



Improving our community – one family, one house, one neighborhood at a time.

WORCESTER COMMUNITY HOUSING RESOURCES, INC

Crown Hill Condominiums

**19 Oxford Street and 2 Quincy Street
Worcester, Massachusetts**

**Worcester Community Housing Resources, Inc.
Registration and Information Telephone Line (508) 799-0322 ext. 109**

**WE ARE PLEASE TO ANNOUNCE WE ARE EXTENDING THE APPLICATION PERIOD
TO THE CROWN HILL CONDOMINIUMS AT THIS TIME.**

**APPLICATIONS MUST BE HAND DELIVERED OR RETURNED BY MAIL. PLEASE
RETURN COMPLETED AND SIGNED APPLICATION & COPIES OF SUPPORTING
DOCUMENTATION ONLY TO:**

**Worcester Community Resources, Inc.
11 Pleasant Street Suite 300, Worcester, Massachusetts 01609**

**You may register for our upcoming Informational Sessions and Open House by call 508-799-
0322 ext. 109.**

Contents:

1. Answers to Frequently Asked Questions

Site and Floor Plans – Available for viewing upon request.



WCHR is an Equal Housing / Equal Opportunity Agency

Crown Hill Condominiums

Answers to Frequently Asked Questions

Why is WCHR building attractive housing and selling it for less than it costs to do so? What do I really need to know?

WCHR's mission is to create affordable housing and rebuild neighborhoods. The city, state and federal government put funds into our projects but do not require repayment if sold to income-eligible, first-time homebuyers. In this way we can provide high quality homeownership and bring back our often struggling neighborhoods with attractive, new housing and new homeowners, and encourage others to reinvest and improve their properties, too.

You do need to know that you may be able to buy one of these fine condominiums for about two-thirds of our costs, but that you will be required to accept deed restrictions and a second mortgage that require you to live in that condo as long as you own it. If you sell the condo in the years ahead, the deed restrictions call for you to sell it to another income eligible first-time homebuyer. Also, you must inform the city and state when you want to sell. The amount of money you can make on the sale is limited to the gain in the consumer price index on what you paid to buy the condo.

WCHR works with mortgage lenders who share our affordable housing goals and accept these complex deed restrictions. WCHR is ready to work closely with you. We can help you to understand both the opportunity and requirements during the initial application process. If you are eligible, qualify for the needed mortgage, and are selected in our lottery, we will help you throughout the home buying process.

Who is eligible to buy these condominiums?

All condominium units are reserved for people with incomes below 80% of Worcester's median income. These income limits are set by the federal government, based on the size of your household – total adults and children living with you – and are based on your projected total household income over the next twelve months. You will be required to show proof of income and household size.

You must be a first-time home buyer, defined as an individual and his or her spouse who have not owned a home during the prior 3-year period, except that any individual who is a displaced homemaker may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while a homemaker, owned a home with his or her spouse or resided in a home owned by the spouse. Likewise, any individual who is a single parent may not be excluded from consideration as a first-time homebuyer on the basis that the individual, while married, owned a home with his or her spouse or resided in a home owned by the spouse. Further, any individual who owns or owned a dwelling unit whose structure is not permanently affixed to a permanent foundation or is not in compliance with State, local, or other applicable codes and cannot be brought into compliance with such codes for less than the cost of construction of a permanent structure may not be excluded from consideration as a first time homebuyer.

You must have sufficient income and credit to be able to obtain mortgage financing for the condominium and will need to produce a mortgage pre-approval letter at the time of your application. Mortgage pre-approval letters must specify your loan rate and term and confirm that the lender accepts the program restrictions.

What are the income guidelines?

See the table below for your household size.

| Maximum Eligibility Income by Size of Household | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 1 Person | 2 People | 3 People | 4 People | 5 People |
| Income | \$40,150 | \$45,900 | \$51,600 | \$57,350 | \$61,950 |

*New HUD Income Limits updated 3/8/2006 Worcester, MA HMFA

Annual income includes all sources of income including gross wages and salaries, overtime pay, commissions, tips, fees and bonuses, and other compensation for personal services, net business income, retirement income, veterans' benefits, alimony/child support, unemployment compensation, social security, pension/disability income, supplemental security income and interest/dividend income for all members of the household during the most recent calendar year for all adult household members over the age of 18, unless the member is a full-time student. Annual income also includes the actual income generated by liquid assets, that is, cash or assets that can be converted easily to cash. Annual income will be determined in a manner set forth in the *Technical Guide for Determining Income and Allowances for the HOME Program* (HUD-1780-CPD, January 2005 Third Edition) successor regulations.

If you are close to the limits you should probably submit an application anyway. The WCHR staff will review bonus pay, overtime pay or other periodic compensation on a case-by-case basis. If the compensation is not a regular occurrence or is not expected to continue, it may be excluded from the determination of income.

Can non-household members be permitted as co-signers of the mortgage, and must information on all household members be submitted?

No, non-household members may not be permitted as co-signers of the mortgage. Information on all household members must be submitted, whether or not the individual expects to be listed on the mortgage. The procedures used during this process for income determination require assessment of the entire household.

Are there household (family) size limits?

Your household must not be overcrowded for the particular unit at the time of purchase. This means that the parents must have a separate bedroom and children of opposite sex, above age ten must also have separate rooms. For example the two-bedroom and three bedroom units that comprise this project, that would mean that eligible buyers could include:

- A married or unmarried couple
- A single parent or couple with one child
- A single parent or couple with two same-sex children
- A single parent or couple with two opposite-sex children under ten.

What will the units be like?

Each two-bedroom unit will be approximately 980 – 1137 square feet with an open space plan. Each three-bedroom unit will be approximately 1288 -1393 square feet with an open space plan. The one bedroom unit will be approximately 1017 square feet with an open space plan. Two deeded on site parking spaces are included with each unit. Kitchens and baths are all new. Heating, plumbing, mechanical and electrical systems are either newly constructed or have been replaced to provide up-to-date service. Cable television hookups and telephone outlets are also provided. New insulation and energy efficient doors and windows have been added to make the units economical to heat and meet Energy Star Rate guidelines. Soundproofing has also been installed between the units on both walls and floors/ceilings. Modern, efficient gas-fired hot water heaters and boilers are provided separately for each unit and located in furnace rooms in the basement. Floor plans of each unit will be available at the open house or can be obtained by calling WCHR at (508) 799-0322, Extension 108.

What are the sale prices and unit size for each unit?

Sales Prices and Unit Sizes

| <u>2 Quincy Street New Construction</u> | <u>CHOICE INITIAL</u> | <u>Sales Price</u> | <u>Approximate Square Footage</u> | <u>Bedrooms</u> | <u>Bathrooms</u> |
|---|---------------------------|--------------------|---------------------------------------|-----------------|------------------|
| Townhouse 1 Unit F Garden & First Floor Left | | \$114,900 | 1,080 | 2 | 1 |
| Townhouse 2 Unit D Garden and First Floor Center | | \$114,900 | 1,040 | 2 | 1 |
| Townhouse 3 Unit A Garden and First Floor Right | | \$124,900 | 1,060 | 2 | 1 |
| Townhouse 4 Unit E Second and Third Floor Left | | \$129,900 | 1,140 | 2 | 1 |
| Townhouse 5 Unit D Second and Third Floor Center | | \$124,900 | 980 | 2 | 1 |
| Townhouse 6 Unit B Second and Third Floor Right | | \$149,900 | 1,390 | 3 | 1.5 |
| <u>19 Oxford Street Rehabilitation</u> | | <u>Sales Price</u> | <u>Approximate Square Footage</u> | <u>Bedrooms</u> | <u>Bathrooms</u> |
| Unit 1 - First Floor | | \$139,900 | 1,290 | 3 | 1 |
| Unit 2 - Second Floor | | \$139,900 | 1,350 | 3 | 1 |
| Unit 3 - Third Floor | | \$99,900 | 1,020 | 1 | 1 |

All units will remain affordable to low income households for an identified period in accordance to the “restrictions” set forth by our funding agencies and outlined in the attached “Disclosure Statement”. This is accomplished via the use of a “Deed Rider”: All units will have a “Deed Rider” that will be filed with the deed at the time of purchase. This Deed Rider limits the price that the unit can be re-sold for and requires that the unit be re-sold to another eligible purchaser. The Deed Rider ensures that the unit stays affordable for a period of 50 (fifty) years for the portion of funds provided by the Housing Stabilization Fund or “HSF” managed by the Massachusetts Department of Housing and Community Development (“DHCD”) and a period of 20 (twenty) years for the portion of funds provided by the City of Worcester (“City”) HOME Funds.

What are the financing requirements?

Applicants are required to submit a valid pre-approval letter with the application from a Fannie Mae approved lender for an amount sufficient to purchase the unit. The pre-approval letter must include the property address, the purchase price and must outline the rate, term; identify mortgage product and readiness to accept the “HSF” and “HOME” deed restrictions as they apply to the right of first refusal, subsidy recapture and rights of mortgagees in cases of foreclosure. WCHR staff will be available to discuss with your lender the specifics of this affordable housing program.

Mortgage terms must be a 30-year fixed rate mortgage *that secures a loan of not more than ninety-seven percent (97%) of the purchase price of the Unit* or other approved product as approved by the City of Worcester and the Department of Housing and Community Development.

Keep in mind that some lenders may not give you a mortgage on a property that has deed restrictions and you should speak with your lender on whether they participate in affordable homeownership programs.

What will my mortgage payment be?

Your mortgage payment will depend on the sales price, lender and the mortgage program that best suits your needs. WCHR and our NeighborWorks® HomeOwnership Center of Worcester partner agencies can counsel you on various mortgage programs and refer you to participating lenders who offer them. Based on a buyer with average to good credit and a 6%, 30 year mortgage, P&I (Principal and Interest) payments could range from under \$730 monthly to about \$935 with a 3% down payment ranging from \$3,750 to about \$4,800. The mortgage lender will also add in your property taxes, Private Mortgage Insurance (PMI) if applicable, and condominium fee to determine the amount of mortgage they will offer.

Can I apply for more than one unit?

Since it is anticipated that there will be more interested and eligible applicants than available condominiums, WCHR will sponsor a lottery to rank eligible Crown Hill Condominium applicants for the program. The application as well as a description of the lottery process and eligibility requirements is described in this package.

Applicants may apply for one unit or as many units as they are deemed eligible for in the project, but sale of all units will be prioritized by household size. Your application will be screened for income and household eligibility for the particular unit applied for. Being determined over 80% of the median income for your household size will make you ineligible for all units. Income determinations may be appealed according to a separate appeal policy if you think a decision has been made in error.

For each unit, first priority will be given to families requiring the total number of bedrooms in the unit to house the members of the household, based on the following criteria: Applicants may apply for one unit or as many units as they are deemed eligible for in the project, but sale of all units will be prioritized by household size. Your application will be screened for eligibility for the particular unit applied for per the above table of income limits. Being determined over 80% of the median income for your household size will make you ineligible for all units. Income determinations may be appealed according to a separate appeal policy if you think a decision has been made in error.

How will applicants for the Crown Hill Condominiums be selected?

Assuming that there are more eligible households than available units, the selection process will consist of selecting ballots randomly from a pool(s), and this process is referenced generally as lottery selection. All entries will be by registration number to protect the

confidentiality of the lottery participants. If there is only one eligible household, that household will be awarded the unit without a requirement to enter the lottery.

All applications will be reviewed for eligibility after they have been received. Late applications will not be considered for the lottery. All applicants must meet the threshold eligibility requirements and have completed and submitted an application with all attachments prior to the deadline. All applicant households will be notified in writing as to their eligibility for the lottery, as well as the unit size for which they are deemed eligible. Eligible households will be given a registration number indicating their eligibility for the lottery process as well as the unit size(s) for which they will be entered.

As per state Department of Housing & Communities Development (DHCD) policy, first priority shall be given to families requiring the total number of bedrooms in the unit to house members of the household, based on the following criteria:

- a) No two persons (with the exception of husband and wife or those in a similar living arrangement) shall be required to share a bedroom
- b) A person described in (a) 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 director receives reliable medical documentation as to such an impact.

Second priority shall be given to families requiring the number of bedrooms in the unit minus one, based on the above criteria; third priority shall be given to families requiring the number of bedrooms in the unit, minus two; and so on. This policy will be applied consistent with the State Sanitary Code.

Upon receipt of a completed and signed application and supporting documentation, the application will be reviewed to determine whether the household meets the threshold eligibility criteria. Eligible applicants will be issued a confirmation letter confirming entry in the affordable homeownership project.

To distinguish between household of appropriate size and other households interest in a particular unit, and to recognize the particular unit or units which the applicants are interest in buying, a series of drawings will be held in the following order:

THREE BEDROOM UNITS:

- ❖ Households of appropriate size interested in 2 Quincy Street Townhouse 6 Second& Third Floor Right 3-bedroom unit.
- ❖ Other households interested in the upper right 2 Quincy Street Townhouse 6 Second& Third Floor Right 3-bedroom unit.

- ❖ Households of appropriate size interested in the first floor 19 Oxford Street Unit 1-3 bedroom unit.
- ❖ Other households interested in the first floor 19 Oxford Street Unit 1-3 bedroom unit.

THREE BEDROOM UNITS: Continued

- ❖ Households of appropriate size interested in the second floor 19 Oxford Street Unit 2-3 bedroom unit.
- ❖ Other households interested in the second floor 19 Oxford Street Unit 2-3 bedroom unit.

TWO BEDROOM UNITS:

- ❖ Households of appropriate size interested in 2 Quincy Street Townhouse 1 Garden & First Floor Left - 2-bedroom unit.
- ❖ Other households interested in 91 Chatham Street Townhouse 1 Garden & First Floor Left - 2-bedroom unit.

- ❖ Households of appropriate size interested in 2 Quincy Street Townhouse 2 Garden & First Floor Center - 2-bedroom unit.
- ❖ Other households interested in 2 Quincy Street Townhouse 2 Garden & First Floor Center - 2-bedroom unit.

- ❖ Households of appropriate size interested in 2 Quincy Street Townhouse 3 Garden & First Floor Right - 2-bedroom unit.
- ❖ Other households interested in 2 Quincy Street Townhouse 3 Garden & First Floor Right - 2-bedroom unit.

- ❖ Households of appropriate size interested in 2 Quincy Street Townhouse 4 Second & Third Floor Left - 2-bedroom unit.
- ❖ Other households interested in 2 Quincy Street Townhouse 4 Second & Third Floor Left - 2-bedroom unit.

- ❖ Households of appropriate size interested in 2 Quincy Street Townhouse 5 Second & Third Floor Center - 2-bedroom unit.
- ❖ Other households interested in 2 Quincy Street Townhouse 5 Second & Third Floor Center - 2-bedroom unit.

ONE BEDROOM UNIT:

- ❖ Households of appropriate size interested in 19 Oxford Street Unit 3-1 bedroom unit.
- ❖ Other households interested in 19 Oxford Street Unit 3-1 bedroom unit.

If the first buyer chosen fails to obtain financing the second buyer will have a chance; if the second fails the third will move up; until a successful buyer closes.

Can I sell this property at any time to anyone?

No, these condos are intended to be affordable for many years, and selling to another income-eligible first time buyer will work best for all. These restrictions require that you maintain the property as your principal residence for as long as you own it. If you wish to sell your property, it must be offered first to an eligible first time homebuyer as defined within the Disclosure Statement and the Deed Rider. If no eligible candidates are found, the sale will involve state, city, and third party candidates in a step-by-step procedure further explained in the Deed Rider. The resale price of the units will be limited by the acquisition price adjusted

by the percentage increase in the area Consumer Price Index and the cost of a qualified appraisal.

The Housing Stabilization Fund or “HSF” managed by the Department of Housing and Community Development (“DHCD”) Deed Restriction and the City of Worcester (“City”) HOME Deed Restrictions, restricts the amount of appreciation you can take out over Fifty years (HSF) and Twenty years (City) respectively during which affordability is restricted.

After you sell your property, the affordability restrictions you adhered to remain with the property and are transferred to the new property owner. These restrictions serve to keep this property affordable so that you contribute to helping the next generation of families afford housing. **Although this summary can be used as a general description of the steps in the re-sale process it should not be viewed as a substitute for the actual requirements and conditions that are outlined in your ‘Deed Rider and/or Covenant for Affordable Housing’.** The Deed Rider is recorded with the deed to your property, or with your development's master deed.

Please note: The Worcester Division of Neighborhoods and Housing Development Services and WCHR strongly recommend that you retain an attorney to represent you in any real estate transfer or sale. Your future appreciation is based on your investment, not including the amount of subsidy provided to you by the City and DHCD. In practice, this means that your own investment in the property – the sale price quoted above, may increase at the same rate as other similar condominium properties.

Will I own this condominium just like I would own a house?

You will own your condominium just like any other piece of real estate, although subject to the resale restrictions in the deed rider. There will be separate condominium associations for 19 Oxford and 91 Chatham Streets. The owners of the condominiums at 91 Chatham Street and the owners of the condominiums at 19 Oxford Street will elect trustees, set an annual budget, and retain and supervise the condominium manager. When an emergency or extraordinary expense comes along, the owners decide how to handle it – it may be paid from reserves or by an assessment to the owners’ payable over several months or even years. The trustees also decide on proposed changes to the organization’s bylaws, and its rules and regulations if changes are needed in the future.

Other conditions regarding unit pricing, resale, transfer, leasing and junior encumbrances are covered in the provisions of the Deed Rider. Copies of the Deed Rider, Homebuyer Disclosure Statement, and Condominium Documents describing the deed restrictions are available upon request, at the offices of Worcester Community Housing Resources, Inc. Address: 11 Pleasant Street Suite 300, Worcester and will also be provided to all successful lottery winners.

What will the condominium association be like?

The unit owners in your building will jointly own all building exteriors, land and common areas. Common expenses include maintenance, snow removal, grounds maintenance, insurance, water and sewer, common area lighting, and management & bookkeeping fees. The association also “saves” a small amount each year called a “replacement reserve”

that functions as a special savings account for future replacement of major systems when needed, like a new roof or exterior painting. The monthly condominium fee of \$175 will cover those expenses including a small management fee to a condominium manager. WCHR will initially serve as the condominium manager. Each year the Condo Association decides the monthly condominium fee for the upcoming budget year. Your mortgage lender may require you to pay your condominium fee as a part of your mortgage payment and the fee is a legal debt, which can be enforced as a lien upon your property.

When can I see the units up close?

Floor plans are available online at www.wchr.org and also at our offices at 11 Pleasant Street - Suite 300, Worcester, MA 01609. As construction progress opportunities to see the units will be made available and you will be notified of the dates and times of “Open Houses” in the upcoming months. WCHR representatives will be available to provide information, hand out applications and answer any of your other questions. You may contact WCHR at (508) 799-0322, extension 109 to learn of other times when the units may be viewed.

How do I apply?

You may apply for any one of the units listed above during and after the application period,. **Remember, the applications will be processed as described above; it is not “first come first served” or “highest offer received”. WCHR may extend or reopen the application period at its discretion.**

In addition to completing the application you will need to submit the following information:

- Valid form of photo identification for all household members over the age of 18
- Deposit check in the amount of \$250 payable to WCHR, Inc.
- Verification of all household members’ income for the most recent eight weeks
- Your tax returns going back three years (2006, 2005 and 2004). You will need them prior to applying for a mortgage so you should order them from the IRS immediately if you do not them
- Backup information on your household composition & size if it differs from your tax returns
- Provide verification of deposit accounts and asset accounts for all household members. I.e. three most recent months bank statements on all deposit accounts, retirement, 401K, etc.
- Prior to purchasing the unit, the selected applicant must submit a homebuyer education course certificate that has been obtained within the previous two years. Homebuyer education courses are typically offered in a 10-hour curriculum by a number of non-profit agencies located throughout the state. The course helps to familiarize first-time homebuyers with the home purchase process. See <http://www.chapa.org> for list of certified homebuyer education providers and course dates. One such approved provider is the NeighborWorks® HomeOwnership Center

of Worcester. You can register for First Time Homebuyer Education sessions by calling the NeighborWorks[®] HomeOwnership Center of Worcester at (508) 791-2170

- A letter from a bank or mortgage company qualifying you for a mortgage sufficient to purchase the unit for which you are applying. The letter must outline the rate, term; identify mortgage product and readiness to accept the “HSF” and “HOME” deed restrictions as it applies to the right of first refusal, subsidy recapture and rights of mortgagees in cases of foreclosure. WCHR staff will be available to discuss with your lender the specifics of this affordable housing program.

Copies of the Deed Rider, Homebuyer Disclosure Statement, and Condominium Documents describing the deed restrictions are available upon request, at the offices of Worcester Community Housing Resources, Inc. Address: 11 Pleasant Street Suite 300, Worcester.