



BOX DISTRICT • CHELSEA, MA

First-Time Homebuyer Information Packet

Contents:

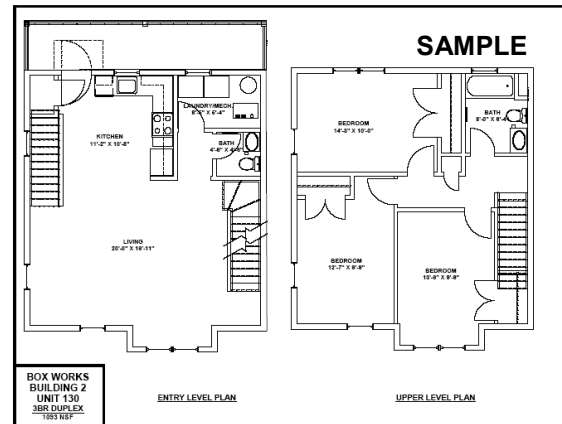
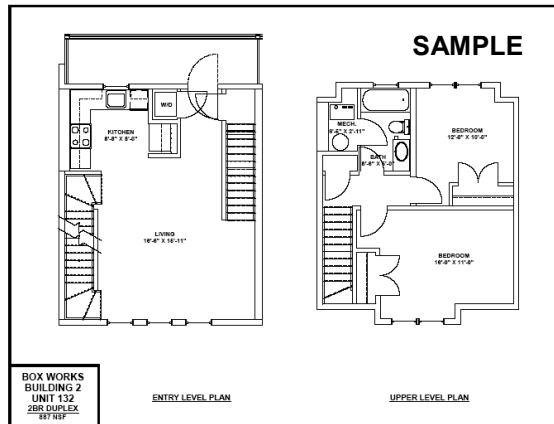
1. Introduction to Box Works Homes
2. Affordable Units Selection Summary
3. Affordable Units Selection and Purchase Process FAQ
4. Rendering and Sample Floor Plans
5. Application (applications will be reviewed in the order in which they are received).

Información en español disponible

- ✓ **2 & 3 bedroom affordable units for sale**
- ✓ **Part of a 26-unit new construction mixed-income condo development**
- ✓ **Prices starting at \$125,000 for eligible homebuyers**
- ✓ **Located on Library Street in Chelsea's newest neighborhood: The Box District**
- ✓ **www.boxworkshomes.net**



Introduction to Box Works Homes



2-Bedroom Condos:

- ✓ \$112,000 to \$130,000
- ✓ 7 Units Available
- ✓ 1 or 1.5 Baths
- ✓ 799 to 1100 square feet
- ✓ \$176 to \$228/mo condo fee

3-Bedroom Condos:

- ✓ \$132,000 to \$156,000
- ✓ 5 Units Available
- ✓ 1.5 Baths
- ✓ 1093 to 1204 square feet
- ✓ \$216 to \$260/mo condo fee

All units include:

- ✓ Two-levels of Living Space
- ✓ Hardwood Floors
- ✓ Air Conditioning Units
- ✓ Off-street Parking Space

Box Works Homes is part of The Box District, a new neighborhood in Chelsea, Massachusetts comprised of 94 new apartments for rent and 26 condominiums for purchase. Sixteen (16) of the condominium units are “affordable,” which means they have been sold or are available at reduced prices to first-time homebuyers with

Household Size	Household Income Limit*
1 person	\$45,100
2 person	\$51,550
3 person	\$58,000
4 person	\$64,400
5 person	\$69,600
6 person	\$74,750

*Based on 80% Area Median Income HUD 2008 Boston PMSA.

incomes at or below 80 per cent of area median income (see income limits below). See the section entitled **Affordable Units Selection and Purchas** FAQ for a definition of first-time homebuyer.

As a condition of the financing, units must remain affordable to low-income households for at least 50 years. As a result of this legal requirement, income and asset restrictions will apply to the buyers of the affordable units, and homebuyers may anticipate reselling their units for the original purchase price plus inflation and the cost of certain improvements to their unit. Any appreciation in the value of the home will be limited by this factor.

The Deed Rider, which legally binds the buyer to this requirement is available upon request and will be forwarded to all successful applicants prior to purchase.



Affordable Units Selection Summary

Households must meet **minimum threshold requirements**, which are as follows:

- Household may not have owned a home within 3 years preceding the application, with certain exceptions as described below under “Who is a first-time homebuyer? FAQ.
- Strict income limitations must be met, as defined in the FAQ.
- Completed application with all signed attachments. Each section requesting information must contain the information requested or the words “Not Applicable”. Incomplete, illegible, partial or mutilated applications will be returned.
- Mortgage pre-approval letter from a Fannie Mae-approved lender. The mortgage product must be a fixed-rate conforming mortgage with a term of at least 30 years.
- Evidence of availability of funds as required for down payment and closing costs to cover remaining purchase requirements must be provided.

Note: there may be some financial assistance available for certain applicants, based on income eligibility. Applicants with excellent credit and lower income levels are encouraged to apply. Funding programs include Massachusetts Housing Partnership Fund Soft Second Program (“Soft Second”), North Suburban Consortium Downpayment Assistance Program and Federal Home Loan Bank of Boston Equity Builders Fund (“EBP”). Information on these programs is available from lenders and on-line.

- Non-household members are not permitted as co-signers of the mortgage.
- Individuals or families of individuals who have a financial interest in the development are not eligible to participate in the homebuyer selection process.

Return completed application in person to Chelsea Neighborhood Developers or by mail to:

Chelsea Neighborhood Developers
Attn: Emily Loomis
4 Gerrish Avenue
Chelsea, Massachusetts 02150

Upon receipt of a completed and signed application including signed attachments, the application will be reviewed to determine whether the household meets the eligibility criteria. Eligible applicants will be notified as to whether they are eligible. Further documentation may be required.

Completed applications will be processed in the order in which they are received.



Affordable Units Selection and Purchase FAQ

Q: Who is eligible to apply for the Box Works Homes homebuyer selection process?

A: An eligible purchaser is a first-time homebuyer household whose annual income does not exceed 80% of the area median income adjusted for family size as determined by the U.S. Department of Housing and Urban Development (HUD). A “Family” shall mean two or more persons who will live regularly in the unit as their primary residence and who are related by blood, marriage, or operation of law or who have otherwise evidenced a stable inter-dependent relationship; or an individual.

Q: Who is a “first-time home buyer”?

A: A first-time home buyer is defined as an individual and spouse who have not owned a home during the prior 3-year period. There are three exceptions:

Exception 1: any individual who is a displaced homemaker may not be excluded from consideration if the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse.

Exception 2: any individual who is a single parent may not be excluded from consideration if the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse.

Exception 3: any individual who owns or owned a dwelling unit whose structure is not permanently affixed to a permanent foundation (such as a Trailer) or is not in compliance with State, local, or other applicable codes and cannot be brought into compliance with such codes for less than the cost of construction of a permanent structure may not be excluded from consideration.

Applicants who owned a home under the above exceptions must sell their current property in order to purchase a unit in the development. The sale of the previous property may be planned as part of the purchase of the current unit.

Q: What are the maximum income eligibility requirements?

A: To be eligible to apply for a Box Works Homes mixed income condominium, household annual income must be at or below 80% of area median income as published by the federal department of Housing and Urban Development (HUD).

Household Income Limits by size are:

<u>1 Person</u>	<u>2 People</u>	<u>3 People</u>	<u>4 People</u>	<u>5 People</u>	<u>6 People</u>
\$45,100	\$51,550	\$58,000	\$64,400	\$69,600	\$74,750

*Based on 80% Area Median Income HUD 2010 Boston PMSA.

Households must meet certain maximum income limits in order to be eligible to purchase a condominium unit at Box Works Homes. Gross Annual Household Income will be determined in a manner set forth in 24 CFR 5.609 or any successor regulations.

Annual income is income anticipated to be received in the coming 12-month period from all sources, including all wages and salaries prior to deductions, overtime pay, commissions, tips, fees and bonuses, and other compensation for personal services, net business income, interest/dividend income, social security, supplemental security income, pension payments, disability income, unemployment compensation, alimony/child support, and veterans’ benefits, for all adult household members over the age of 18, unless the member is a full-time student. For such students, the first

\$480 of the student's income must be counted in the household's income. The entire income for full-time students who are the head of household or spouse must be counted in annual income.

Annual income includes the actual income generated by liquid assets, that is, cash or assets that can be converted easily to cash, including checking, saving, money market, individual retirement and pension fund accounts. When an asset produces little or no income, imputed income is calculated by multiplying the total amount of those assets over \$5,000 by 1%. This amount is included in gross income.

The marketing agent will review bonus pay, overtime pay or other periodic compensation on a case-by-case basis. If the compensation is not a regular occurrence or is not expected to continue, it may be excluded from the determination of income.

Q: What are the financing requirements for eligibility for the homebuyer selection process?

A: Applicants are required to submit a valid (within the previous 90 days) pre-approval letter with the application for an amount sufficient to purchase the unit. The letter must be from a Fannie Mae-approved lender and must include property address, purchase price and maximum mortgage amount. The mortgage product must be a fixed rate conforming mortgage with a term of at least 30 years. The monitoring agent reserves the right to approve end loan financing. Lender review of the Deed Rider, which limits the resale value of the home (see below), for acceptability is suggested. Down payment assistance may be available for income-eligible households.

Q: Are there any restrictions on resale price of the units?

A: Yes. There is a Deed Rider that is used to keep the units affordable to low and moderate income homebuyers with incomes at or below 80% of area median income for at least 50 years. As a result of this legal requirement, homebuyers may anticipate reselling their units for the original purchase price adjusted by the area inflation index and the cost of qualified additions and alterations to the premises. Therefore, any equity appreciation to be gained from the sale of the units will be limited by this factor.

Staff at the Massachusetts Department of Community Development (DHCD) will be available to help future sellers comply with these requirements when they sell their units. Other conditions regarding unit pricing, resale, transfer, leasing and junior encumbrances are covered in the provisions of the Deed Rider.

Copies of the Deed Rider and Homebuyer Disclosure Statement describing the deed restrictions are available from the marketing agent and will also be provided to all successful applicants.

Q: How will applicants for Box Works Homes be selected?

A: Since a lottery has already taken place for this development and some units remain to be sold, the remaining units will be offered on a first-come first-served basis. All applicant households will be notified in writing as to their eligibility, as well as the unit size for which they are deemed eligible. Information relative to local affiliation will be collected on applicants although there will be no preference given to local affiliation.

Preference will be granted to larger households. First preference will be granted to households with the number of members at least equal to the number of bedrooms in the unit plus one. Second preference will go to households with the number of members equal to the number of bedrooms in the unit.

Following eligibility assessment by the marketing agent, financial and other programmatic requirements will be verified by Massachusetts Department of Housing and Community Development (DHCD) to determine whether the households qualify. This agency reserves the right to request additional information at any point in the qualification process.

If, at any point in the homebuyer selection process a selected applicant becomes ineligible, the next eligible applicant will be notified.

Q: If selected in the process, what is the next step?

A: After receiving notification that they have been selected to purchase a unit, applicants will sign the purchase and sales agreement and must then obtain a final mortgage commitment from a lender.

Specific units will be assigned to households, taking into account buyer preference and developer requirements.

Prior to purchasing the unit, the selected applicant must submit a homebuyer education course certificate that has been obtained within the previous three years. Homebuyer education courses are typically offered in a 10-hour curriculum by a number of non-profit agencies located throughout the state. The course helps to familiarize first-time homebuyers with the home purchase process.

See [www.chapa.org/housing_workshops2005.htm] or call 617-635-HOME for a list of certified homebuyer education providers and course dates.

The selected applicant will have three weeks from the signing of the purchase and sale agreement to obtain the necessary financing commitment to buy the home. The lender will conduct its own due diligence regarding the selected applicant's financial and credit worthiness. If a selected household is unable to obtain financing approval within a three-week period after signing the purchase and sales agreement, eligibility for purchase will pass on to the next eligible applicant. The oversight agencies described above reserve the right to approve the financing package chosen by the homebuyer.

Q: How much money is needed to buy the home?

A: In most cases, down payment and closing costs will be needed to purchase the home. Pre-approval by a lender will include approval of the applicant's ability to pay the down payment and closing costs. Upon signing the Purchase and Sales Agreement, the selected applicant will be required to pay a portion of the down payment. At the closing, the applicant will be required to pay the balance of the down payment as well as closing costs.

Q: Can non-household members be permitted as co-signers of the mortgage, and must information on all household members be submitted?

A: No, non-household members may not be permitted as co-signers of the mortgage. Information on all household members must be submitted, whether or not the individual expects to be listed on the mortgage. The procedures used during this process for income determination require assessment of the entire household.

For additional information, contact:

Chelsea Neighborhood Developers
Attn: Emily Loomis
4 Gerrish Avenue
Chelsea, Massachusetts 02150
(617) 889-1375, ext. 23



Información en español disponible