



# CITY OF SOMERVILLE

Office of Strategic Planning & Community Development

## AFFORDABLE HOUSING ACKNOWLEDGEMENT

Property Address: 2-4 Alpine Street	
Zoning District: MR4	
Applicant: 2-4 Alpine Somerville, LLC	
Address: PO Box 610312 Newton, MA 02461	
Phone: 305-206-2971	Email: elansass@yahoo.com
Property Owner (if not applicant):	
Address:	
Phone:	Email:

This MEMORANDUM OF UNDERSTANDING ("MOU") is made on this 15<sup>th</sup> day of September, 2022 by and between the Housing Director of the City of Somerville ("Housing Director"), with an address of OSPCD Housing Division, 50 Evergreen Avenue, City Hall Annex, Somerville, Massachusetts 02145 and 2-4 Alpine Somerville, LLC, including its successors and affiliates and entities, (the "Developer") with an address of PO Box 610312 Newton, MA 02461 for the residential development at 9-11 Aldersey Street ("the Property").

### BACKGROUND

The Developer is submitting a Development Review Application to the Inspectional Services Division of the City of Somerville to develop a General Building building type with a total of 27 dwelling units in the Multi-residential 4 ("MR4") zoning district and is required to provide affordable dwelling units (ADUs) pursuant to Section 12.1 (12.1 Affordable Housing or 8.1 Affordable Housing Overlay District) of the Somerville Zoning Ordinance. The Developer is currently planning a rental (rental/homeownership) project.

### AGREEMENT

NOW, THEREFORE, with good and valuable consideration, the receipt and sufficiency of which is acknowledged, the Developer, for itself, and the Housing Division covenant agree as follows:

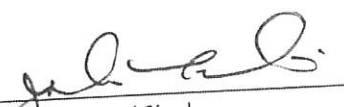
1. The Developer shall provide 5 total deed restricted ADU(s) and shall pay a fractional buyout equivalent to 4 ADUs, pursuant to Section 12.3 Buyouts & Payments of the Somerville Zoning Ordinance. Of the total deed restricted ADUs required, 2 will be priced at Tier 1, 2 will be priced at Tier 2, and 1 will be priced at Tier 3.
2. Any development with thirty (30) or more dwelling units must provide at least twenty percent (20%) of the ADUs with three (3) or more bedrooms. Any fractional number resulting from this calculation is rounded up to the next whole number and regarded as a whole number.
3. The Developer shall agree to and sign an Affordable Housing Implementation Plan ("AHIP"), approved at the discretion of the Housing Director, prior to the issuance of any Building Permit for the Property, in accordance with the Section 12.1 Affordable Housing of the Somerville Zoning Ordinance.

Developer initial here: [Signature]

4. The Developer shall pay any authorized fractional buyout to the Somerville Affordable Housing Trust Fund or, alternatively, to the City of Somerville for transfer to a Massachusetts non-profit housing finance corporation, at the discretion of the Director of Housing, prior to the issuance of any Building Permit for the Property, in accordance with the Section 12.3 Buyouts & Payments of the Somerville Zoning Ordinance.
5. The Developer shall execute and record a deed restriction known as an Affordable Housing Restriction limiting the sale, rent, or lease of all ADUs to eligible households in perpetuity with the Middlesex South Registry of Deeds, or filed with the Land Registration Office, in a form approved by the City Solicitor prior to the issuance of any Certificate of Occupancy for the Property.
6. If permitted by the Housing Director's standards for ADUs, the Developer shall either engage, at their own expense, a 3<sup>rd</sup> party to certify the income eligibility of any household selected for occupancy of an ADU in accordance with 24 CFR 5.609 or provide a fee to the Housing Division for certification services in the event a 3<sup>rd</sup> party cannot be engaged.
7. The Developer shall agree to and sign a Memorandum of Understanding for the monitoring of compliance to the provisions of the Somerville Zoning Ordinance, all legal agreements, and other standards established by the Director of Housing for rental ADUs prior to the issuance of any Certificate of Occupancy for the Property.
8. The Developer shall agree to and sign a new Affordable Housing Acknowledgement in the following circumstances:
  - a. Following the issuance of any Special Permit subsequent to the date of this MOU authorizing an in-lieu payment instead of providing one (1) or more ADUs.
  - b. Following any action by the review boards that changes the total dwelling unit count for the Property.
  - c. Prior to submitting a revision to a previously approved development review application that includes a change in the total dwelling unit count for the Property.

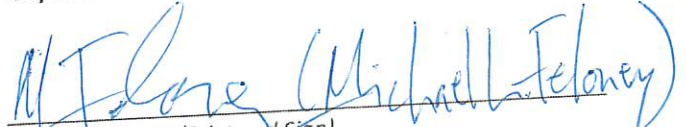
IN WITNESS WHEREOF, the Developer and the Housing Director have executed this Acknowledgement under seal as of as of the date first written above.

Developer

John Topalis,   
Authorized Representative (Print and Sign)

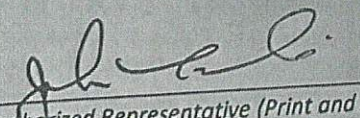
Date: 8-25-22

City of Somerville


  
Housing Director (Print and Sign)

Date: 9-15-22

Property Owner

  
Authorized Representative (Print and Sign)

Date: 8-25-22

Developer initial here: 

## **Affordable Housing Implementation Plan**

Agreement made this 13 day of Feb, 2022, by 2-4 Alpine Somerville, LLC ("Owner") described below and the Housing Director of the Mayor's Office of Strategic Planning and Community Development ("Housing Director") with a usual address c/o the OSPCD Housing Division, 50 Evergreen Avenue, Somerville, MA 02145. The Owner is required to provide an Affordable Dwelling Unit (ADU) under the Somerville Zoning Ordinance for the Development described below. This Agreement is intended to serve as the "Implementation Plan" referred to in §12.8 of the Somerville Zoning Ordinance. Any change in the development review that would affect the bedroom types at the development, the size, quality, or number of Affordable Dwelling Units required to be provided in connection with the Development, or a change in the tenure of the Development prior to initial marketing shall require an amendment to this Agreement.

### **Development:**

The Development is a residential building located at 2-4 Alpine Street, Somerville, consisting of a four-story low-rise structure with twenty-six (26) residential units. Of the twenty-six (26) residential units, there are two (2) studio units, twenty-two (22) one-bedroom units, and two (2) two-bedroom units. There are a total of ten (10) vehicle parking spaces in the garage. Of those, eight (8) vehicle parking spaces are designated for residential parking and two (2) vehicle parking spaces are designated as communal. There are a total of thirty-six (36) bicycle spaces. Of those, twenty-eight (28) are designated for long-term bicycle spaces and eight (8) are designated as short-term bicycle spaces for common use. Vehicle parking and bicycle spaces are further described in the Appurtenant Rights/Amenities section.

### **Name and Address of Owner:**

The Owner of the Property is 2-4 Alpine Somerville, LLC, a Massachusetts limited liability partnership, with a usual place of business at PO Box 610312 Newton, MA 02461. All references to the Owner in this AHIP shall mean and refer to the current Owner at the time of execution of the AHIP, as well as its successors and/or assigns as their interests may appear.

### **Affordable Units:**

The Owner is required to provide a total of five (5) affordable dwelling units ("Affordable Unit" or "ADU").

The Median Family Income (MFI) used shall be for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area.

Two (2) one-bedroom, one-bathroom units shall be rented to households at or below 50% of the MFI.



Two (2) one-bedroom, one-bathroom units shall be rented to households at or below 80% of the MFI.

One (1) one-bedroom, one-bathroom unit shall be rented to households at or below 110% of the MFI.

The units shall be provided on-site, intermixed and proportional to the corresponding market rate units with respect to tenure type (for-sale or rental), unit size, number of bedrooms, and size of rooms. Per §12.7, the proportion of ADUs with two (2) or more bedrooms may exceed the proportion provided for the corresponding market rate units for each tenure type.

At the time of the execution of the AHIP, the applicant anticipates a Rental project and as such, the AHIP as written is a Rental AHIP, and not a Homeownership AHIP. Should the anticipated tenure change, the parties shall execute a Homeownership AHIP. The five (5) affordable units have been identified as follows according to plans prepared for 2-4 Alpine Somerville, LLC, the project's applicant, by Balance Architects. on July 26, 2021.

#### Level 2

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**Unit No. Plan 202-1B (202)** – a one-bedroom and one bathroom unit measuring approximately 549 square feet to be rented to households at or below 110% AMI

**Unit No. Plan 209-1B (209)** – a one-bedroom and one bathroom unit measuring approximately 589 square feet to be rented to households at or below 80% AMI

#### Level 3

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**Unit No. Plan 302-1B (302)** – a one-bedroom and one bathroom unit with balcony measuring approximately 549 square feet to be rented to households at or below 50% AMI

**Unit No. Plan 306-1B (306)** – an ADA one-bedroom and one bathroom unit measuring approximately 673 square feet to be rented to households at or below 50% AMI

#### Level 4

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**Unit No. Plan 403-1B (403)** – a one-bedroom and one bathroom unit measuring approximately 516 square feet to be rented to households at or below 80% AMI

The City reserves the right to amend the above designations and any amendments will be made in writing.

#### **Affordable Housing Restrictions:**

The Implementation Plan shall form the basis of an Affordable Housing Restriction governing the Affordable Units in perpetuity which shall be prepared by counsel for the City of Somerville, approved and executed by the Mayor, the Executive Director of OSPCD, the City Solicitor, and Owner and recorded or filed with the Middlesex South District Registry of Deeds or Land Registration Office.

At the time of execution, the Development is anticipated to be a rental project, and a rental project Affordable Housing Restriction is anticipated. The Affordable Housing Restriction shall be recorded or filed with the Middlesex South District Registry of Deeds or Land Registration Office, as applicable, prior to when the first certificate of occupancy is issued for the Development.

In the event that the Development is made subject to a condominium regime prior to the initial marketing, the Affordable Housing Restriction shall be recorded or filed immediately after the Master Deed and Condominium Trust and prior to when the first certificate of occupancy is issued for the Development and the recording of the first Unit Deed. Mortgagees shall agree to abide by the terms of the Affordable Housing Restriction. A City provided Deed Rider shall be attached to the first Unit Deed which clearly state the unit is subject to the Deed Rider.

**Additional Fractional Obligation:**

*In General:* Where the number of Affordable Units required under the Somerville Zoning Ordinance results in a fraction, the developer may satisfy his/her obligation by means of the alternative methods of compliance specified in §12.3 of the Ordinance, or may opt to provide an additional unit of affordable housing.

*For this Development:* A .2 fractional payment is required for this development.

The fractional payment is calculated as  $(A*B)$  where:

A is the amount of ADUs not provided (.2) and B is the difference between the average sales price of a comparable market rate units (one-bedroom) sold within the city of Somerville over the previous twelve (12) months and the sale price of an ADU in the ownership or rental price tier (Tier 1) that would have been provided.

The fractional payment must be made prior to obtaining a certificate of occupancy and the check shall be delivered to the Housing Division and made payable to the Somerville Affordable Housing Trust Fund.

**Unit Finishes:**

The Owner shall submit to OSPCD a schedule of standard finishes for market rate units and shall construct the five Affordable Units using the same standard finishes. If the standard finishes on the market-rate units are changed, the City reserves the right to require the new finishes be incorporated into the Affordable Units. Owner shall ensure sound attenuation measures are included in the project. OSPCD's Housing Division will do a walkthrough of the affordable unit(s), market units, amenities and overall project to ensure unit finishes are comparable. The walkthrough must take place either just prior to or during the marketing process when units are ready and before the market rate units are occupied by tenants.

*For this Development:* No changes to the above.

**Appurtenant Rights/Amenities:** The five Affordable Units shall have the same appurtenant rights and/or amenities as market rate units, including without limitation, parking spaces, balconies, private yard space, roof terraces, bike spaces, and outdoor courtyards.

*For this Development:* The Owner shall submit a proposed vehicle parking and bicycle space plan (the “Plan”) to the Housing Division for review and approval. The Plan shall propose the parking spaces on a labeled parking plan, which shall clarify within the plan any compact or ADA Vehicle Parking Spaces. The approved vehicle parking and bicycle space plan shall form the basis of a vehicle parking and bicycle space agreement, that shall be an Appendix to the Compliance and Monitoring Memorandum of Understanding (see Certificate of Compliance and Monitoring sections below for further details on the Memorandum of Understanding).

The Plan shall be submitted for review and approval by the OSPCD Housing Division at least six (6) months from the time the Owner anticipates obtaining Certificates of Occupancy on any units. Marketing of the Affordable Units cannot commence until the Plan has been reviewed and approved, and parking space information relative to marketing material for market rate units shall not be released nor included in any market rate offers until such Plan is reviewed and approved.

There are ten (10) vehicular parking spaces within the garage. Two (2) are described as communal spaces to be utilized for limited temporary use such as for food service and eight (8) will be assigned to units. The Plan shall ensure that two (2) of the eight (8) long-term garage parking spaces will be reserved for use by two (2) of the five (5) of the affordable unit tenant households (the “Affordable Vehicle Parking Spaces”). The Plan shall also ensure that of the twenty-eight (28) long term bicycle spaces, one (1) long term bicycle parking space will be reserved to each of the five (5) affordable unit tenant households, and that the affordable units will have access to eight (8) unassigned short-term bicycles spaces (the “Affordable Unit Bicycle Spaces”).

With respect to the Affordable Vehicle Parking Spaces and Affordable Bicycle Spaces, the Agreement shall describe the following:

- A process for allocating the Affordable Vehicle Parking Spaces in the event more than two (2) affordable tenant households require vehicle parking;
- Provisions for maintaining a Vehicle Parking Space Waitlist for the Affordable Units that may start at the time of initial allocation or after, and how affordable tenant households shall be notified of how to be added to such a waitlist after the initial allocation of the Affordable Vehicle Parking Spaces;
- Provisions for how Bicycle Space usage will be monitored by all tenants and how Bicycle Spaces will be allocated in the event households wish to use more than one Bicycle Parking Space per household;
- Affordable tenant households shall be eligible for up to one parking space, and requests for more than one parking space shall not be considered unless there are no affordable tenant households on the waitlist;

- Provisions for how the Affordable Vehicle Parking Spaces will be managed in the event less than two (2) affordable tenant households request parking;
- Affordable tenant households that occupy an ADA unit that require access to a parking space shall be given first priority to the Affordable Vehicle Parking Spaces;
- The Agreement shall also include the flexibility to consider requests for a Vehicle Parking Space on a case-by-case basis;

Rent is inclusive of any and all fees, including but not limited to any parking rights for tenant households occupying Affordable Units. See the section on rental prices for Affordable Units below.

The Owner will complete a Project Fee Disclosure Form for the Housing Division that will detail non-recurring costs such as disposal of large furniture items. Fees are subtracted from the rent. The Fee Form will serve as an Appendix to the Monitoring and Compliance MOU.

#### **Certificates of Occupancy:**

Developers should make all good faith efforts to ensure that all of the obligations as required by the Inclusionary Housing Ordinance are met prior to seeking issuance of Certificates of Occupancy on the final market-rate units by Inspectional Services Division (ISD) as the City has the authority to hold the Certificates of Occupancy on the final market-rate units for failure to comply with inclusionary requirements, including:

- a. All Inclusionary units within applicable phase have obtained a Certificate of Occupancy.
- b. Any required cash payment has been made to the City of Somerville Affordable Housing Trust Fund through the Mayor's Office of Strategic Planning & Community Development's (OSPCD) Housing Division. *A .2 fractional cash payment due for this project.*
- c. The Affordable Housing Restriction shall be recorded with the Middlesex South District Registry of Deeds or filed with the Land Registration Office and the Compliance and Monitoring Memorandum of Understanding shall be executed.

In the event that less than twenty-six (26) certificates of occupancy, the Owner shall ensure that the five (5) affordable units are among the units with certificates of occupancy.

#### **Condominium Documents:**

In the event the Development is made subject to a condominium regime prior to the initial marketing, the Owner shall provide the Housing Division of OSPCD with condominium documents including the Master Deed, Trust and Bylaws and Budget prior to recording these documents at the Registry of Deeds. Once approved, the documents can then be recorded. The Owner shall ensure that draft condominium documents in Microsoft Word format are provided well in advance of when the Owner anticipates recording such documents to allow sufficient

time for review. The percentage of ownership interest for the affordable unit must be the ratio of the affordable price value divided by the aggregate fair market value of all the units in the development including the Affordable Units. The Owner shall provide the Housing Division of OSPCD with the market rate sales list prices.

**Tenant Relocation Plan:**

*In General:* In cases where a Development will include the temporary or permanent relocation of existing tenants, the Owner will be required to submit a Tenant Relocation Plan for approval by the Housing Director which includes the name, address, and telephone number of each affected tenant, a copy of such tenant's lease or rental agreement, the location and cost of alternative housing, the construction schedule, the estimated duration of the relocation if temporary, the relocation costs to be paid by the Developer, the notification to be sent to the tenant regarding the relocation, and any other information reasonably requested by the Housing Director.

*For this Development:* No relocation is necessary as this will be a newly built development.

**Rental Prices for Affordable Units:**

The maximum affordable rent for the rental ADU price Tier (Tiers 1, 2 and 3 at this project) is calculated as follows:

The Median Family Income (MFI) for the Boston-Cambridge-Quincy, MA-NH HUD Metro FMR Area published annually by the U.S. Department of Housing and Urban Development (HUD) is multiplied by the percentage specified in Table 12.1.5(b) for the price tier and bedroom count of the subject ADU to determine the base price before deductions. The product of the above is divided by twelve (12) and the standard deductions for tenant paid utilities (using the Somerville Housing Authority Utility Allowance for the energy type/bedroom count/building type) parking and amenities provided at additional cost to tenants is subtracted from the result to determine the maximum monthly rent. Somerville Housing Authority (SHA) publishes a Summary Allowance for Tenant Utilities and Other Services on an annual basis (approximately), outlining the allowance amounts per building type/bedroom count/ and energy type (gas v. electric). The SHA Summary Allowance for Tenant Utilities shall be used in all cases, including those where the SHA is not the issuing agency for the mobile voucher tenant household may hold.



Prior to the marketing of rental Affordable Units, the Owner will provide a utility chart to the Housing Division specifying the type of utilities including the party providing and paying for each utility. Additionally, the Owner shall complete a form disclosing any parking or other amenity fees. The forms shall be included as Exhibits to the Monitoring and Compliance Memorandum of Understanding. Any proposed updates to either form shall be submitted to the OSPCD Housing Division using such forms for review and approval prior to any changes in fees/energy type and which party is paying for them.

If a tenant household holds a mobile voucher or other rental subsidy, the maximum monthly rent limit shall be the same as the rent as outlined above for the Tier designation of the unit the household is occupying.

### **Marketing Plan for Affordable Units:**

The Housing Division will initially market the five Affordable Units. After initial lease up, the Owner shall be responsible for marketing, or shall pull from the Consolidated Rental Waitlist if/when in existence after exhaustion of the original lottery waitlist. Marketing shall generally follow the process as outlined within this section. In the event a Consolidated Rental Waitlist is in existence at the time the project is ready to be marketed, the Housing Division may proceed with the Tenant Selection and Certification by drawing from the top households on the applicable waitlist. The property manager may conduct standard checks such as a credit check that all tenants will be subject to upon completion of income certification. Applicants for Affordable Units shall not be charged an application, credit or background check fee. Owner shall require a more lenient credit check range and will share this with the Housing Division in advance. The credit check/suitability screening requirements shall be memorialized in writing and shall be included as an Appendix to the Compliance and Monitoring MOU. Owner shall provide proposed leases to the OSPCD Housing Division for review and approval prior to marketing. The Owner may recommend renter's insurance but may not require it. If Owner requires a security deposit to hold the unit before construction completion, tenant shall have an opportunity to walk through unit and if tenant is no longer interested, the full deposit shall be returned.

An appeal process for both the income certification and credit check/suitability screening shall be clearly outlined for prospective tenants and included as an Appendix in the Compliance and Monitoring MOU. Final leases shall also be included as an Appendix to the Compliance and Monitoring MOU. Applicant shall have at least a week from written determinations to appeal the income certification as well as the credit check.

Marketing efforts for the five Affordable Units will be targeted to income-eligible households based on then-current preferences and priorities as part of its Inclusionary Housing Program, in each case to the extent permitted by state and federal law.

Where a consolidated rental waitlist is not already in existence during initial marketing, the marketing activity shall include publication of criteria as to income eligibility, minimum income limits, the rent, and information about utilities, parking, and other amenities as well as the

application deadline and lottery date. Marketing documents shall include fliers, an information session that will be recorded and that will remain online during the marketing period, as well as an informational PowerPoint with audio, a written Information Packet and Applications (online and printed). The OSPCD Housing Division will schedule and conduct a lottery drawing for all initially eligible applicants.

The Affordable Units will be marketed by the OSPCD Housing Division through the following means and may be updated by the time of marketing:

- A notice on the City of Somerville's cable television channel;
- Inter-departmental e-mails to Somerville municipal employees;
- Publication of a Press Release;
- Posting of information on OSPCD social media pages;
- Mailing of fliers to OSPCD's Inclusionary Housing mailing list ahead of the first information session;
- Market on Metro List as well as Mass Access;
- Direct email to OSPCD's Inclusionary Housing Listserv of approximately 9,000 households and 250 local organizations.

The Owner will provide at Owner's sole expense the following regarding marketing of Affordable Units:

- Fliers distributed within the neighborhood of the development.
- Newspaper advertising in at least two (2) newspapers, one of which shall be a local Somerville newspaper. Suggested newspapers include the Somerville Journal, Somerville News, Brazilian Times, El Mundo, and the Bay State Banner. The OSPCD Housing Division must review and approve advertisements in advance. The newspaper ads shall be no smaller than a ¼ page.
- Provision of all marketing materials and applications in at least the primary languages spoken in Somerville prior to the beginning of the open application period, which at the time of execution of the AHIP are English, Spanish, Portuguese, Haitian Creole and Nepali.
- Interpretation services shall be provided throughout marketing and the open application period, rental screening and lease-up process and for ongoing tenancies. Prior to marketing, the Owner will provide the Housing Division with a Language Access Plan, which shall also serve as an Appendix to the Compliance and Monitoring MOU.
- Advertisements through Facebook or other social media.
- Create a marketing website that will include marketing materials and gallery for unit viewing and/or 3D tours of model units.
- Distributing fliers, Information Packets and Applications to at least 15 local businesses and agencies.

A minimum of two (2) Information Sessions shall be held at an approved City of Somerville venue. Information Sessions shall be recorded and be made publicly available. In the event that gatherings are not deemed safe for public health reasons as determined by local, state or federal

health officials, Information Sessions will be held virtually. The Owner and/or its agents shall also facilitate, host and staff two (2) open houses, with at least one being on a weeknight and one being on a weekend. The Owner and/or its agent shall include information on the Affordable Units on a website with applicable marketing materials.

*This section herein is not exhaustive of the process and policies.*

#### For Rental Units:

The application period will follow the then-current OSPCD Housing policy in place at the time marketing begins and the first day is tied to the date of sending the opportunity to the Inclusionary Housing Listserv (via email and regular mail). The marketing materials will include notice of a deadline for the submission of Initial Applications.

If any additional marketing activities or the re-marketing of an Affordable Unit or Affordable Units are required, the Owner will be required to pay the cost of such additional activities.

#### **Eligible Families:**

Households must be initially certified by the OSPCD Housing Division as income eligible. The Owner and/or its agent are responsible for subsequent certifications or re-certifications and the OSPCD Housing Division will review and verify income eligibility. Preference will be given and verified as to then-current tiers and priorities to the extent permitted by state and federal law. For additional information regarding household size, please see Tenant Selection and Certification Process below. All Heads of Household may not be a full-time student. No household member may own property or have interest in property. Any properties or interest in properties in a household member's name, must be sold prior to the completion of an income certification.

#### **Tenant Selection and Certification Process:**

- OSPCD Housing Division will conduct income certification in conformance with the HUD HOME guidelines. "Annual Income" is defined under 24 CFR 5.609, or as shall be defined in any successor regulation, is the anticipated total income from all sources received by all members of the Family over the age of eighteen (18), including members who are temporarily absent. Without limiting the generality of the foregoing, Annual Income includes interest income from assets.
- Owner or a designee will hold at least one weekend and one weeknight open house to provide interested parties with an opportunity to view the unit(s) where possible. In the event large scale open houses are not deemed safe for public health reasons as determined by local, state or federal health officials, efforts shall be made to provide floor plans and 3D virtual tours and/or videos of the two finish types for each bedroom type of affordable unit;
- Application deadline will be advertised for the then-current OSPCD Housing Division policy in place at the time marketing begins, and a public lottery scheduled, and Owner

or designee should allow for enough time for application review and correspondence with applicants prior to the lottery;

- The OSPCD Housing Division shall assign unique identifiers to households entered into the lottery and such unique identifiers will be communicated to households in advance of the lottery and all households whose applications are not entered into the lottery shall receive written communication of such in advance of the lottery;
- Lottery shall be recorded and the recording shall be made available online.
- Highest preference in the lottery is given to the then-current preferences effective at the time of marketing;
- The lottery will be held by unit type and area median income; Preference for ADA units shall be for those who require an ADA accessible unit based on then-current preferences;
- Applicants must have a minimum household size of one (1) person per bedroom; An applicant with a household size of one (1) person cannot apply for a two-bedroom unit;
- Lottery participants not selected first will constitute the start of a wait list for the development in the order in which households placed in the lottery by unit type and area median income and Owner, Owner's Agent or Property Manager shall propose to the Housing Division how often the original waitlist will be cleaned up;
- The Owner or property manager shall be entitled to conduct reasonable tenant-related reference and background checks conforming to State and Federal Fair Housing Laws and in a manner consistent with all other market-rate units and the Owner's customary practices and such screening shall occur upon completion of income certification;
- In the event a consolidated rental waitlist is not in existence at initial marketing, the OSPCD Housing Division will include status column on excel spreadsheet lottery waitlist and shall update the status column with details noting households who were not income eligible, or who did not pass a credit check, or who may have changed their minds, etc. The finalized lottery waitlist with the completed status column mentioned above shall be shared with the Owner or its agent for subsequent maintenance in accordance with the Compliance and Monitoring MOU. In the event a consolidated rental waitlist is in existence at initial marketing, the OSPCD Housing Division shall not share the waitlist with the Owner, and the OSPCD Housing Division shall be responsible for the maintenance of the consolidated rental waitlist;
- In the event a consolidated rental waitlist is not in existence at initial marketing, the OSPCD Housing Division will track in real-time the status of income certifications and Proceed Letters and shall require from the Owner or its agent updates as to rental screenings and lease-ups. This tracking can occur on a Google Document or an excel

spreadsheet. Upon the final lease-up, the Owner or its agent shall receive a hard copy of the finalized excel spreadsheet, as well as the final lottery waitlist, with the status column complete, and a summary spreadsheet of five affordable units by unit number, bedroom and AMI type, and the initial household occupying them. In the event a consolidated rental waitlist is in existence at initial marketing, the OSPCD Housing Division shall not share the waitlist with the Owner, and the OSPCD Housing Division shall be responsible for the maintenance of the consolidated rental waitlist;

- Owner will require a more lenient credit check range and will share this with the Housing Division in advance of marketing;
- The Owner shall notify the City if a lease will be offered and households have the right to appeal a denial by Owner. Copies of executed leases and lease riders must be provided to the OSPCD Housing Division annually; and Rent adjustments are allowed annually in conformance with Article 12 of the Somerville Zoning Ordinance and shall be calculated by the OSPCD Housing Division during the annual rent and income review.
- Upon a determination and subsequent verification by the OSPCD Housing Division that a household is income eligible, the Owner may conduct suitability screening, including tenant related reference and background checks conforming to State and Federal Fair Housing Laws and in a manner consistent with reference and background checks respecting market rate units and the Owner's customary practices. The tenant suitability and screening process shall be provided to the OSPCD Housing Division in writing for review and approval in advance of any marketing and as mentioned above, shall include the appeal process and will be an exhibit to the Compliance and Monitoring MOU.
- The Owner shall notify the OSPCD Housing Division as to the chosen tenant for each applicable Affordable Unit and shall provide an explanation to the OSPCD Housing Division as to why any tenants were not chosen.
- The Owner or its agent and property management shall provide interpretation translation services for applicants and prospective tenants throughout all phases of programming through initial lease-ups. Interpretation and translation will be offered to ongoing tenants with a lease and those prospective tenants filling a vacancy in an affordable unit as needed. The Owner or its agent and property management shall present a Language Access Plan prior to marketing, and the Language Access Plan shall be an appendix to the Monitoring and Compliance MOU.

Rent adjustments for Affordable Units are allowed annually in conformance with Article 12 of the Somerville Zoning Ordinance and shall be calculated by the OSPCD Housing Division during the annual rent and income review. Lease Riders, which may be revised from time to time, shall be provided by the OSPCD Housing Division for the Affordable Units and shall be signed by tenants and property managers on an annual basis and provided to the Housing Division.

**Monitoring:**

*"For Rent" Affordable Units:* Annual income certifications shall be completed by the Owner, Property Management Company, or other agent. The OSPCD Housing Division will review the income certifications completed by the Owner, Property Management Company, or other agent and will verify annually the tenants' income eligibility, the Owner's compliance with rent restrictions, and permitted rent increases. The OSPCD Housing Division will notify the Owner and/or its agent in all cases of non-compliance or tenant ineligibility. The Owner shall notify the OSPCD Housing Division of any tenant turnover in Affordable Units and shall obtain OSPCD's approval for any new tenant in advance of such tenant's moving into the affordable unit. The OSPCD Housing Division shall be copied on all notices to tenants. A Compliance and Monitoring Memorandum of Understanding will be executed between the Owner, Property Management Company (if applicable), and the Housing Division, which will provide further details as to the Annual Monitoring and Compliance, including rent and fee review.

**Future Conversion from Rental to Homeownership Units:**

The Owner shall continue to operate the Affordable Units as affordable rental units in perpetuity and in accordance with the terms and conditions of the AHIP, Affordable Housing Restriction, and as provided for in an OSPCD Housing Division Compliance and Monitoring MOU.

Should the Owner wish to effectuate a tenure change from rental to homeownership, the Owner shall provide advance written notice to the OSPCD Housing Division Director. The Owner shall not initiate further steps to effectuate the said tenure change by providing notice to the tenant and the Condominium Review Board until an agreement has been reached with the OSPCD Housing Division, and the Housing Director has assented in writing to the Owner proceeding forward with notice to the tenant and Condominium Review Board. Topics for the agreement shall include but is not limited to the timing of notice, advance messaging to different stakeholders within the community regarding the notice, and tenant meetings.

The City shall require the Owner, its successors and assigns, to provide original eligible tenants a five (5) year continuing right to purchase their affordable unit from the date of the original offer tendered by the Owner subsequent to the granting of any conversion permits for Affordable Units by the Condominium Review Board. Should an original eligible tenant vacate the development within the five (5) years, the right to purchase becomes null and void. Should an original eligible tenant not purchase his/her/their Affordable Unit within the allotted five (5) years as referenced above, the right to purchase lapses and becomes null and void.

In the event the original eligible tenants elect not to purchase the Affordable Condominium Unit(s), the Owner and its successors and assigns shall then continue to be subject to the restrictions to maintain and operate the Affordable Condominium Unit as rental housing in perpetuity in accordance with the same terms and conditions as prior to the conversion to a condominium and as set forth in the Affordable Housing Restriction. For the purpose of this section, an original eligible tenant is defined as a tenants occupying an Affordable Unit as of the time of the original conversion notice, and meeting income eligibility requirements and being an appropriately sized household for the unit type at the time of contemplated purchase.



The Owner shall adhere to the process contained in the then-current Condominium Conversion Ordinance. Where tenant protection provisions and requirements in the Restriction exceed provisions and requirements in the Condominium Conversion Ordinance, the Restriction shall control. The Owner, or its successors and assigns agree to amend the Affordable Housing Restriction as may be necessary to accomplish the above requirement.

In connection with any conversion to a homeownership tenure, each of the Affordable Units identified above shall remain Affordable Units and shall be converted into affordable homeownership units, and for the purpose of assessment of common area charges/assessments, the percentage of ownership interest for each Affordable Unit shall be the ratio of the Affordable Unit's price value divided by the aggregate fair market value of all the units in the development including the Affordable Unit.

Prior to recording the first Condominium Unit Deed, the Owner shall provide the OSPCD Housing Division with condominium documents including the Master Deed, Trust, Deed Rider and Bylaws and Budget, and the Housing Division shall have ample opportunity to provide comments and feedback on the Master Deed and Trust as to the Affordable Units only prior to the documents being finalized and recorded at the Registry of Deeds.

The initial sales price for each Affordable Unit shall not exceed the Affordable Price as calculated by the OSPCD Housing Division for up to five (5) years from the original offer to purchase tendered by the Owner subsequent to the granting of any conversion permits for Affordable Units by the Condominium Review Board. The initial sale price for each unit shall be determined based on what current rent for the particular unit can support at the time of the conversion.

For each subsequent sale by the Owner Occupant, the Affordable Price (Maximum Resale Price) shall be determined by OSPCD as follows:

(i) For Units Restricted at 50% Median Family Income: The lesser Affordable Price of (1) the percent change in the Bureau of Labor Statistics CPI- U (urban wage earners and clerical workers; all items in U.S City average; series ID CWUR0000SA0, base period 1982-84=100) or a successor index as determined from the month and year of the purchase of the Unit and the month before and year of the date of the letter of intent to sell or (2) the total estimated annual costs for mortgage principal and interest consistent with OSPCD Housing Division policy, real estate taxes, private mortgage insurance, homeowner's insurance costs estimated by the OSPCD Housing Division, and common area fees do not exceed twenty-eight percent (28%) of the Annual Income of an Income Eligible Family at Forty Percent (40%) of the median family income based on family size, as determined annually by HUD. While affordability is calculated using Forty Percent (40%) of median family income, income eligibility for the unit is up to Fifty Percent (50%) of median family income. Subsequent resales of the unit will require a Certificate of Compliance that includes among other things, certification of the affordable price and income eligibility.

(ii) For Units Restricted to 80% Median Family Income: The lesser Affordable Price of (1) the percent change in the Bureau of Labor Statistics CPI- U (urban wage earners and clerical workers; all items in U.S City average; series ID CWUR0000SA0, base period 1982-84=100) or a successor index as determined from the month and year of the purchase of the Unit and the month before and year of the date of the letter of intent to sell or (2) the total estimated annual costs for mortgage principal and interest consistent with OSPCD Housing Division policy, real estate taxes, private mortgage insurance, homeowner's insurance costs estimated by OSPCD Housing Division, and common area fees do not exceed twenty-eight percent (28%) of the Annual Income of an Income Eligible Family at Seventy Percent (70%) of the median family income based on family size, as determined annually by the HUD. While affordability is calculated using Seventy Percent (70%) of median family income, income eligibility for the unit is up to Eighty Percent (80%) of median family income. Subsequent resales of the unit will require a Certificate of Compliance that includes among other things, certification of the affordable price and income eligibility.

(iii) For Units Restricted to 110% Median Family Income: The lesser Affordable Price of (1) the percent change in the Bureau of Labor Statistics CPI- U (urban wage earners and clerical workers; all items in U.S City average; series ID CWUR0000SA0, base period 1982-84=100) or a successor index as determined from the month and year of the purchase of the Unit and the month before and year of the date of the letter of intent to sell or (2) the total estimated annual costs for mortgage principal and interest consistent with OSPCD Housing Division policy, real estate taxes, private mortgage insurance, homeowner's insurance costs estimated by OSPCD Housing Division, and common area fees do not exceed twenty-eight percent (28%) of the Annual Income of an Income Eligible Family at One Hundred Percent (100%) of the median family income based on family size, as determined annually using calculations by the OSPCD Housing Division based on HUD calculations. While affordability is calculated using One Hundred Percent (100%) of median family income, income eligibility for the unit is up to One Hundred Ten Percent (110%) of median family income. Subsequent resales of the unit will require a Certificate of Compliance that includes among other things, certification of the affordable price and income eligibility.

Notwithstanding the above herein, conversion to condominiums is strongly discouraged.

**General Conditions:**

The Owner will allow the OSPCD Housing Division and other City staff reasonable access during construction and during marketing.

The Owner will provide OSPCD and the tenants of an Affordable Unit the contact name and telephone number of the management entity responsible for collection of rent and maintenance of the building.

The Owner shall notify the OSPCD Housing Division if the Development is sold and shall provide the OSPCD Housing Division with contact information.

SIGNATURE PAGE TO FOLLOW

EXECUTED UNDER SEAL on the day and year first written above.

**OWNERS: 2-4 ALPINE SOMERVILLE, LLC**

By:

A handwritten signature in black ink, appearing to read "John Topalis", written over a horizontal line.

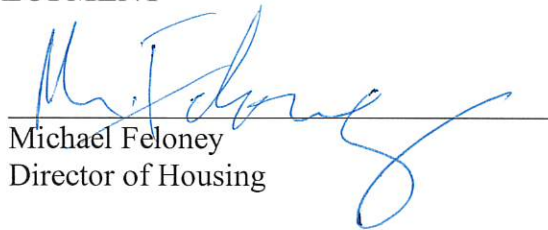
John Topalis

Its:

Manager

**MAYOR'S OFFICE OF STRATEGIC PLANNING AND COMMUNITY  
DEVELOPMENT**

By:

A handwritten signature in blue ink, appearing to read "Michael Feloney", written over a horizontal line.

Michael Feloney

Its:

Director of Housing