

# Northampton

## Affordable Homeownership

# Burts Meadow

## Affordable Homes

### Information & Application

### Applications

Accepted on a rolling basis

Until all homes sold

**Affordable Homeownership Opportunities in Northampton**

New affordable homes are offered for sale to eligible households on a first come first served basis. Applications must be complete with required documentation to be considered eligible.

**•Key Facts**

- ± Site work started in fall 2021 and house construction started on site in summer 2022. The homes are modular construction. All six homes are complete and five of the six have been sold and are occupied.
- ± The lottery period has expired and applications are now accepted on an ongoing basis until all the homes have been sold to eligible buyers on a first come, first serve basis.

**•Important Program Facts and Restrictions**

- ± You must occupy the home as your primary residence.
- ± Homes may not be held in a Trust.
- ± When the home is sold in the future, the resale price is restricted and it must be sold to an income eligible household

**•Eligible buyers:**

- ± Buyers income must not exceed the income limit adjusted by household size.
- ± Buyers must not have more than \$150,000 in assets including the proceeds from any sale of home and excluding retirement accounts.
- ± Buyers must secure a pre-approval letter from an appropriate lender.
- ± Buyers must have down payment funds available be offered a purchase and sale agreement.
- ± Buyers do not need to be residents of Northampton
- ± Buyers do not need to be First Time Homebuyers
- ± Applications are complete when all required supporting documentation is received.

**Eligibility**

Applicant households must have a combined yearly income at the time of purchase that does not exceed the following income limits.

Income Limits (updated April 18, 2022)						
1	2	3	4	5	6	7
\$52,750	\$60,250	\$67,800	\$75,300	\$81,350	\$87,350	\$93,400

Buyers must have a minimum downpayment from their **own** funds of 1.5% of purchase price to be offered a purchase and sale agreement.

Applicants must have enough funds to cover down payments and closing costs at the time of closing. Your loan pre-approval amount **plus** your downpayment must be sufficient to cover the full sales price of the home plus closing costs (estimated at \$5,000).

**Loan pre-approval amount + downpayment funds = home sale price + closing costs**

Income from assets is counted as annual income. Assets include: savings accounts, checking accounts, certificates of deposits, bonds, stocks, retirement accounts, real estate and other capital investments.

Individuals or families of individuals who have a financial interest in the development are not eligible to participate in the homebuyer selection process.

### **•Mortgage Requirements**

Applicants must secure a mortgage pre-approval from a bank, credit union or government entity operating in Massachusetts. Pre-approvals from online services do not satisfy this requirement. “Pre-qualifications” do not satisfy this requirement.

Buyer are encouraged but **not required** to seek out lenders that offer mortgages form the One Mortgage Program

[https://www.mhp.net/writable/resources/documents/mhp\\_summary\\_documents\\_english\\_final.pdf](https://www.mhp.net/writable/resources/documents/mhp_summary_documents_english_final.pdf)

Applicants are strongly encouraged to review the following items with your lender. We are available to speak with your lender to answer questions.

- The lender must accept the Affordable Housing Deed Rider without modification.
- Non-household members are not permitted to co-sign the mortgage.
- The mortgage must comply with the following requirements:
  - 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.
  - The interest rate must be locked in, not floating.
  - The buyer must provide a down payment of at least 3% of the sale price and a minimum of half of the 3% amount must come from the buyer’s own funds.
  - The loan can have no more than 2 points.
  - The buyer may not pay more than 33% of their monthly income for monthly housing costs.
  - Loans from non-institutional lenders or online services will not be accepted.

### **•Application & Selection Process**

Applications are available online and will be sent to any requesting party. The attached application form and package provides detail on the process including eligibility requirements.

Applications must be mailed to

Paradise City Commercial Properties, LLC  
Thornes Marketplace, 150 Main Street, Suite #36, Northampton MA 01060

An application will be considered complete when all required items on the Application Checklist in this packet have been submitted. ***No faxed or emailed applications will be accepted.***

All applicants will be screened for eligibility. The applicant’s income and assets will be verified and compared to the income described in the Eligibility section of this packet, and all other criteria for eligibility will also be verified.

All applicants will receive a response indicating the following information:

- If the application or documentation is incomplete or insufficient, the applicant will be offered the opportunity to correct or provide additional information. The application will not be considered complete until this information is received.
- If applicant has been deemed eligible or ineligible, based upon the information provided.
- Applicants who have been determined to be ineligible have seven days from date of letter to contact us in writing to protest the determination.

### Next Steps

Construction on the Burts Meadow is complete and five units have been sold. One unit remains for sale.

Within 15 days of the notice of eligibility, applicants must respond via email that you intend to move forward with the purchase of the home. Within 30 days of the award letter, you must return the signed purchase and sale and a deposit of \$2,000 to Emerson Way, LLC c/o Hampshire Property Management Group. Failure to sign and return the purchase and sale with the deposit will result in the withdraw of the offer to sell. The home will be offered to the next applicant on the waiting list

1. Eligibility (income, asset, and downpayment funds) must be reconfirmed 60 days prior to closing (so if closing is August 1, 2022; eligibility will be reconfirmed after June 1, 2022). Selected homebuyers **must remain eligible** to close on the homes.
2. If you are on the waiting list and a home is offered to you, you will have 15 days to indicate your interest and 30 days from the date of offer to return the purchase and sale with the deposit. Again, eligibility must be reconfirmed 60 days prior to the closing.

### After the Closing

After you settle into your new home, you must complete a post-ownership workshop within two years.

The home must be your primary residence; you may not rent the home unless the City of Northampton Planning Department approves the request which requires a documented hardship.

If you plan to make capital improvements or refinance your home, you must first contact the City of Northampton Planning Department's Monitoring Agent.

If you plan to sell your home, you must notify the City of Northampton Planning Department and follow the requirements of the Affordable Housing Deed Rider.

### •Disclosures

- Burts Meadow homes are bound by a permanent affordable housing deed restriction. The affordable housing restriction permanently limits the resale price of the property and requires that it be sold to an income-eligible buyer. Over the course of owning the home, buyers must obtain pre-approval from the City of Northampton, and DHCD before refinancing or making capital improvements.
- It is strongly recommended that applicants review the affordable housing restriction with their own attorney to ensure that they understand its requirements.

- After closing, buyers will be responsible for all property taxes.
- Applicants and participants must provide any and all documentation requested as a condition of qualifying to purchase the home. This documentation includes, but may not be limited to: confirmation of income including tax returns, wage documentation from your employer, asset documentation, proof of alimony, child support, social security, confirmation of completing an approved homebuyer training program (if a requirement of your mortgage)
- Applications and all supporting materials provided by applicants will be reviewed by Emerson Way, LLC, Hampshire Property Management Group and the City of Northampton Planning Department.
- Fair housing law at state and federal levels prohibits discrimination in housing on characteristics including race, religion, color, sex, sexual orientation, familial status, age, handicap, marital status, national origin, genetic information and ancestry. An applicant who believes that they have been discriminated against in the buyer selection, financing or sales process may contact: the Massachusetts Commission Against Discrimination (617) 994-6000; and/or the United States

**•Application Checklist****Required Forms from this packet:**

Application - signed by applicant & any co-applicant(s)

Applicant(s) Certification

**Required Documentation:**

2020 and 2021 Federal tax returns with all schedules for two most recent years filed for all members of the household over the age of 18 or IRS Verification of Non-filing.

W2 and/or 1099-R forms for two most recent years filed for members of the household over age 18.

Asset Statement(s): Current statements including most recent 5 months for: checking accounts (full statement showing activity/every page front and back); saving accounts (full statement); investment accounts including retirement; certificate of deposit; money markets; stocks/bonds; property; down payment gift amount etc.

Five (5) consecutive pay stubs ending within one month application for all jobs (check/ direct deposit stubs). Must include five stubs whether paid weekly, bi-weekly etc. Provide for all salaried employed household members over 18. For unemployment, copies of unemployment checks or DOR verification stating benefits received.

Mortgage pre-approval letter from an appropriate lenders stating the amount of mortgage you are eligible to receive, interest rate and term.

First time homebuyer training certificate if the mortgage you are applying for requires it. If you have not yet completed the training, you will be able to participate in the lottery and must complete the training within 60 days after an offer to purchase.

**Required if applicable:**

If you intend to use a cash gift from a family member to assist with the down payment, please advise us of the gift amount with the name and telephone number of the person providing the gift.

Proof of student status for dependent household members over age of 18 and full-time students.

Social Security: official statement of monthly amount received for year in review and statement of total amount received for latest tax year.

Pension: statements indicating amount received for year in review and statement of total amount received for latest tax year.

Last consecutive three months statements and documents that indicate the payment amounts from all other sources of income of all members listed on the application, such as alimony and/ or child support, Workman's Compensation, alimony, disability or death benefits and any other form of income – on organization letterhead

# Burts Meadow Affordable Homes Application

Completed applications include required documentation requested in the application. Applications can be mailed to: **AFFORDABLE HOMES, Paradise City Commercial Properties, LLC, Thornes Marketplace, 150 Main Street, Suite #36, Northampton, MA 01060**

*Emailed and Faxed Applications will not be accepted.*

Applicant Name \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail Address \_\_\_\_\_

Address \_\_\_\_\_

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

Co-Applicant Name \_\_\_\_\_

Phone Number \_\_\_\_\_ E-mail Address \_\_\_\_\_

Address \_\_\_\_\_

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

List all members of your household including yourself:

NAME (FIRST & LAST)                      Date of Birth                      Relationship to head

NAME (FIRST & LAST)	Date of Birth	Relationship to head
<small>Fir</small>		<b>self</b>

Income - List all income of all members over the age of 18 listed on application who will reside in the home (include: wages, child support, Social Security benefits, all types of pensions, employment, Unemployment Compensation, Workman's Compensation, alimony, disability or death benefits and any other form of income; including rental income from property). Adults with no income are required to submit a notarized statement. If you need additional space, please attach another sheet.

Household Member	Source of income	Contact Name/phone of source	Estimated annual amount of income

Assets - List all checking, savings accounts, CD's, stocks, bonds, retirement accounts, savings bonds and any other investments below. If additional space is needed, please attach another sheet.

Household Member	Type of Asset	Account #	Value/ Balance
<b>TOTAL</b>			

If you have questions, please email [mja.noho@gmail.com](mailto:mja.noho@gmail.com).

Certification: The Applicant(s) certifies that all information stated in this application, and all information provided in support of this application, is given for the purpose of participating in the Application for Affordable Homeownership at Burts Meadow, Northampton, MA, and is true and complete, to the best of the Applicant's knowledge and belief. The applicant and any members of his/her household hereby grant permission to Emerson Way, LLC and Hampshire Property Management Group staff and Lottery Agent consultant, to contact any employers, institutions or agencies that are listed on this application as sources of income or holders of assets to verify the information provided on this form.

SIGNED UNDER THE PAINS AND PENALTIES OF PERJURY

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

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

**DOCUMENT CHECKLIST:** \_\_\_\_\_ income documentation \_\_\_\_\_ assets documentation  
 \_\_\_\_\_ mortgage pre-approval letter \_\_\_\_\_ downpayment

**•Applicant(s) Certification**

I/We certify that our household size is \_\_\_\_\_persons, as documented herein.

I/We certify that our total household income equals \$ \_\_\_\_\_, as documented herein.

I/We certify that our household has assets totaling \$ \_\_\_\_\_, as documented herein.

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 under full penalty of perjury. I/We understand that false or incomplete information may result in disqualification from further consideration.

I/We certify that I am/we are not related to anyone who has a financial interest in Emerson Way, LLC, Hampshire Property Management Group, or FCM Smarhome, Inc

I/We understand that it is my/our obligation to secure the necessary mortgage for the purchase of a home and that all expenses, including closing costs and down payments, are my/our responsibility.

I/We understand that if I/we do not submit the signed purchase and sale agreement and deposit within 30 days of offer, the purchase and sale agreement is withdrawn and the home will be offered to the next eligible applicant on the waiting list.

I/We certify that I/We do not hold (or will not hold at time of closing) any ownership interests in any residential real estate.

I/We understand the provisions regarding resale restrictions and agree to the restrictions. The home cannot be refinanced without prior approval of the City of Northampton (Planning Dept). No capital improvements can be made without City of Northampton pre-approval; the unit must be owner's primary residence; the resale price is calculated according to the Resale Factor to ensure affordability over time; the affordability restriction remains in effect in perpetuity.

I/We have been provided with a copy of Affordable Housing Deed Rider

I/We understand that if I/we are selected to purchase a home, I/we must continue to meet all eligibility requirements outlined in this application and any participating lender(s) until the completion of such purchase. I/We understand that I/we must be qualified and eligible under any and all applicable laws, regulations, guidelines, and any other rules and requirements.

Your signature(s) below gives consent to Emerson Way, LLC Hampshire Property Management Group or their designees to verify information provided in this application. The applicant agrees to provide additional information on request to verify the accuracy of all statements in this application. No application will be considered complete unless signed and dated by the Applicant/Co-Applicant.

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

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

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•COMMONLY ASKED QUESTIONS

•**DO I HAVE TO BE A FIRST TIME HOMEBUYER?**

This opportunity is **not** limited to first time homebuyers. You may not own another home or have an interest in other residential real estate at the time of closing. First time homebuyers may qualify for downpayment assistance from the City of Northampton offered thru the Valley Co

•**I AM A RESIDENT OR EMPLOYEE IN NORTHAMPTON – DO I GET A PRIORITY?**

There is no local preference priority for current residents, employees of businesses and organizations located in Northampton for this affordable homeownership opportunity.

•**CAN I APPLY FOR ANY OF THE HOMES?**

If you meet the income guidelines and have sufficient funds (the combined amount of your mortgage pre-approval and downpayment funds) to cover the cost of the house purchase, you are eligible to participate in the lottery for that home.

**WHAT ARE THE INCOME LIMITS?**

The income guidelines are the 80% HUD median income guidelines adjusted by household size for the Springfield SMSA area.

Households must earn enough income to qualify for a mortgage loan in an amount that, together with the down payment, is equal to the purchase price plus closing costs

•**WHAT ARE THE ASSET REQUIREMENTS/LIMITS?**

The City of Northampton has established an asset limit of \$150,000 for applications. The \$150,000 excludes retirement accounts but does include the proceeds from any sale of home or property. Income from your assets is counted towards the income limits. This means the total current value of all assets that you have including but not limited to bank accounts, 401K plans, IRA's, stock and bonds, ownership of a business, savings bonds, property held by someone else in your name etc. Applicants will be required to demonstrate that at the time of purchase they will have enough unencumbered assets to cover the required down payment and closing costs.

•**WHAT IS CONSIDERED INCOME?**

You must report any type of income that you receive. All income will be verified. Income is projected for next 12 months based on previous income. Some examples are employment wages, social security, unemployment, public assistance, child support, alimony, annuities, tips, pensions, income from a business such as daycare etc. and any other type of payments that you receive including lottery winnings. Any income earned from your assets is also included. Income from Economic Stimulus payments or the Pandemic Unemployment Insurance payment are not considered income for the purposes of calculating income eligibility. The base unemployment income (prior to the PUI) is included in the income calculation.

**•WHAT DO I NEED TO SUBMIT WITH THE APPLICATION?**

You must provide all documentation and statements as outlined on the Application Checklist of this packet. Incomplete information will prevent your application from being considered.

**•WHY ARE THERE RESTRICTIONS ON THE USE AND RESALE OF THE HOME?**

The City of Northampton has made a commitment to provide affordable homeownership opportunities. The homes are made affordable by reducing the purchase price to below market values, thus reducing monthly mortgage payments and requiring lower down payments. With this help, many families who could not afford to purchase a new home in the private market will be able to own their own home. To preserve these benefits for future buyers, certain conditions are placed on the use and resale of the property. They are designed to balance the interests of initial and future owners fairly.

**•WHEN I WANT TO SELL MY HOME HOW MUCH CAN I SELL IT FOR?**

When you sell your home, the sale price is calculated by the Resale Factor Formula in the deed rider and must be no more than the “Maximum Resale Price”. The Maximum Resale Price is set in accordance with a formula that gives a limited return on your investment but keeps the house affordable to the next buyer.

**•CAN I MAKE IMPROVEMENTS – CAN I SELL THE HOME FOR MORE?**

You will not be able to include costs for luxury upgrades when your unit is sold. Upgrades to your unit do not have the same impact as if you were living in a regular market rate unit. Allowable capital improvements must be approved first by City of Northampton. Please refer to the Housing Deed Rider for more information.

**•TO WHOM CAN I SELL MY HOME?**

When you sell your home, you must notify the City of Northampton in writing. The City will have the right to market your unit once the Maximum Resale Price is determined by their office. If a qualified family is not identified within the identified timeframe, the unit can be sold to someone in the private sector for the Maximum Resale Price with the Affordable Housing Deed Rider.

**•CAN I RENT MY HOME TO SOMEONE ELSE?**

No, you must agree to live in this property as your primary residence. You cannot rent out your home without the written consent of the City of Northampton. Consent will only be granted based on a documented hardship.

**•HOW LONG DO THESE RESTRICTIONS APPLY TO THE PROPERTY?** The resale restrictions described here apply to the property in perpetuity.

**•WHAT LEGAL DOCUMENTS DO I NEED TO REVIEW?**

The property restrictions are described in the Affordable Housing Deed Rider, a document that you should review carefully before you sign a Purchase and Sale Agreement. **AN ATTORNEY’S ADVICE SHOULD BE SOUGHT IN REVIEWING THE AFFORDABLE HOUSING DEED RIDER AND THE PURCHASE AND SALE AGREEMENT.**