

The Flatiron



Developed by

DG/ Real Estate Development

In Cooperation with

**Mayor Joseph A. Curtatone and the
City of Somerville**



Information packet and application for an
inclusionary housing program homeownership lottery

Introduction

Through Somerville's Inclusionary Zoning Ordinance, two units will be sold to first-time homebuyers with household incomes at or below 80% and 110% of Area Median Income (AMI) (see eligibility chart enclosed). Complete applications can be submitted from Nov. 2nd through Jan. 5th at 10 AM to be entered into a lottery. A minimum household size of two is required. Those who live or work full-time in Somerville and provide current verification of this at the time the application is submitted will be given a preference in the lottery.

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 resold will be restricted and any subsequent owners will also have an income of no more than 80% or 110% of AMI. This will ensure that the unit remains affordable in the long term. More information on the deed rider restrictions can be found on pg. 7

Building Description

The Flatiron is located at the junction of Prospect and Webster Streets. This convenient location is just steps away from Union Square and many exciting stores and restaurants are just a short walk away. It is also a very short three minute walk to three different bus routes. The Flatiron consists of 14 residential and two commercial units, including two income-restricted units. There will be a full size elevator and on-site parking. The inclusionary units include one deeded parking space per unit. It is anticipated the units will be ready for occupancy after the lottery.

For more information on the Flatiron development, please see their website at: <http://www.theflatiron70.com/>

Unit Description

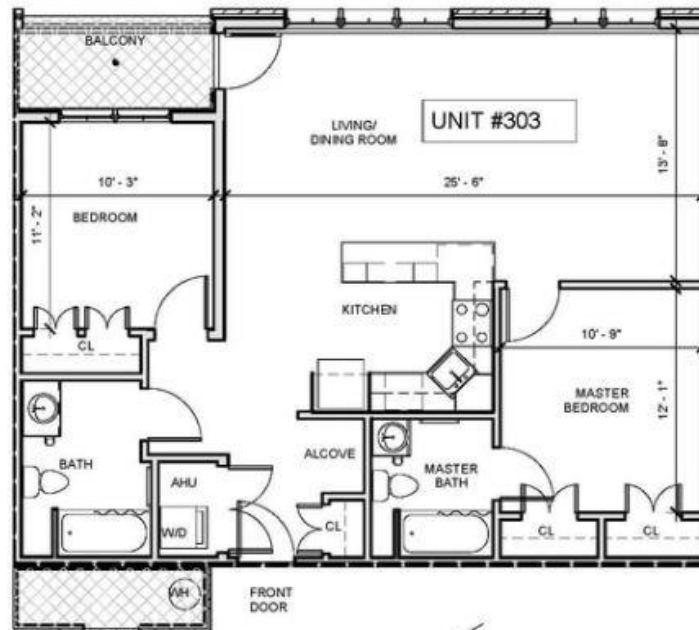
Units 203 and 303 are both two bedrooms, two bathroom units that measure approximately 1,056 sq. ft. each. They include features such as central air conditioning, custom cabinetry, maple hardwood floors, stainless steel appliances, in unit laundry, and a private balcony. Amenities include a shared patio on the ground floor and a roof deck. The floor plan for both units is the same and can be seen on page 4.

Unit 203 is available to first time homebuyer households with incomes at or below 80% Area median income (AMI) for the purchase price of \$180,137 with a monthly condo fee of approximately \$108.12.

Unit 303 is available to first time homebuyer households with incomes at or below 110% AMI for the purchase prices of \$268,824 with a monthly condo fee of approximately \$161.25.

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Application for Income-Restricted Homeownership Units

Floor plan for unit 203 and 303



Eligibility Restrictions

Asset limit is set at \$250,000 excluding retirement accounts.

The head of household cannot be full-time students.

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 **2 or more people**, as determined by the number of bedrooms in the unit to be eligible to apply for a 2BR unit.

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 below either of the 80% or the 110% 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.

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The combined annual income from **all** sources and for all income-earning members of the household must not exceed **80% or 110% of AMI** by household size, as indicated below:

How many people are in your household?	MAXIMUM Annual Gross Income Limits	
	80%	110%
	Is your income below this amount?	Is your income below this amount?
2	\$62,550	\$86,328
3	\$70,350	\$97,119
4	\$78,150	\$107,910
You may be eligible for unit:	203 for \$ 180,137	303 for \$268,824

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. 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 and if you are chosen in the lottery, 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 pre-approval letter for a mortgage in an amount sufficient to purchase the unit.** The pre-approval must contain an interest rate or range and should 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 not subject to credit, employment, or asset verification do not meet this requirement.

Applicants must have at least 3% of purchase price (\$5,404.11 for the 80% and \$8,064.72 for the 110%) available for down payment and sufficient funds to cover closing costs for the transaction.

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

Lottery Process

Households submitting a complete application prior to the deadline will be screened for eligibility based on the guidelines described above. Applicants will be informed of eligibility before the lottery on **Friday, Jan. 19th 2018 at 10 AM**. If household is found eligible they will be provided with an identifier consisting of numbers and letters. This identifier will be called out during the lottery instead of the applicants name in order to maintain confidentiality. All applicants will be drawn and assigned a number.

Applicants will be selected at random during the lottery and will be numbered in the order they are selected. The first selected applicant will have the first opportunity to purchase the unit. This applicant will have one (1) week to certify their eligibility with the City. If they are determined to be ineligible, the second applicant chosen at the lottery will be notified and given one (1) week to certify. This process will continue until an eligible applicant is selected. The top household will be required to submit documentation including but not limited to:

1. Last three years of federal tax returns including W2s for all employers
2. Last three months of consecutive paystubs or other income documentation
3. Last three consecutive months of all statements for all assets
4. Statements of no income for any adults in the household who do not receive any income
5. Pension or benefits statement
6. Other documents may also be requested 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 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.

Lottery Preference

Households who either currently reside or currently work full-time (32 hours or more) in the city of Somerville may receive a preference

Applicants must have their current primary residence within the City of Somerville and must provide proof of residency, which could include the following documents dated within the last 30 days: a utility bill, voter registration, credit card or bank statement.

Applicants working full-time within the City of Somerville must provide a recent paystub or a letter of employment signed by the human resources director with contact information stating they work 30 hours or more in the city.

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 SPCD, Housing Division prior to refinancing your loan.
- **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 using the same formula used to calculate your original sale price found in the deed rider. 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 resale 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 resale 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 resale, the units must remain affordable to another income eligible first time homebuyer.

A deed- restricted unit cannot be resold without the City's Compliance of Compliance, verifying all requirements were met.

Upcoming Information Session:

Tuesday, November 28th, 2017 at 11 AM

In the Aldermanic Chambers in City Hall on the 2nd floor, 93 Highland Ave., Somerville

Applications will be available to interested buyers at the conclusion of the 1st information session on Thursday, Nov. 2nd 2017 and thereafter.

Approximate Timeline

- Application Due Date: Friday, Jan. 5, 2018 at 10 am
- Lottery: Friday, Jan. 19, 2018 at 10 AM
- Lottery Result Notification by Feb. 2nd, 2018
- Income Certification Documents Submitted within week of notification
- Proceed Letter
- Private Home Inspection within two weeks
- Purchase and Sale signed
- Obtain a mortgage
- Closing approximately within 45 days
- Projected Occupancy: Spring 2018

Completed Applications, with all the necessary supporting documents, must be submitted to Ithzel Polanco or Seamus Lynch at the Housing Division in City Hall Annex 50 Evergreen Ave. Somerville, MA 02145 no later than **January 5th, 2018 at 10 AM**. Applications received after the deadline or which are incomplete will not be included in the lottery. Applications can also be faxed at 617-666-8035. If you mail your application, please do so no later than a week before the deadline to ensure receipt by the deadline.

Lottery Drawing: The lottery will be held on **Friday, Jan. 19th at 10 AM** in the Aldermanic Chamber on the 2nd floor of City Hall **93 Highland Ave. Somerville, MA 02143**. Applicants need not be present. The lottery will be recorded and can be viewed here: <https://www.youtube.com/user/SomervilleCityTV>. Households will be notified of their standing within two weeks of the lottery.

Please keep this information packet for reference as you proceed through the lottery and income certification.

Individuals with disabilities who need auxiliary aids and services for effective communication, written materials in alternative formats, or reasonable modifications in policies and procedures, in order to access the programs and activities of the City of Somerville or to attend meetings, should contact the City's Manager of Equity, Diversity, and Inclusion, Nency Salamoun, at 617-625-6600 x2323 or nsalamoun@somervillema.gov.



The Flatiron at 70 Prospect St.

Unit 203 sale price: \$180,137

Unit 303 sale price: \$268,824

Application Deadline: Friday, January 5, 2018@ 10 AM

A. GENERAL INFORMATION

- You must include the following documents with your application:
 - ☐ If you are claiming the Somerville live/work preference, current (dated w/in the last 30 days) documentation **MUST** be included with your application.
 - ☐ Copy of a Homebuyer Training Certificate from a MHC approved course or proof of enrollment
 - ☐ Mortgage Pre-approval from conventional bank (no internet companies) with conventional terms (30 year fixed rate mortgage) and including interest rate or range
- Include information about all household members including all income, assets and debts (regardless of whether they will be on the mortgage). A household includes any child or adult who lives with the applicant regardless age or ability to earn income.
- **Complete applications and other supporting documents must be received at our office (City Hall Annex, 50 Evergreen Avenue, Somerville, 2nd floor) by Friday 1/5/18 at 10 AM. Applications received after that time will not be considered. If you mail your application, please mail it no later than one week before the deadline to ensure receipt by the deadline at the City of Somerville Housing Division.**

B. APPLICANT/HEAD OF HOUSEHOLD INFORMATION

Applicant's Full Name: _____

Co-Applicant's Full Name: _____

Mailing Address: _____ Apt. No.: _____

City: _____ State: _____ Zip Code: _____

Cell Phone: _____ Home Phone: _____

E-mail Address: _____@_____

☐ Check here if you would like your email/address to be included in the City's Inclusionary Housing Listserv. You will be notified of both income-restricted rental and homeownership units available through this program.

How did you hear about this opportunity? ☐ Email ☐ City website ☐ Flyer
☐ Newspaper ☐ Resistat Meeting/Newsletter ☐ MassAccess ☐ Web search
☐ Facebook ☐ Family/friend ☐ Other _____

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The following two questions are OPTIONAL and will not affect your eligibility in any way.
Which best describes your ethnicity? (Select one)

☐ Non-Hispanic/Latino ☐ Hispanic/Latino

Which best describes your race? (Please check all that apply) ☐ White ☐ Black ☐ Asian
☐ Native American/ Alaskan Indian ☐ Pacific Islander/Native Hawaiian

How many persons are in your household? ☐ 1 ☐ 2 ☐ 3 ☐ 4 ☐ 5 ☐ 6

If you checked 1 (one), you are ineligible for this 2BR opportunity. This number includes children, teenagers and adults regardless of their ability to earn income. Your household includes all persons who would be moving into the unit you are applying for.

Is the head of household a full time student? ☐ Yes ☐ No

If yes, you are ineligible for this opportunity.

Do you currently live in Somerville? ☐ Yes ☐ No

If yes, please provide one of the following documents dated within the last 30 days from the day you are submitting the application: utility bill, voter registration, credit card/ bank statement. The document must include your/household member's full name, date and address to receive a preference in this lottery.

Do you currently work for an employer in Somerville 32 hours or more per week?

☐ Yes ☐ No

The applicant must be physically located in Somerville full-time, not just the employer.

If yes, please provide a recent paystub with your name and your Somerville employment location dated within the last 30 days. If you don't have a paystub you can submit a letter from your employer on an employer letter head signed by your Human Resources Director including his/her contact information stating you work in Somerville 32 hours or more.

Do you or a family member work for the City of Somerville? ☐ Yes ☐ No

There is no preference given in the lottery if you, or a member of your family, work for the City of Somerville. This is simply a disclosure.

Have you or another adult member of your household taken a first time homebuyers course? ☐ Yes ☐ No

Are you currently enrolled in an MHC approved first time homebuyer course scheduled to be completed by the anticipated closing date? ☐ Yes ☐ No

If you answered no to both, your application is incomplete and will not be entered into the lottery. You must include a copy of a valid first time homebuyers certificate dated within three years of the date of your application or proof of current enrollment in a course.

Have you been pre-approved for a 30-year fixed mortgage? ☐ Yes ☐ No

You must include a mortgage pre-approval letter for a 30-year fixed mortgage which includes the interest rate or an interest rate range and is for an amount which covers the sale price. The institution providing a valid letter will be taking your credit, employment, and asset documentation into account to determine your eligibility before providing a letter.

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Do you have at least 3% of the purchase price available for down payment?

☐ Yes ☐ No

Applicants must have at least 3% available for down payment and sufficient funds to cover closing costs For unit 203, 3% would be \$5,404.00 while for unit 303, it would be \$8,065.00. The City does offer a Closing Cost Assistance program to eligible households.

Please answer all questions.
Incomplete applications will be disqualified.

If a section or question is not applicable make sure to state so by writing in n/a.

Household Information

Household members include all persons who intend on residing in the unit you are applying for including children and adults without income.

FULL NAME (first, last)	SOCIAL SECURITY #	AGE	RELATIONSHIP TO APPLICANT (father, son, sister etc.)
			SELF

C. HOUSEHOLD INCOME INFORMATION

In the table below list the names of everyone in your household and the income they receive. This includes full, part-time, seasonal, temporary, and any other type of employment. It also includes any type of benefit or money received. If a household member has more than one employer please list them all, if a household member received more than one type of income, please don't forget any.

Please note you will need to provide the last three consecutive months of paystubs/income documentation for all household members to income certify if chosen during the lottery.

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NAME OF HOUSEHOLD MEMBER	SOURCE OF INCOME (SSI, disability, Unemployment, Gift, self-employment, wages, retirement, annuity, child support etc. If member is an adult w/o income state so here.)	FREQUENCY OF PAYMENTS (How often is this income received? Please check one box per source)	GROSS AMOUNT (amt. received per pay period before taxes)
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
		<input type="checkbox"/> Weekly <input type="checkbox"/> Bi-weekly <input type="checkbox"/> Semi-monthly <input type="checkbox"/> Monthly	\$
Gross Monthly Household Income			\$
Gross Annual Household Income			\$

Does anyone in your household expect a bonus this year? ☐ Yes ☐ No
If yes, what is the expected amount? \$ _____

Does anyone in your household expect a raise or commission? ☐ Yes ☐ No
If yes, what is the expected amount? \$ _____

Does anyone in your household work overtime? ☐ Yes ☐ No
If yes, what is the hourly rate and how often? \$ _____/_____

Does anyone in your household receive monetary gifts? ☐ Yes ☐ No
If yes, how often and what is the expected amount? \$ _____/_____

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D. FIRST TIME HOMEBUYER STATUS

Have you owned a home or joint interest in a home in the three years prior to the date of this application? ☐ Yes ☐ No

If yes, please explain: _____

E. ASSETS

In the table below, list all checking and savings accounts for all applicants. *Statements for all accounts for the last three consecutive months will be required during the income certification for all household members.*

Name of account holder	Name of Bank	Account Type (savings, checking, etc.)	Last 4 digits of account no.	Current Balance
				\$
				\$
				\$
				\$
				\$

In the table below, list all other assets including retirement, trusts, certificate of deposits, savings bonds, IRA, 401K, 403B, mutual funds, stocks, etc. The balance held in restricted retirement, health and college savings accounts will not be counted towards the asset limit; however, interest earned on the balance above (insert amt.) will be counted towards the total household income.

Name of account holder	Name of financial institution	Account Type (retirement, CD, etc.)	Last 4 digits of account no.	Current Balance
				\$
				\$
				\$

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Does anyone in the household own investment property? ☐ Yes ☐ No

Are additional funds available for a down payment? ☐ Yes ☐ No

Will any portion of your down payment be derived from **GIFT** money? ☐ Yes ☐ No

Describe amount and source of additional funds used for down payment: _____

F. DEBT INFORMATION

Current Monthly Rent: \$ _____ Do you have a lease? ☐ Yes ☐ No
If yes, when does it end? _____

List any Debt, *including loans and credit cards*, that require a scheduled payment for any household member:

Source of Debt	Balance Owed	Monthly Payment

Have you ever been past due on *any* credit or loan account? ☐ Yes ☐ No

If yes, explain: _____

G. NOTIFICATION

All information you provide here will be treated as confidential and used by our office to determine eligibility to be a participant in the lottery. Applicants understand that after the lottery, if selected, SPCD will require a complete income and asset verification. This means that applicants, if selected, must provide the SPCD with documentation and further verification of all information related to income, assets, and household members. The applicant certifies all information in this application is true to the best of his or her knowledge and belief, and no information has been included or excluded which might reasonably affect judgments regarding applicant's eligibility.

IMPORTANT TIME-SENSITIVE REMINDER

You must obtain a mortgage preapproval from a bank before you will be eligible to participate in the lottery for this unit. (see list of participating lenders in information packet)

The mortgage preapproval must have conventional terms. The mortgage preapproval must be from a bank using conventional underwriting criteria. Preapprovals from other sources may not be accepted.

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Your mortgage pre-approval cannot be subject to conditions relating to confirmation of income, work history or satisfactory credit reports.

A mortgage pre-approval may take 2-4 weeks for a bank to process, and will require that you provide significant documentation to the lender. Therefore in order to obtain a qualified mortgage pre-approval, **you should apply immediately. You must submit an acceptable mortgage pre-approval with this application by the application deadline in order for your name to be entered in the lottery drawing to be announced.**

I have read and understand the conditions of the mortgage pre-approval, the deed rider and affordable housing resale restrictions and the deadlines as described above.

Application must be signed by all adult members of the household.

APPLICANT'S SIGNATURE _____ DATE: _____

CO-APPLICANT'S SIGNATURE _____ DATE: _____

Complete Applications must be submitted by Friday, Jan. 5th 2018 at 10 AM

If a preference is checked off but no documentation is provided with your application, you will not receive a preference in the lottery.

Completed applications with proof of preference if applicable, mortgage pre-approval and copy of first time homebuyer certificate dated within three years of the date of application or proof of current enrollment in an MHC-approved course must be submitted to the Housing Division by Friday, January 5th 2018 to be included in the lottery.

Via email to

Ithzel Polanco at ipcabadas@somervillema.gov or Seamus Lynch at slynch@somervillema.gov

Or

Delivered or mailed to:

Fax : 617-666-8035

CITY HALL ANNEX OSPCD, Housing Division 2nd Fl.

Attn: Ithzel Polanco OR Seamus Lynch

50 Evergreen Avenue

Somerville, MA 02145

If you are mailing, please mail your application no later than a week before the deadline to ensure receipt by the deadline by the Housing Division.

If you have any questions call (617) 625-6600 x2586 or x2588