

429 Norfolk Street



Resale Opportunity at 429 Norfolk St
Unit #3

Developed by

Somerville Housing Group

In Cooperation with the

City of Somerville



INFORMATION PACKET

Introduction

The Mayor's Office of Strategic Planning and Community Development is pleased to announce the re-sale of a one bedroom condominium to an income eligible household at an affordable price. Through Somerville's Inclusionary Zoning Ordinance, the one bedroom unit will be offered to an individual or household earning less than 80% of area median income (see eligibility chart enclosed). There are no preferences for applicants living or working full-time in Somerville.

As Inclusionary Housing Units, these condos will have a deed rider that will be filed along with the deed and mortgage at the time of purchase. This means that the price at which the unit is re-sold will be restricted and any subsequent owners will also have an income of no more than 80% of AMI. This will ensure that the unit remains affordable in the long term. More information on the deed rider and restrictions can be found on pg. 7.

Building Description

429 Norfolk St. #3 is part of a five unit complex called Union Place located in the Union Square area.

Unit Description

Unit 3 is a one (1) bedroom, one (1) bathroom. It is 520 sq. ft. and will be offered to an individual or household earning less than 80% of the area median income. The sale price will be \$138,672.00 with a monthly condo. fee of \$177; although the fee is subject to change in the future. It is a ground floor unit.

Eligibility Restrictions

Asset limit is set at \$250,000, excluding retirement accounts. The head of household cannot be a full-time student.

Household Size

A "household" includes all persons who will be residing with you in the unit you are applying for this includes children, teenagers and adults. A household member can be referred to as a household member even if the person does not earn income. Applicants must be in a household with **a minimum of 1 person.**

Income Eligibility

In order to be eligible to purchase this unit, annual income must be within the guidelines listed in the Income Limits Table below. If your household's **gross annual income is at or below 80% AMI**, you may be eligible. While the City does not set a minimum income requirement, applicants must have enough income to support monthly mortgage and condo fees. Lenders determine the minimum amount they are comfortable underwriting. Please see the 80% AMI income limits below:

Maximum Current Annual Household Income

80% Median	1 Person	2 Person	3 Person
Income	\$54,750	\$62,550	\$70,350

The combined annual income from **all** sources and for all income-earning members of the household must not exceed **80% AMI by household size, as indicated above.**

Complete Application

A complete application includes: 1) An application completely filled out and signed by all household members 18 +, 2) First-Time Homebuyers Certificate (see below), or proof of current enrollment in a class scheduled to be completed by the anticipated closing date, and 3) Mortgage Pre-Approval (see below). Applications that do not include this information will not be considered.

First-Time Homebuyers

Applicants must be first-time homebuyers. A person shall be considered a first-time homebuyer if no person in his or her household has, within the preceding three years, owned a home or owned an interest in a home. A person is a “first-time homebuyer” if no person in his or her household has, within the preceding three years, either owned the house they lived in or owned an interest in one or more other houses, such as through joint ownership. Exceptions may be made in the following instances:

1. A displaced homemaker: A displaced homemaker is an individual who is an adult meeting ALL the following criteria:
 - 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
 - Owned a home with his or her partner or resided in a home owned by the partner
 - Does not own the home previously owned with a partner
 - Is unmarried to or legally separated from the spouse
2. A single parent, 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 they have custody or joint custody, or is pregnant).
3. An age-qualified household (in which at least one member is age 55 or Over) which is selling a home in order to purchase an Income-Restricted unit.
4. A household that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

5. A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

Applicants are also required to complete an MHC approved first-time homebuyers course and submit a copy of the certificate of completion with the application. Proof of enrollment in a first-time homebuyers class with the submission of the application will also be accepted, however the course must be completed before the expected closing date. You will be required to submit the certificate of completion. **Certificates of completion that are dated more than three years from the date of application will not be accepted.**

Bank Pre-Approval Financing

Applicants are required to submit as part of their application a **mortgage pre-approval letter for a 30 year fixed rate, including an interest rate or interest range.** The pre-approval must be current.

Note: Pre-qualification letters will not meet this requirement.

Pre-approval letters from Internet banking sites do not meet this requirement.

Pre-approval letters subject to credit, employment, or asset verification do not meet this requirement.

Applicants must have at least 3% of purchase price (\$4,160.16) available for down payment and sufficient funds to cover closing costs for the transaction. Applicants must not cover any additional fees such as seller's closing costs, and are not required to pay any additional downpayment above 3%.

PARTICIPATING BANKS & LENDING INSTITUTIONS*

*Each institution has agreed to provide **free pre-approval services** and information on the best mortgage product available to suit your needs.*

Winter Hill Bank
342 Broadway
Somerville, MA. 02145
(617) 629-3330
Contact: Rich Vernet

Cambridge Savings Bank
1374 Massachusetts Avenue
Cambridge, MA.02138
(617) 441-4137
Contact: Rick Garber

Eastern Bank
250 Elm Street
Somerville, MA. 02144
(617)478-4000
Contact: Wendy Burge

East Cambridge Savings Bank
292 Cambridge Street
Cambridge MA 02141
(617)551-2453/ prizzo@ecsb.com
Contact: Tricia Rizzo

*These are meant as examples only. You are free to use any lender you wish given they are providing a 30-year fixed rate standard mortgage.

Application Process

City applications will be available through Sharon Ronkin, Realtor: 781-307-1293 or sronkin@ownnewengland.com. Sharon Ronkin will select one household and send completed application and corresponding documents to the City's Housing Division to conduct an income certification process to verify income and eligibility. Applicants being income certified will be required to submit documentation including but not limited to:

1. Last three years of federal tax returns including W2s, all pages and all schedules
2. Most recent three months of consecutive paystubs and/or other income documentation (child support, pensions, Social Security Benefits etc.)
3. Employer verification forms (to be sent directly to employers by the City)
4. Most recent three consecutive months of all statements for all assets for all household members
5. Statements of no income for any adults in the household who do not receive any income
6. Other documents may also be requested by the City at the time of income certification

If household is found income eligible the Housing Division will provide a Proceed Letter outlining the next steps. Once certified and after receiving a Proceed Letter, the buyer will have 15 days to enter into a Purchase and Sale Agreement with the owner after having a private home inspection done. The buyer will formally apply for a mortgage loan with their chosen lender and then the buyer and owner will agree to a mutually convenient closing date.

Description of Affordable Housing Restriction

This opportunity to purchase an affordable unit at a significant discount is being offered through the Somerville's Inclusionary Housing Program. This requires that the unit remain affordable for future buyers. If you are selected to purchase this unit, you will sign a deed rider, which describes the restrictions on the unit and your responsibilities. These restrictions will remain with the unit permanently and will apply to you and all subsequent owners. The following is an overview of the most important aspects of the Deed Rider and is meant for informational purposes only. If selected, you are strongly encouraged to seek legal advice and review the total document.

- **Principal Residence:** The property/unit must be used as your principal residence.
- **Leasing and Refinancing:** Express written consent must be obtained from the City of Somerville OSPCD, Housing Division prior to refinancing your loan. Your finance cannot exceed the then current value of your property.
- **Notice to the City of Somerville when selling your home/unit:** When you want to sell your home, you must contact the City of Somerville, OSPCD Housing Division or designee. You must submit written intent to sell. OSPCD will calculate the Maximum Affordable Sale Price as set out in 13.3.3.II in the Ordinance and as amended from time to time. The owner may elect to market the unit independently or request the City's assistance in locating a buyer. In all cases, the buyer must meet income and asset criteria and the City must certify their income and must also be first time homebuyers. The City conducts annual monitoring, and compliance with the monitoring is mandatory.
- Improvements are not included in the re-sale calculations; if you are thinking of doing an improvement, you must contact OSPCD's Housing Division first.
- You can hope for a small, modest increase in the re-sale price, however, you will not receive an increase like you will see on the open market. The price ***does not*** increase a set percentage every year. Remember, upon re-sale, the units must remain affordable to another income eligible first time homebuyer.

Approximate Timeline

- Complete Application Submitted to Sharon Ronkin
- Income Certification Documents Submitted within week of notification
- Proceed Letter
- Private Home Inspection and signed Purchase and Sales agreement within two weeks
- Obtain a mortgage
- Closing approximately within 4-6 weeks
- Projected Occupancy: Summer of 2018

Completed Applications, with first-time homebuyer's certificate and mortgage pre-approval letter, must be submitted to Sharon Ronkin at sronkin@ownnewengland.com or dropped off at:

Please keep this packet for reference as you proceed through the application and certification process.