

**INFORMATION PACKET**  
**AFFORDABLE HOUSING LOTTERY**

**The Woodlands**  
**Franklin, Mass**

**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 “The Woodlands” development. The developer of this project, Arcadia Enterprises, 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 home. If you are selected in the lottery, you must then apply and secure approval for a mortgage from a bank for a mortgage that meets the following criteria:**

- ❑ The loan has a fixed interest rate. The rate must be fixed through the full term of the mortgage.
- ❑ The loan has a current fair market interest rate of no more than 2 percentage points above the current MassHousing Rate\* (see [www.masshousing.com](http://www.masshousing.com)).
- ❑ The buyer may pay a number of points no greater than the prevailing industry standard, 2 points.
- ❑ Minimum 3% down payment is required. Buyers are required to have at least 1.5% of their own funds and must provide proof.
- ❑ The buyer may not pay more than 38% of their monthly income for the mortgage.

**BACKGROUND**  
**The Woodlands**  
**(Information Sheet A)**

---

A private developer, Arcadia Enterprises, and the Town of Franklin are working to provide this affordable housing opportunity in Franklin through the Local Initiative Program (LIP) of the state's Department of Housing and Community Development. The development consists of 16 single family detached homes of which there shall be 4 sold to first-time homebuyers with incomes at or below 80% of the area median income. The price of these 4 bedroom homes will be **\$194,000**. These units will be part of a development called The Woodlands. A description of the developments is attached on Information Sheet E.

All affordable units will have a "Deed Restriction" that will be recorded with the mortgage at the time of purchase. This deed restriction limits the amount that the home can be resold for or refinanced for and requires it be resold to 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 units, 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 shall be announced in the The Milford Daily News, MetroWest Daily News, Country Gazette, Cape Verdean News, Bay State Banner, El Mundo, The Woonsocket Call, The Providence Journal Bulletin and Sampan. Applications and the Information packet may also be downloaded from the website at [www.DelphicAssociates.com](http://www.DelphicAssociates.com), [www.massaffordablehomes.org](http://www.massaffordablehomes.org) and [www.CHAPA.org](http://www.CHAPA.org).

**ELIGIBILITY REQUIREMENTS  
The Woodlands**

---

**(Information Sheet B)**

---

**Q: Who is eligible to apply for the affordable units?**

A: First-time home buyers whose income and assets meet Local Initiative Program guidelines.

**Q: What is a “household”?**

A: A “household” shall mean two or more persons who will live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship, or an individual.

**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. The lottery process will reflect certain LIP requirements regarding minority participation levels and preference for larger households.

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

A: To be eligible to purchase an affordable home, annual income must be within a particular range, set by maximum income levels. The purchaser must be able to obtain a mortgage, and household asset limits shall not exceed \$50,000 in value:

**Maximum Income**

To be eligible to apply for purchasing an affordable unit, 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 local area. Income in most cases is defined as gross taxable income as reported to the IRS. The maximum income allowed for this program is:

<u>Household Size</u>	<u>Income Limit</u>
6	\$76,750
5	\$71,450
4	\$66,150
3	\$59,550
2	\$52,950
1	\$46,300

## **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.

## **Asset Limits**

Household asset limits shall not exceed \$50,000 in value. Assets include cash value of stocks, real property, savings, bonds, and capital investments. The value of personal property such as furniture and automobiles shall be excluded.

**Individual retirement, 401K, and Keogh accounts.** These are included 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.)

**Retirement and pension funds.** While the person is employed, include only amounts the applicant can withdraw without retiring or terminating employment. Count the whole amount less any penalties or transaction costs. 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 a lump sum, include the lump-sum receipt in net family 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 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 section 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.

**SELECTION PRIORITY  
The Woodlands**

---

**(Information Sheet C)**

---

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

A: Households submitting a complete preliminary application prior to the deadline will be pre-qualified for the lottery to verify that they are first-time homebuyers, meet income and asset limits, and are able to secure a loan, meeting Local Initiative Program requirements. If determined eligible, they will be entered into a lottery for the affordable units. Late applications will not be considered for the lottery.

**Q: Who will receive priority for the opportunity to purchase the affordable units?**

A: Applicants participating in the lottery will be categorized for processing based upon one of two groups shown below as established by the Town of Franklin.

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

A: Yes, two (2) of the four (4) homes will be designated as Local Preference.

**LOCAL PREFERENCE:**

**EQUAL PRIORITY SHALL BE GIVEN TO THE FOLLOWING:**

- **Residents of Franklin**
- **Children of Franklin residents**
- **Parents of Franklin Residents**
- **Siblings of Franklin Residents**
- **Municipal employees or employees of any business located in the Town of Franklin**
- **Military Personnel:**  
If a military applicant was a resident in the Town of Franklin at the time of enlistment, they shall be considered Franklin residents, regardless of their military domicile.

Documentation to be provided includes rent receipts, utility bills, census listing, Town Clerk certification or voter registration listing. Duration of residency is not a factor. This documentation shall be provided with the lottery application.

## **AT-LARGE POOL:**

The At-Large Pool consists of all applicants including the local preference applicants.

### **Q: How will units be awarded?**

A: Upon determining that an applicant's household is eligible, the Lottery Administrator will enter them into the At-Large pool and, if the applicant is determined to qualify as a preference applicant, they will also be entered into the Local pool.

The Lottery Administrator will then review the number of minority applicants in the Local pool.

A preliminary minority lottery will be held one half hour prior to the lottery if the Local pool contains fewer than 20.7% minority participants. These households will be drawn in a separate lottery and added, one-by-one in the order drawn, to the Local pool until it reaches a 20.7% minority participation rate.

### **Larger Households Preference**

Within an applicant pool first preference shall be given to households requiring the total number of bedrooms in the unit based on the following criteria:

- a. There is at least one occupant and no more than two occupants per bedroom.
- b. A husband and wife, or those in a similar living arrangement, shall be required to share a bedroom. Other household members may share but shall not be required to share a bedroom.
- c. A person described in the first sentence of (b) shall not be required to share a bedroom if a consequence of sharing would be a severe adverse impact on his or her mental or physical health and the lottery agent receives reliable medical documentation as to such impact of sharing.
- d. A preference for four bedroom homes will be given to applicants as follows :

5 or more persons in the household, followed by  
4 persons in the household, followed by  
3 persons in the household, followed by  
2 persons in the household, followed by  
1 person in the household.

Within an applicant pool second preference shall be given to households requiring the number of bedrooms in the unit minus one, based on the above criteria. Third preference shall be given to households requiring the number of bedrooms in the unit minus, two, based on the above criteria.

A “household” shall mean two or more persons who will live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent relationship, or an individual.

Lottery drawings shall result in each applicant being given a ranking among other applicants with households receiving preference for units based on the above criteria.

Once all required information has been received, qualified applicants will be assigned a registration code. **ONLY APPLICANTS WHO MEET THE INCOME AND ASSET LIMITS SHALL BE ENTERED INTO THE LOTTERY.**

Ballots with registration codes for applicants are placed in all lottery pools for which they qualify. The ballots are randomly drawn and listed in the order drawn, by pool. If the development has units with different number of bedrooms, units are then awarded (largest units first) by proceeding down the list to the first household on the list that is appropriate size for the largest unit available according to the appropriate-unit-size criteria established for the lottery. Once all larger units have been assigned to appropriately sized households in this manner, the Lottery Director returns to the top of the list and selects appropriately sized households for smaller units. This process continues until all available units have been assigned to appropriately sized applicant households.

Household size shall not exceed state sanitary code requirements for occupancy of a home.

### **Where can I obtain an application?**

- A. You can obtain an application online at [www.DelphicAssociates.com](http://www.DelphicAssociates.com) or [www.CHAPA.org](http://www.CHAPA.org) or you may pick one up at the following location:

**Franklin Municipal Building**  
**355 East Central Street**  
**Dept. of Planning, 3<sup>rd</sup> flr.**  
**Franklin, MA 02038**  
Mon., Tues., Thurs. 8am-4pm  
Wed. 8am-6pm & Fri. 8am-1pm

**Franklin Public Library**  
**118 Main Street**  
**Franklin, MA 02038**  
Mon –Thurs 9am-9pm  
Friday & Saturday 9am-5pm

Or call Delphic Associates at (508) 994-4100 for more information.

**APPLICATION PROCESS AND SCHEDULE  
The Woodlands**

---

**(Information Sheet D)**

---

**ALL APPLICATIONS SHOULD BE SUBMITTED TO:**

**DELPHIC ASSOCIATES  
651 ORCHARD STREET, SUITE 308  
NEW BEDFORD, MA 02744  
Attn: Susan Lapointe**

## DESCRIPTION OF THE DEVELOPMENT

### The Woodlands (Information Sheet E)

---

The Woodlands is a residential development of 16 single family homes of which 4 homes will be affordable. The homes will be approximately 1,892 square feet consisting of four bedrooms with 2 ½ bathrooms, full basement with bulkhead access, New England farmers porch, deck in rear and attached two car garage. These vinyl sided homes rest on beautifully landscaped lots. They have hardwood flooring in the dining room with plush carpeting throughout the remainder of the house, oak cabinetry and Colonial Trim millwork. Kitchen will have vinyl flooring. All homes are supplied with 4 burner electric stoves and washer and dryer hookups.

There will be a homeowners association costing each homeowner approximately \$221 a month and covers trash removal, common area insurance, maintenance of detention ponds, septic tank pumping, snow plowing, street sweeping, common area electric and management company fees.

The development is approximately 19 acres in Franklin located off Stonehedge Road in Bellingham. It is not accessible via any road in Franklin. All affordable homes are scheduled to be completed early 2008

