraph assumes that the lump-sum receipt is a one-time receipt and that it does not represent delayed periodic payments. However, in situations in which a lump-sum payment does represent delayed periodic payments, then the amount would be considered as income and not an asset.

7. Cash value of life insurance policies available to the applicant before death (e.g., the surrender value of a whole life policy or a universal life policy): It would not include a value for term insurance, which has no cash value to the applicant before death.

8. Personal property held as an investment: Gems, jewelry, coin collections, or antique cars held as an investment. Personal jewelry is NOT considered an asset.

9. Lump-sum receipts or one-time receipts: Inheritances, capital gains, one-time lottery winnings, victim's restitution, settlements on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments.

10. A mortgage or deed of trust held by an applicant: Payments on this type of asset are often received as one combined payment of principal and interest with the interest portion counted as income from the asset. This combined figure needs to be separated into the principal and interest portions of the payment. (This can be done by referring to an amortization schedule that relates to the specific term and interest rate of the mortgage.)

To count the actual income for this asset, use the interest portion due, based on the amortization schedule, for the 12-month period following the certification. To count the imputed income for this asset, determine the asset value at the end of the 12-month period following the certification.

Household Assets DO NOT include the following:

- **Personal property (clothing, furniture, cars, wedding ring, other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities).**
- **Interests in Indian trust land.**
- **Term life insurance policies (i.e., where there is no cash value).**
- **Equity in the cooperative unit in which the applicant lives.**
- **Assets that are part of an active business: "Business" does NOT include rental of properties that are held as investments unless such properties are the applicant's main occupation.**
- **Assets that are NOT effectively owned by the applicant: Assets are not effectively owned when they are held in an individual's name, but (a) the assets and any income they earn accrue to the benefit of someone else who is not the applicant, and (b) that other person is responsible for income taxes incurred on income generated by the assets.**

## QUAIL RIDGE

### Summary of Deed Rider Restrictions

- \* Units cannot be leased, refinanced, or have capital improvements made without the PRIOR approval of DHCD and the Town of Acton.
- \* Units must be resold to eligible buyers with owners providing notice when they are ready to sell to both DHCD and the Town of Acton.
- \* Resale prices are set using a formula that maintains the affordability in perpetuity and only increases sales prices at the same rate as Area Median Incomes increase
- \* All buyers should review the Deed Rider with their own attorney to insure that they fully understand its provisions
- \* Units remain affordable and subject to the Deed Rider in perpetuity
- \* Owners must live in the units as their primary residence



# ACTON AFFORDABLE HOUSING QUAIL RIDGE LOTTERY APPLICATION

Name \_\_\_\_\_ Home Tel. # \_\_\_\_\_

Address \_\_\_\_\_ Work Tel. # \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Social Security # \_\_\_\_\_ Number in Household \_\_\_\_\_

Email Address: \_\_\_\_\_

## HOUSEHOLD MEMBERS:

Please list **ALL** household members who will occupy the affordable home:

Name	Date of Birth	Sex	Relationship
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

Do you or a member of the household currently reside in the Town of Acton?

YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, please give your current address \_\_\_\_\_

Proof of residency shall be proven by the provision of rent receipts, utility bills, or recent voter registration listing.

Are you or a member of your household an employee of the Town of Acton or a business in Acton? YES \_\_\_\_\_ NO \_\_\_\_\_

If yes, please list job title and town department or business \_\_\_\_\_

Verification must be provided.

\_\_\_\_\_

**OPTIONAL INFORMATION:**

This is an optional section that you may complete:

	Applicant	Co-Applicant	Dependent
Black or African American	_____	_____	_____
Asian	_____	_____	_____
Hispanic or Latino	_____	_____	_____
Native American or Alaskan Native	_____	_____	_____
Native Hawaiian or Pacific Islander	_____	_____	_____
Other (not-White)	_____	_____	_____

**EMPLOYMENT STATUS**

Applicant's Name \_\_\_\_\_  
Occupation \_\_\_\_\_  
Name & Tel. # of Present Employer \_\_\_\_\_  
Business Address \_\_\_\_\_  
Name & Title of Supervisor \_\_\_\_\_  
Annual Gross Salary \_\_\_\_\_

Co-Applicant's Name \_\_\_\_\_  
Occupation \_\_\_\_\_  
Name & Tel. # of Present Employer \_\_\_\_\_  
Business Address \_\_\_\_\_  
Name & Title of Supervisor \_\_\_\_\_  
Annual Gross Salary \_\_\_\_\_

If other adult household members are employed, please attach a separate sheet with their current employment information.

**INCOME INFORMATION:**

Please complete the following information for all persons receiving income in the household for the past twelve months. Documentation will need to be provided with your application if you wish to enter the lottery.

	Applicant	Co- Applicant	Other
Salary	_____	_____	_____
Interest & Dividends	_____	_____	_____
Veteran's Benefits	_____	_____	_____
Alimony/Child Support	_____	_____	_____
Other Income	_____	_____	_____
Total Income	_____	_____	_____

**Value of Assets**

Name on Account \_\_\_\_\_  
Bank Name \_\_\_\_\_  
Address \_\_\_\_\_  
Savings \_\_\_\_\_  
Checking \_\_\_\_\_  
Other \_\_\_\_\_

Name on Account \_\_\_\_\_  
Bank Name \_\_\_\_\_  
Address \_\_\_\_\_  
Savings \_\_\_\_\_  
Checking \_\_\_\_\_  
Other \_\_\_\_\_

Name on Account \_\_\_\_\_  
Bank Name \_\_\_\_\_  
Address \_\_\_\_\_  
Savings \_\_\_\_\_  
Checking \_\_\_\_\_  
Other \_\_\_\_\_

Securities Value \_\_\_\_\_  
Real Estate Location & Value \_\_\_\_\_  
Other Assets of Value \_\_\_\_\_  
Retirement Assets \_\_\_\_\_

PLEASE CHECK THE FOLLOWING ITEMS THAT APPLY TO YOU:

- \_\_\_\_\_ I/We certify that our household is \_\_\_\_\_ persons
- \_\_\_\_\_ I/We certify that we qualify for Local preference status as defined in the Lottery Information Packet.
- \_\_\_\_\_ I/We certify that our household income does not exceed the income limits provided in the Lottery Information Packet.
- \_\_\_\_\_ I/We certify that our household assets do not exceed the maximum amount allowed of \$75,000, with an additional allowance of \$200,000 in net proceeds from the sale of a house.
- \_\_\_\_\_ I/We certify that our household is able to provide the minimum down payment required.
- \_\_\_\_\_ I/We certify that we have received a pre-approval letter from a financing Institution proving our qualification for a mortgage to buy an affordable unit.
- \_\_\_\_\_ 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. I/We understand that perjury will result in disqualification from further consideration.

Your signature(s) below gives consent to Pulte Home’s lottery agent, JWO Consultant Services, to verify all income and asset information provided in this application and DHCD will provide final verification prior to closing. No applications will be considered complete unless signed and dated by the Applicant/Co-Applicant. This form must be signed by all household members age 18 years or older.

\_\_\_\_\_  
Applicant Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Applicant Signature

\_\_\_\_\_  
Date

**IT IS THE DEVELOPER’S OBLIGATION NOT TO DISCRIMINATE IN THE SELECTION OF APPLICANTS**

**ALL DISABLED PERSONS ARE ENTITLED TO A REASONABLE ACCOMMODATION OF THE HOUSING**

**ALL APPLICATIONS MUST BE SUBMITTED TO:  
JWO Consultant Services,  
P.O. Box 323, Westwood, MA 02090  
BY 11/9/12 TO BE ENTERED IN THE LOTTERY**

**QUAIL RIDGE, ACTON, MA**

**Exhibit B: Deed Rider: Local Initiative Program Deed Rider**

I/We have read the summary of resale restrictions in the Information Packet and agree to the restrictions. I/We have been advised that a copy of the LIP Deed Rider is available for my/our further review from the lottery agent or lottery website, or at [www.mass.gov/hed/docs/dhcd/hd/lip/lipdeedrider.pdf](http://www.mass.gov/hed/docs/dhcd/hd/lip/lipdeedrider.pdf). I/We also understand that, if selected in the lottery to purchase a unit, a full copy of the Deed Rider will be provided by the Developer or its Lottery Agent.

Applicant \_\_\_\_\_ Date \_\_\_\_\_

Co-Applicant \_\_\_\_\_ Date \_\_\_\_\_

**Supporting Documents Needed to Prove Qualification**

1. Copies of last five weeks of pay stubs
2. Copies of last three years of Federal tax returns with most recent W-2s
3. Copies of last three months of checking, savings, and asset account statements
4. A pre-approval letter from an institutional mortgage lender familiar with Deed Restricted properties must accompany this application.

**This form must be signed by all household members who will be listed on the mortgage and returned with your application.**

