

## **INFORMATION PACKET**

### **NORFOLK AFFORDABLE HOUSING LOTTERY**

### **NORFOLK TOWN CENTER CONDOMINIUMS**

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 Norfolk Town Center condominium development. The developer of this project, Norfolk Town Center 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 townhouse condominium. If you are selected in the lottery, you must then apply and secure approval for a mortgage from a bank operating under Massachusetts Housing (MH) first-time homebuyers underwriting standards.

### **NORFOLK TOWN CENTER CONDOMINIUMS**

**NORFOLK AFFORDABLE HOUSING:  
A NEW ENGLAND FUND PROGRAM**

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**NORFOLK TOWN CENTER LLC  
284 MAIN STREET  
NORFOLK, MA 02056  
PHONE NUMBER: (781) 446-7540 (VOICEMAIL)**

**BACKGROUND**

**Affordable Housing in Norfolk  
(Information Sheet A)**

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A private developer, Norfolk Town Center LLC, and the Town of Norfolk are working to provide this affordable housing opportunity in Norfolk through the New England Fund program. In this project, eleven townhouse condominiums will be built in Norfolk during 2006 and 2007 and will be sold to first-time homebuyers with incomes at or below 80% of the area median income. The price of the four two bedroom units will be \$ 153,280 and they will be sold to buyers age 55 or older. The three bedroom units will be \$ 168,609 and will be sold to any appropriate size households who are income eligible. These townhouse condominiums will be part of a forty-four unit development called the Norfolk Town Center Condominiums. A description of the developments is attached on Information Sheet E.

All affordable units 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 resold for and requires another affordable buyer. The deed restriction insures that the unit stays affordable for perpetuity.

Since it is anticipated that there will be more interested and eligible applicants than available condominiums, the Town and 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-D. Dates for the applications availability and a public information workshop will be announced in the Norfolk Boomerang, Milford Daily News, Country Gazette, Sun Chronicle, El Mundo, and the Bay State Banner.

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

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

A: First-time home buyers whose income qualifies within the New England Fund program guidelines.

**Q: Who is a “first-time home buyer”?**

A: A person is a “first-time home buyer” if no person in his or her household has, within the preceding three years, either owned the home they lived in or owned an interest with one or more other people, such as through joint ownership. First-time homebuyers are eligible to apply to purchase an affordable townhouse condominium in Norfolk if their household’s income meets the following eligibility requirement. Priority for the three bedroom units will be given to households of three or more according to program guidelines. Households of two or more over age 55 will be given priority for the two bedroom units for age 55 or over. Applicants age 55 or over are not required to be first-time homeowners.

**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 Income**

To be eligible to apply for purchasing an affordable house, the combined 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 local area. Income in most cases is defined as gross taxable income as reported to the IRS. The median income for Norfolk according to recent figures from the Department of Housing and Urban Development is \$ 84,100. The maximum income allowed for this program is:

<u>Household Size</u>	<u>Income Limit</u>
1	\$46,300
2	\$52,950
3	\$59,550
4	\$66,150
5	\$71,450

**Minimum Income**

To qualify for a mortgage loan to purchase these houses, 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 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 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**.

**Asset Limits**

Household asset limits shall not exceed \$50,000 in value. Assets may include net cash value of stocks, savings, bonds, and capital investments. The value of personal property such as furniture and clothing and retirement accounts such as 401k(s) shall be excluded. Imputed income for assets over \$5,000 will be counted towards household income.

The asset limit for households where the purchaser is over the age of 55 may additionally own a dwelling (to be sold) in which the purchaser has no more than \$150,000 in equity. 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.

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 of three or more will be drawn first, then households of two or more will be drawn, and lastly, single households. Any income eligible purchaser over age 55 may apply for the two bedroom units. There will be a separate drawing for the two bedroom units that will include all applicants age 55 or older who are two person households, and then all single applicants who are age 55 or older.

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

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

A: Households submitting a complete preliminary application prior to the application deadline will be placed in a priority group category for consideration through a lottery process. 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 screened for eligibility and verified priority, and 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.

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

A: There will be Local Preference for eight of the eleven 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 three General units. There will also be preference for households of three or more for the three bedroom units and for two or more persons for the two bedroom units. All households of three or more will be drawn first, and then the households of two, and then the single households will be drawn for both the Local and the General drawings. A separate drawing will be held for the applicants who are age 55 or older. Households of two or more will be drawn first and then the single person households. This will be done for both the Local units and the General unit.

**The definition of Local Preference has been defined by the Norfolk Zoning Board of Appeals in its approval decision for the Norfolk Town Center Condominium development. The different categories for Local Preference are:**

**LOCAL PREFERENCE: EIGHT UNITS**

(The following categories are equal in priority)

- Priority for households with at least one member who is a current Resident of the Town of Norfolk.
- Priority for households with one or more applicants who are the Child or parent of a current Norfolk resident.
- Priority for households with at least one member who works for the Town of Norfolk or a school system that serves the Town of Norfolk.

**GENERAL PREFERENCE: THREE 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 New England Fund program requires that the lottery have a representative number of minority applicants in the Local Preference pool. After the lottery application deadline has passed, the lottery director will determine if the number of Local resident minority applicants meets the percentage of minorities of local resident households in the surrounding HUD- defined area. If the number of applicants does not meet this percentage, then a preliminary lottery will be held to add minority applicants from the General preference pool to the Local preference pool. The lottery drawings will then be conducted for the two preference pools.

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**APPLICATION PROCESS AND SCHEDULE**  
**Affordable Housing in Norfolk**  
**(Information Sheet D)**

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**Q: What is the schedule for applications and the selection of buyers for the affordable condominiums at Norfolk Town Center?**

**MAY 22, 2006- JULY 21, 2006:** The developer will be publicizing the availability of this affordable housing opportunity in Norfolk and distributing applications and this Information Packet to all interested citizens throughout the area.

**JUNE 22, 2006:** A Public Workshop will take place at the Norfolk Public Library, Norfolk, MA at 7:30 PM to answer questions about the lottery process. The Workshop location, time, and any changes in date will be announced and publicized in the Norfolk Boomerang, Milford Daily News, Country Gazette, Sun Chronicle, El Mundo and the Bay State Banner, the Town's website, and on local cable television. Advertising will continue for the sixty-day marketing period from May 22, 2006 until July 21, 2006. Applications will be available at the Norfolk Town Hall, the Norfolk Public Library, and at this Workshop.

**July 21, 2006:** First-time homebuyers interested in applying for one of the six affordable condominiums should complete and submit an application to participate in the lottery. The deadline for application submittal is **FRIDAY, JULY 21, 2006. ALL APPLICATIONS SHOULD BE MAILED TO JWO CONSULTANT SERVICES, P.O. BOX 323, WESTWOOD, MA 02090. Please mark on the enveloped that it is for the Affordable Housing Lottery. Applications must be postmarked by 7/21/06. Late applications will not be accepted.**

**AUGUST 1, 2006:** The lottery drawing for the Norfolk Town Center will be held on **Tuesday, August 1, 2006** at 7:30 PM at the Norfolk Public Library.

**August 8, 2006:** All lottery applicants will be notified in writing of their status in the lottery drawing.

**WEEK OF August 15, 2006:** Lottery applicants with the lowest numbers will be invited to submit a loan application and attend a workshop on how to complete the application process. Documentation for the lottery program and mortgage applications must be submitted in a timely manner so that the approval of seven affordable buyers can be completed as units become available.

**Fall 2006:** The first qualified buyers will sign a Purchase and Sale agreement for the units as they are completed. All units are expected to be completed by late 2007.

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**DESCRIPTION OF THE NORFOLK TOWN  
CENTER DEVELOPMENT  
(Information Sheet E)**

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The Norfolk Town Center Condominiums are part of a residential development of forty-four townhouse condominiums that will include eleven affordable units. This development is located near the town center

Four of the affordable units will have two bedrooms and one and one half baths and will be sold to buyer age 55 or older. Seven of the affordable units will have three bedrooms and two and one half baths. All of the affordable units will be similar in appearance to the market rate townhouses. Each unit will have 1800 -2100 square feet of living space, and a one car garage. All kitchens will have major appliances provided and laundry hookups will be included. Heat will be provided by gas. The interior of the affordable units will be constructed according to current building codes but will not have upgrades and specialty finish work that will be available in the deluxe market rate units.

Norfolk is approximately fifty-sixty minutes from Boston in close proximity to routes 495 and 115. Commuter rail service is available from the center of Norfolk and a station is located near to the Norfolk Town Center development. Plans and elevations will be available at the Informational Workshop on June 22, 2006.

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