

# Informational Packet

## Affordable and Workforce For-Sale Homes Lottery Richmond Sandpiper Place (I and II) – 7 Homes

Located off Old South Road and Beach Grass Road  
Nantucket, MA

### An Affordable Housing and Workforce Housing Lottery

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This packet contains specific information on the affordable / workforce housing programs, qualification criteria, and application process for the (six) affordable and (one) workforce (newly constructed) single-family homes being offered through this lottery within the Richmond Sandpiper Place (I and II) Development Project, located off Old South Road and Beach Grass Road in the Town of Nantucket, MA.

The project developer (Richmond Great Point Development LLC) and the Town of Nantucket invite you to read this information packet and to submit an application if you think that you meet the eligibility requirements. This lottery is the first step in the application process and does not assure you of the chance to purchase a home.

#### **Application Deadline**

**May 29, 2023 at 2pm**

Completed Applications and Mortgage Pre-Approvals must be delivered, or mailed (postmarked), by this date. Applications postmarked by the deadline must be received within 5 business days.

For Lottery Information and Applications, or for reasonable accommodations for persons with disabilities, go to [www.sebhousing.com](http://www.sebhousing.com) or call (617) 782-6900 x2 and leave a message.

For TTY Services dial 711. Free translation is available.

Traducción gratuita disponible. Tradução livre disponível.

Please see the cover page of the application for the location where the application can be mailed, emailed or faxed. This information is also on the signature page of the application.

Information Packet created by:  
SEB Housing, 257 Hillside Ave, Needham, MA 02494



# Table of Contents

General Overview and Sales Prices.....	pg. 3
General Eligibility Requirements.....	pg. 5-10
<i>Maximum Income and Asset Limits.....</i>	<i>pg. 5-6</i>
<i>First Time Homebuyer.....</i>	<i>pg. 7</i>
<i>Exemptions &amp; Separation/Divorce Q&amp;A.....</i>	<i>pg. 8</i>
<i>Household Size and Composition.....</i>	<i>pg. 9-10</i>
Mortgage Pre-Approval Standards.....	pg. 11
Step-By-Step Process and Timeline.....	pg. 12
<i>Step 1a: Applying for the Program.....</i>	<i>pg. 13</i>
<i>Step 1b: The Lottery.....</i>	<i>pg. 14</i>
<i>Step 1c: The Waiting List.....</i>	<i>pg. 14</i>
<i>Step 1d: SEB Housing and Monitoring Agent Approval.....</i>	<i>pg. 16</i>
<i>Step 2a: Unit Selection and Reservation Agreement.....</i>	<i>pg. 17</i>
<i>Step 2b: Sign Purchase &amp; Sale Agreement.....</i>	<i>pg. 18</i>
<i>Step 2c: Obtain Mortgage Commitment.....</i>	<i>pg. 18</i>
<i>Step 1e: Final Review of Eligibility.....</i>	<i>pg. 19</i>
<i>Step 2d: Closing and Move-In.....</i>	<i>pg. 19</i>
Local Preference.....	pg. 20
Deed Rider Summary/Property Restrictions.....	pg. 21

# GENERAL OVERVIEW AND SALES PRICES

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This is an application and lottery process to determine the buyers for SIX Affordable and ONE Workforce homes currently being built within the Sandpiper Place I and II Homeownership Development, located off Old South Road and Beach Grass Road in the Town of Nantucket. The Affordable homes will be sold at prices to households with incomes at or below 80% of the area median income (AMI). The Workforce home will be sold to a household with an income at or below 175% of the area median income (AMI).

All of the affordable and workforce homes will have three (3) bedrooms, two (2) full bathrooms, and one (1) half bathroom, along with off-street parking for two (2) vehicles. The homes include (central) forced hot air heating and air conditioning, tile flooring in the kitchen and bathrooms, and wall-to-wall carpeting in the remaining rooms (including the bedrooms). Kitchens will have laminate countertops and painted wood cabinets, and will include customary kitchen appliances (stove, refrigerator, microwave, and dishwasher). Washer and dryer appliances are not provided in the homes, but water and electric hookups for these will be installed.

The Richmond Sandpiper Place (I and II) Development Project affordable and workforce homes will be accessible by NRTA year-round bus service, and are also located proximate to Nantucket’s employment sources, services, parks, open space, shopping, dining, and entertainment offerings.

## Summary Table of Homes to be Sold (through this Application / Lottery Process)

Number of Homes	Type Of Home	Sales Price	Bed-rooms	Bath-rooms	Square Footage <i>(subject to change during construction)</i>	Income Limit
6	Single-Family	\$284,000*	3	2.5	1,780 sq ft	80% AMI
1	Single-Family	\$781,000*	3	2.5	1,780 sq ft	175% AMI

\*For details on property taxes and other mortgage related questions, please read page 11

## Outline of the Process and Affordability Restrictions

Since it is anticipated that there will be more interested and eligible applicants than available homes, the Developer is undertaking an application process and lottery to rank the eligible applicants (buyers) for the program. The application and lottery process, dates, and eligibility requirements can all be found within this Information Packet. The Developer does not discriminate in the selection of applicants on the basis of race, color, national origin, disability, age, ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientation, gender identity, veteran/military status, or any other basis prohibited by law. Persons with disabilities are entitled to request a reasonable accommodation in rules, policies, practices, or services, or to request a reasonable modification in the housing, when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the housing.

All affordable and workforce units will have a “Deed Rider” that will be filed with the deed at the time of purchase. This Deed Rider limits the amount that the unit can be resold for and requires the resale to another income-eligible buyer, ensuring the unit stays affordable in perpetuity. We recommend that potential buyers review the Deed Rider with an attorney so as to fully understand its provisions. For more information on the Deed Rider and resale restrictions please see the Deed Rider Summary in the last section of this Information Packet.

### **Inventory of Homes to be Sold through this Application / Lottery Process**

A total of (seven) homes will be sold through this application and lottery process. Six (6) of these homes are designated as affordable homes, in accordance with state and local guidelines, and will be sold to eligible households whose income does not exceed 80% of the area median income (AMI) for Nantucket; One (1) of these homes is designated as a workforce home, in accordance with state and local guidelines, and will be sold to eligible households whose income does not exceed 175% of the area median income (AMI) for Nantucket. All of the income limits and calculations which determine the sales price for both the affordable and workforce homes are based on the 2022 fiscal year income limits as determined and published by the United States Department of Housing and Urban Development (HUD).

All of the (seven) homes are located within the Richmond Sandpiper Place (I and II) Development Project (within the same subdivision / neighborhood). All of the (seven) homes will be constructed on lots of similar size, and which are located within one-quarter of a mile from each other. All of the (seven) homes are very similar (and are expected to be virtually indistinguishable) in terms of features, size, fixtures, and finishes.

- *3 Lilac Court (80% AMI Restricted Home)*
- *9 Bluet Court (80% AMI Restricted Home)*
- *8 Bluet Court (80% AMI Restricted Home)*
- *21 Beach Grass Road (80% AMI Restricted Home)*
- *7 Sandplain Drive (80% AMI Restricted Home)*
- *24A Evergreen Way (80% AMI Restricted Home)*
- *The exact location/address of the 175% AMI Restricted Home has not yet been determined. It will be located in proximity to and within the same (Sandpiper Place I and II) subdivisions as all of the other homes described in these materials.*

The location of the Richmond Sandpiper Place I and II Development Project, as well as the lots / locations where the homes are anticipated to be constructed are shown on the series of maps and plans which accompany this informational packet. Plans illustrating the anticipated layouts / floor plans and building elevations of the homes are also shown on the plans which accompany this informational packet.

- **Note:** The order of the inventory of homes listed above is for informational purposes only, as to the location and address of the (respective) homes. Depending on a number of different factors, the homes may not be constructed in the exact order listed above. The developer reserves the right to construct and deliver the homes in any order in which it sees fit, at its sole and absolute discretion.
- **Note:** The layouts / plans and the building elevations which accompany this informational packet are conceptual and are for informational purposes only. The actual layouts/floor plans and building elevations may change during the ongoing design and construction process, at the sole discretion of the project developer, without further notice to prospective applicants or eligible buyers.

# GENERAL ELIGIBILITY REQUIREMENTS

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

A: In order to qualify for an affordable or workforce unit, households must meet each of the following criteria:

- The entire household’s income and assets must be below the maximum allowable income and asset limits (see below)
- Households must be pre-approved for a mortgage (see page 10)
- Everyone in the household must qualify as a “first time homebuyer” for the Affordable units. Households who qualify for the homeowner exception (see below) must sell the home prior to closing on an affordable home at Sandpiper I. For the Workforce units, first-time homebuyers will get priority, but being a first-time buyer is not required.
- Households, or their families, cannot have a financial interest in the development and a member of a household cannot be considered a Related Party.

## Maximum Income for Affordable and Workforce Homes

To be eligible to purchase an affordable or workforce unit, the combined annual income for all income sources of all income-earning members in the household must be at or below eighty percent (80%) of Area Median Income for the local area (Nantucket HMFA) for the affordable units, and at or below one-hundred-seventy-five percent (175%) AMI for the workforce units. The maximum incomes allowed for this program are:

Household Size	<u>80% Affordable Home</u> Maximum Income Limit For \$284,000 Units	<u>175% Workforce Home</u> Maximum Income Limit For \$781,000 Units
1	\$69,800	\$166,968
2	\$79,800	\$190,820
3	\$89,750	\$214,673
4	\$99,700	\$238,525
5	\$107,700	\$257,607
6	\$115,700	\$276,689

## Approximate Minimum Income

While there is no specific minimum income, all households must qualify for a mortgage loan to purchase an affordable or workforce unit. The minimum income limits to qualify for a mortgage will be determined by a lender/bank. All applicants must receive mortgage pre-approval and submit it with their application to be considered eligible for this lottery. The mortgage requirements are listed on page 10 of this information packet.

*For more information on mortgages, see page 10.*

**Q: How is a household's income determined?**

A: **A household's income is the total anticipated amount of money received by ALL members of the household over the next 12 months** (starting from the date of application and projecting forward 12 months) based on their current income and assets. In an effort to provide as accurate an income estimation as possible, the Lottery Agent will also review historical income data to provide a basis for future income estimates. Any monies you anticipate receiving in the next 12 months will be counted as income and monies received over the previous 6 months will be analyzed to help estimate future income. This includes, but is not limited to, Social Security, alimony, child support, overtime pay, bonuses, unemployment, severance pay, part-time employment, matured bonds, monies to be received in court settlements, and actual or imputed interest and dividends on bank accounts and other assets. **ALL SOURCES OF INCOME ARE COUNTED** with the exception of income from employment for household members under the age of 18 and any income from employment over \$480/year for full time students who are dependents of a household member who is also occupying the unit (but note that all such income must still be documented even if it is exempt from the household income calculation).

It will be assumed that all applicants will continue to receive any monies they have received over the past 12 months unless supporting documentation proves otherwise. This includes seasonal employment! **Income received from seasonal employment over the past 12 months will be assumed to be earned over the next 12 months unless the household provides a signed affidavit from their former employer confirming that they will not be hired again for at least 12 months.** It is also not up to the household to determine what monies received over the past year should and should not be counted as their calculated income. Therefore, all monies should be listed on the application and the inclusion of these monies in determining a household's eligibility will be based on affordable housing guidelines. Households must submit their 3 most recent tax returns for proof that they have not owned a house within the past three years.

### **Asset Limits**

**For the Affordable Homes, all households shall not have total gross assets exceeding \$75,000 in value. For the Workforce Homes, all households shall not have total gross assets exceeding \$450,000 in value.** Household Assets are calculated at the time of application. Any monies you would use as a future down payment on the home will still be counted as assets. Assets may include cash, cash in savings and checking accounts, net cash value of stocks, net cash value of retirement accounts (such as 401k), real property, bonds, and capital investments.

**Q: I cannot withdraw money from my 401k or retirement fund, do I have to include it when I list my assets?**

A: Yes. You need to include the *net cash value* of all your current retirement funds. We realize that most retirement funds assess large penalties for early withdrawal but this does not technically mean that you cannot withdraw your funds or don't have access to them. The post-penalty amount is what you need to provide along with supporting documentation.

**Q: Are there eligibility exceptions for households that are barely over the income limit but considerably under the asset limit (or vice versa)?**

A: No. All households must be under BOTH the income limit and the asset limit. Eligibility isn't based on only one or the other.

**Q: Who is a “first-time home buyer”?**

A: A person is a “first-time homebuyer” if no person in his or her household has, within the preceding three (3) years, either owned the house they lived in or owned an interest in one or more other houses, such as through joint ownership. Exceptions may be made in the following instances:

1. A displaced homemaker: A displaced homemaker is an individual who is an adult who meets ALL the following criteria:

- Has not worked full-time, full year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family
- Owned a home with his or her partner or resided in a home owned by the partner
- Does not own the home previously owned with a partner
- Is unmarried to or legally separated from the spouse

2. A single parent, where the individual owned a home with his or her partner or resided in a home owned by the partner and is a single parent (is unmarried or legally separated from a spouse and either has 1 or more children of whom they have custody or joint custody, or is pregnant).

3. An age-qualified household (in which at least one member is age 55 or Over) which is selling a home in order to purchase an affordable unit.

4. A household that owned a property that was not in compliance with State, local or model building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.

5. A household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations.

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***Age Qualified Households, Displaced Homemaker and Single Parent Exception:***

Only households qualifying under the exceptions listed above may own a home when applying for an Affordable Home (applicants for the Workforce homes do NOT need to be first-time homebuyers. The current home must be sold before they purchase an affordable unit (see the “Unit Selection” step in the Step-by-Step process and note that Workforce buyers who own homes must also sell the home before purchasing a Workforce unit). The amount that the household will retain in equity from the sale of the house will be added to their asset total.

**Q: If I qualify for the lottery for an affordable home as an age-qualified household or Displaced Homemaker or Single Parent, how much time will I be given to sell the home?**

A: Before you are allowed to reserve a new affordable home, your current home must already be under a P&S Agreement. After the lottery, households will be able to estimate how much time they will have before they need to sell their home based on the lottery results and their positions on the Waiting Lists (i.e. Households near the top of the lists will need

to find a buyer immediately, households lower on the lists will have a few more weeks.) Please see the Step-By-Step Process for more details.

**Q: If someone in my household is age 55 or over can I currently own a home?**

A: Yes. However, you will not be given the opportunity to purchase an Affordable or Workforce home here until your current home is under a Purchase and Sale Agreement. For more information on how much time you will be given to sell your home see the Step-By-Step Process. For how much equity you are allowed to have in your current home, please see the Asset Limits in the following pages.

**Q: Can I apply for this lottery as a displaced homemaker or single parent if I currently own a home?**

A: Yes. However, you will not be given the opportunity to purchase an Affordable or Workforce home here until your current home is under a Purchase and Sale Agreement. For more information on how much time you will be given to sell your home see the Step-By-Step Process. For how much equity you are allowed to have in your current home, please see the Asset Limits in the following pages.

**Q: Does my separation or divorce have to be finalized when I apply?**

A: Your separation or divorce does not need to be finalized when you *apply for the lottery* but it must be finalized *before you reserve a home*. You will not be allowed to purchase an Affordable or Workforce home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase an Affordable or Workforce home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time. Therefore, you should try to expedite all divorce/separation hearings as your divorce/separation will need to be finalized in the next few months.

**Q: If I reserve a home and then a home that was not available when I was selecting my home becomes available, can I "switch" my home for this newly available home?**

A: No. If you are given the opportunity to reserve a home, you are allowed to pick from all the available homes at that time. It does not entitle you to pick any home that may become available at any point in the future (specifically because another household was unable to close). Once you have reserved your home, you may not swap that home for another home.

**Q: Who is entitled to request a reasonable accommodation?**

A: Persons with disabilities are entitled to request a reasonable accommodation in rules, policies, practices, or services, or to request a reasonable modification in the housing, when such accommodations or modifications may be necessary to afford persons with disabilities an equal opportunity to use and enjoy the housing. To request a reasonable accommodation, please email [info@sebhousing.com](mailto:info@sebhousing.com) or call 617-782-6900 x2 or postal mail SEB Housing, 257 Hillside Ave, Needham MA 02494



# HOUSEHOLD SIZE AND COMPOSITION

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**Q: How is appropriate household size determined?**

A: According to the Massachusetts Department of Housing and Community Development guidelines:

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

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

Household size shall not exceed state sanitary code requirements for occupancy of a unit. Please also note that households with disabilities must not be excluded from a priority/preference for a larger unit based on household size if such larger unit is needed as a reasonable accommodation.

The following household sizes and compositions are given priority for the 3BR units (**occupancy restrictions may apply**):

**Type III** (*Priority for a 3-Bedroom Unit*)

- All 6 person households
- All 5 person households
- All 4 person households
- 3 person household: 1 head-of-household plus 2 members/dependents
- 3 person household: 2 heads-of-household under criteria c (described above) plus 1 dependent
- A 2 or 3 person household where there is a disability or medical need for **three** bedrooms

**Type II** (*by program guidelines, only in need of a 2BR home, but may still apply for a 3BR home*)

- 3 person household: 2 heads-of-household plus one member/dependent
- 2 person household: 2 heads-of-household under criteria c (described above)
- 2 person household: 1 head-of-household plus one member/dependent
- A 1 or 2 person household where there is a disability or medical need for **two** bedrooms.

**Type I** (*by program guidelines, only in need of a 1BR, but may still apply for a 3BR home*)

- 2 person household: 2 heads-of-household
- 1 person household: all types

**In “The Lottery” in the Step-By-Step Process, you will find a detailed explanation on how priority is given to certain household sizes and compositions.**

## **Household Size and Composition Frequently Asked Questions**

**Q: Does the unborn child of a currently pregnant household member count towards our household size?**

A: Yes. A household may count an unborn child as a household member. You will have to submit proof of pregnancy with all the income and asset documentation that needs to be submitted with your application.

**Q: Can a Type II Household apply for a three-bedroom unit?**

A: Yes. However, *every applying Type III Household within the same pool will be given the opportunity to buy an affordable or workforce three-bedroom unit first.* A Type II Household will be given the opportunity to buy an affordable or workforce three-bedroom unit if there are not enough eligible households from Type III in their same lottery pool.

**Q: Can a Type I Household apply for a three-bedroom unit?**

A: Yes. However, *every applying Type III and Type II Household within the same pool will be given the opportunity to buy an affordable or workforce three-bedroom unit first.* A Type I Household will be given the opportunity to buy an affordable or workforce unit if there are not enough eligible households from Type III and Type II in their same lottery pool.

**Q: If I am currently going through a divorce/separation or planning on being divorced / separated soon, can I still apply?**

A: Your separation or divorce does not need to be finalized when you *apply for the lottery* but it must be finalized *before you sign a Purchase and Sale Agreement* (see the Step-by-Step details). You will not be allowed to purchase a home until your separation or divorce is complete because the terms specifying the allocation of assets and custody of children must be finalized so that your income and asset eligibility can be accurately reviewed. If you have only filed for separation when it comes time to purchase a home and you haven't finalized your divorce, you will not be allowed to purchase a home at that time.

# MORTGAGE PRE-APPROVAL STANDARDS

Immediately after reading this entire Information Packet, all households should apply for mortgage pre-approval. *Mortgage pre-approval is required with the application.* Households can apply with any lender but the pre-approval must meet the following standards:

## Mortgage Standards

- The loan must have a fixed interest rate through the full term of the mortgage.
- The loan must have a current fair market interest rate. (*No more than 2 percentage points above the current MassHousing rate, contact: (617) 854-1000 or [www.masshousing.com](http://www.masshousing.com)*)
- The loan can have no more than two points.
- For AFFORDABLE AND WORKORCE units, the loan cannot be an FHA or VA loan (as FHA and VA will not accept the terms of the Affordable Deed Restriction)
- The buyer must provide a down payment of at least 3% - half of which must come from the buyer's own funds.
- If Heads of Household are not married, the names of all Heads of Household must be on the Mortgage

We strongly encourage households to apply through banks who are aware of the resale restrictions and guidelines for affordable housing programs. These banks will likely be aware of additional first-time homebuyer programs that may be of great assistance such as the Massachusetts Housing Partnership's ONE Mortgage. The following lenders are familiar with the process and the mortgage requirements and should be happy to help you with questions or pre-approvals: [www.mhp.net/one-mortgage/why-one#find-lender](http://www.mhp.net/one-mortgage/why-one#find-lender)

Households will need to bring the copy of the EXAMPLE Deed Rider to their lender. A copy can be downloaded directly off our website at [www.sebhousing.com](http://www.sebhousing.com). *All lenders will be made aware of the resale restrictions regardless of whether you tell them up-front or not.* The Deed Rider is a document that will be signed at the closing. Therefore, it is in all household's best interest to show all lenders a copy of the Deed Rider when applying for a mortgage. Otherwise, they may find a lender who grants pre-approval but backs out at the time of purchase once they are made aware of the resale restrictions, thus eliminating the opportunity to obtain an affordable unit.

**Taxes are assessed to the affordable or workforce price (not the market-rate equivalent) and subject to the Residential Tax Exemption (see next question).**

**Q: What will be my monthly property tax, and what is the Nantucket residential (real-estate) tax exemption?**

A: If the purchase price of a home is less than \$541,019 (which is the current residential exemption for FY2022), then you derive the (monthly) tax burden by dividing 10% of the Purchase Price by 1,000, multiplying that by the FY 2022 tax rate (\$3.74), and dividing by 12 months. *So (for example only), if the purchase price of a home is \$281,900, the monthly tax would be +/- \$9/mo.* If the purchase price is greater than \$551,019 (for FY2022), then you derive the monthly tax burden by subtracting the full amount of the exemption from the Purchase Price, divide by 1,000, multiply by \$3.74, and divide by 12 months. *So (for example) a home at \$773,100 will have monthly property taxes of +/- \$72/mo.*

**Q: Can a non-household member co-sign on the mortgage?**

A: No. Only members of the applying household can sign on the mortgage. All monies gifted to household members to assist in down-payment or other costs will be counted as household assets. Co-signers are NOT allowed for either the Affordable or Workforce units.

# STEP-BY-STEP PROCESS AND TIMELINE

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**Q: What is the application, selection, and move-in process for the affordable units being offered in Sandpiper I & II?**

A: The process is essentially a two-step process. The following pages explain each step in greater detail.

**The first steps** all involve qualifying for the Affordable Housing Program, being given a position on the Waiting Lists, and certifying eligibility for the Program.

**The second steps** all involve the actual process of reserving and buying a home (and unit availability will be determined by your position on the Waiting Lists).

## **Step 1a: Applying for the Housing Program**

Through May 29, 2023 at 2pm/ Completed Applications and Mortgage Pre-Approvals must be delivered, or mailed (postmarked), by this date. Applications postmarked by the deadline must be received within 5 business days.

## **Step 1b: The Lottery**

June 12, 2023 at 6:00pm via Zoom. To join, go to [zoom.com/join](https://zoom.com/join) or call (646) 558-8656 and enter Meeting ID: 857 2736 5609, Passcode: 276410

## **Step 1c: Waiting List**

*Within 3 days of the Lottery*

## **Step 1d: SEB Housing and Monitoring Agent Approval**

*Approximately 3-4 weeks*

## **Step 2a: Unit Selection and Reservation Agreement**

*Households given approx. 3 days after Monitoring Agent Approval*

## **Step 2b: Sign Purchase & Sale Agreement**

*Takes approximately 10 days after the Reservation Agreement has been signed*

## **Step 2c: Obtain Mortgage Commitment**

*Most banks take approx. 30 days to provide a mortgage commitment*

## **Step 1e: Final Review for Program Eligibility**

*This is done 3 weeks prior to the closing date*

## **Step 2d: Closing and Move-in**

*First units ready in Spring 2023*

## **Public Info Session**

During this information session, questions about the application process, lottery, and development can be addressed directly. It will be held on May 9, 2023 at 6:00 pm via Zoom. Go to [zoom.com/join](https://zoom.com/join) or call (646) 558-8656 and enter Meeting ID: 818 9317 7595, Passcode: 088159. Attendance at this session is not required for participation in the lottery.

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## Step 1a: Applying for the Lottery

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Once a household reads this Information Packet in its entirety, they will need to fill out a Program Application. The applying household **MUST** include a Mortgage Pre-Approval (a pre-qualification is not sufficient). The Program Application must be signed and dated by all heads of household. The Program Application and Mortgage Pre-Approval must be received by the Lottery Agent by 2 pm on May 29, 2023. All applications should be sent to:

SEB Housing  
Re: Richmond Sandpiper Place  
257 Hillside Ave  
Needham, MA 02494  
Fax: 617.782.4500  
Email: info@sebhousing.com

To ensure applications arrive in time, we recommend sending them in at least a week prior to the application deadline. **Late applications will not be accepted.** If you want to ensure your application is received, we recommend sending it by certified mail. The Lottery Agent and other affiliated entities are not responsible for lost or late applications.

Once a completed Program Application is received with a Mortgage Pre-Approval, SEB Housing will determine initial eligibility and compliance. If the applicant is determined to be eligible for the Lottery, they will receive an **Application Number** in the order in which their application was completed. The purpose of the Application Number is simply to keep all households names unknown at the lottery. **The Application Number has no bearing on a household's final Waiting List position.**

Households that are deemed ineligible by the Lottery Agent will be notified by mail (or by email if an email address is provided). Entrance into the Lottery does not guarantee that a household is eligible to buy a home. Please read all of the following steps for further details on the review process.

**Q: What happens if I don't submit all necessary documentation or fail to correctly complete my Affordable Housing Program Application?**

A: Households that submit incomplete documentation will be mailed a notice detailing the additional documentation that is needed to make their application complete. Their application will remain in an "Incomplete Application Pool" until all requested materials have been received. Households with applications in the Incomplete Application Pool will not be entered into the Lottery.

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*Age-Qualified Households, Displaced Homemakers and Single Parents* that have yet to sell their homes and/or finalize their divorce/separations will be given conditional approval and will be given an Application Number to be entered into the lottery like all other eligible households. They will be required to submit all additional documentation verifying their claims later in the process if they wish to purchase a unit.

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## Step 1b: The Lottery

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The Lottery will be held on June 12, 2023 at 6:00pm via Zoom. To join, go to [zoom.com/join](https://zoom.com/join) or call (646) 558-8656 and enter Meeting ID: 857 2736 5609, Passcode: 276410. Households do not have to attend the lottery to remain eligible. All results will be mailed to every applying household after the Lottery. There will be two lottery drawings\*, a Local Preference Lottery drawing and an Open Lottery drawing. For Local Preference households, Application Numbers are placed in both drawings. For all other households, Application Numbers are placed only in the Open Lottery drawing.

*\*A third minority lottery drawing will be required to add non-local preference minority households into the local preference pool if the minority representation in the local preference pool is not 30.6% or higher. Please see the bottom of page 18 for those details.*

For Local Preference households, Application Numbers are placed in both drawings. For Non-Local Preference households, Application Numbers are placed only in the General drawing.

For each drawing, a representative from SEB Housing will pull Application Numbers from a box or from Random.org, depending on the number of lottery applications received. The Application Numbers are randomly drawn for both of the drawings and placed in the order drawn on two **Lottery Result Lists**.

**The order that application numbers are selected in the drawings does not necessarily dictate placement on the waitlists, as all household Types will be in the lottery drawings, and Type III households will get priority over smaller household Types, regardless of the order selected.** To help clarify the actual order that applicants will be given the opportunity to buy units, Waiting Lists will be created from the Lottery Results Lists (*see next step*).

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## Step 1c: The Waiting List

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The Waiting Lists will be compiled immediately after the lottery. **The separate Waiting Lists created from the two Lottery Results Lists illustrate the order households will be offered the unit designated for each Waiting List.** The position each household has on the Waiting Lists is determined by the order in which their Application Number is drawn, household Type, and for certain units, local preference qualification or first-time homebuyer status. *Please see "Household Size and Compositions" for details on Household Types.*

### The Waiting Lists

**Waiting List for Four (4) 3BR 80% AMI Homes (Local Preference\*)**

Top Tier: Type III Local Pref. Households

Second Tier: Type III Non-Local Pref. Households\*

Third Tier: Type II Local Pref. Households

Fourth Tier: Type II Non-Local Pref. Households\*

Fifth Tier: Type I Local Pref. Households

Bottom Tier: Type I Non-Local Pref. Households\*

**Waiting List for Two (2) 3BR 80% AMI Homes (Open Pool)**

Top Tier: All Type III Households

Second Tier: All Type II Households

Bottom Tier: All Type I Households

**Waiting List for One (1) 3BR 175% AMI Home (Local Preference\*)**

Top Tier: All Type III Local Pref. Households who are First-Time Homebuyers

Second Tier: All Type III Non-Local Pref. Households who are First-Time Homebuyers

Third Tier: All Type II Local Pref. Households who are First-Time Homebuyers

Fourth Tier: All Type II Non-Local Pref. Households who are First-Time Homebuyers

Fifth Tier: All Type I Local Pref. Households who are First-Time Homebuyers

Sixth Tier: All Type I Non-Local Pref. Households who are First-Time Homebuyers

Seventh Tier: All Type III Local Pref. Households who are NOT First-Time Homebuyers

Eighth Tier: All Type III Non-Local Pref. Households who are NOT First-Time Homebuyers

Ninth Tier: All Type II Local Pref. Households who are NOT First-Time Homebuyers

Tenth Tier: All Type II Non-Local Pref. Households who are NOT First-Time Homebuyers

Eleventh Tier: All Type I Local Pref. Households who are NOT First-Time Homebuyers

Twelfth Tier: Type I Non-Local Pref. Households who are NOT First-Time Homebuyers

Within four days of the lottery, the Waiting Lists will be sent to every household who was entered into the lottery. The Lottery Results establish the Waiting Lists. Every household with an Application Number will have a position on at least one Waiting List. Households that qualify for every drawing will have a position on every Waiting List.

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## Step 1d: SEB Housing and Monitoring Agent Review

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After the Lottery, the Lottery Agent will notify all the lottery applicants of the results and their positions on the Waiting Lists.

The Lottery Agent will contact up to ten times as many households as units available on each Waiting List and inform them that they have until a given date (which will be approximately 1 week from the date of notification) to submit all required documentation for SEB Housing's preliminary review of Program eligibility. When SEB Housing sends a household their Application Number prior to the lottery, SEB Housing will also send them a Documentation Requirement Guide that details everything that will be required after the lottery for households invited to move forward in the process. Any household who is contacted but fails to submit all required documentation (and if their initial submission is incomplete, any and all missing documentation) by the 1-week deadline given by SEB Housing will be removed from the Waiting List. Similarly, any household who is over the income or asset limit or is unable to verify all claims in their application will also be removed from the Waiting Lists. Households in the Local Preference Drawing will need to supply all required Local Preference documentation along with all other documentation. Failure to provide the required local preference documentation by the given deadlines will result in the removal of their application from ALL Waiting Lists. Those households contacted who complete the eligibility review and are deemed eligible by SEB Housing to move forward in the process will remain on the Waiting Lists.

All units are scheduled to have occupancy within 18 months of the lottery date. As many more households will be required to complete the SEB Housing Preliminary Review of Program Eligibility than units available, some households may complete the SEB Housing Preliminary Review of Program Eligibility and not be given the chance to move forward in the process of reserving one of the affordable or workforce units.

The top household on each Waiting List who completes all documentation submission by the given deadline and is deemed eligible by SEB Housing will be sent to the Monitoring Agent for formal eligibility certification. It is ultimately the Monitoring Agent who will determine if a household is eligible and can move forward to the next step of the process. SEB Housing goes through great lengths to ensure that files are complete when sent to the Monitoring Agent but if the Monitoring Agent needs any additional documentation to complete their eligibility review, they will notify SEB Housing and SEB Housing will notify the applicant. The applicant must submit any documentation requested by the Monitoring Agent within 5 business days. Applicants who do not provide additional documentation and applicants that the Monitoring Agent disqualifies will be removed from the Waiting List and lose their opportunity to move forward in this process. Once the Monitoring Agent has certified a household as eligible, they will contact SEB Housing and SEB Housing will direct the household to the next step.

Households with positions lower on the Waiting List who were not asked to complete the SEB Housing Preliminary Review of Program Eligibility and submit missing documentation will keep their place on the Waiting List (behind the top households who went through the documentation update process) and may be contacted in the future if more affordable applicants are needed to fill all the affordable units.



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## Step 2a: Unit Selection & Reservation Agreement

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The top eligible household on each **Waiting List** who is certified by the Monitoring Agent (as detailed in the previous step) will be notified by the Lottery Agent when they can move forward with the purchase of the available affordable unit. When a household is notified, they will be put “on the clock”. When they are “on the clock”, they will be given the contact information for the Sales Office and they will have 3 business days to contact the Sales Office and complete a Reservation Agreement.

**When a household is at the top or near the top of a Waiting List (and is therefore about to be put “on the clock”), it is recommended that they obtain an attorney** who can assist with the review and execution of the Purchase and Sale Agreement.

The Reservation Agreement is a contract between the applicant and the developer which details the unit that will eventually be purchased, and the time and date when a Purchase and Sale Agreement must be executed (*see next step*). **When a Reservation Agreement is signed for an affordable home, a refundable deposit of \$500 is required.** The deposit for the Workforce homes will be determined by the sales team. The deposit is refundable if the buyer is unable to secure a mortgage for the unit.

A household that is “on the clock” will be able to reserve the unit available to them based on the Waiting List on which they have the top position. The date that a Purchase and Sale Agreement will be executed will be approximately 10 business days from the day the Reservation Agreement fully executed.

The next applicant on a Waiting List (who is not in the top position) will only be notified that the unit is still available if the applicant ahead of them fails to reserve the unit or fails to close on the unit.

If an applicant fails to sign a Reservation Agreement, their Application Number will be removed from the top of the Waiting List and will be dropped to the bottom. This applicant will not get a chance to sign a Reservation Agreement again until all other applicants on the Waiting List are given a chance. Once the applicant who was dropped to the bottom is given a second chance, they must sign a Purchase and Sale Agreement or they will permanently lose their opportunity to purchase an affordable unit at Sandpiper I Street through this lottery.

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### ***Age Qualified Households, Displaced Homemaker and Single Parent Exception:***

Based on the lottery results and their positions on the Waiting List, households will be able to estimate when they are about to reach the top of the Waiting List and will therefore know how much time they will have to sell their home or finalize their divorce/separation. **Households who currently own a home when they applied for the lottery** will need to provide a copy of a signed Purchase and Agreement for their current home to SEB Housing (the Lottery Agent) **before** reaching the top of a Waiting List. **Applicants who were in the process of being separated/divorced when they applied for the lottery** will need to provide a copy of their Divorce Decree or Separation Agreement **before** reaching the top of a Waiting List.

If the above households fail to provide the required documentation before reaching the top of a Waiting List, they will not be put “on the clock” (meaning they will not be able to purchase a unit) and they will be dropped from all Waiting Lists.

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## Step 2b: Sign Purchase and Sale Agreement

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Once a household signs a Reservation Agreement, they will have approximately 10 business days to sign a Purchase & Sale Agreement (P&S) and put down the required deposit. This deposit will be 1.5% of the sales price for the Affordable Homes, and 5% of the sales price for the Workforce home, minus the amount deposited with the Reservation Agreement. The Purchase and Sale Agreement will have the actual closing date on it.

After the Reservation Agreement is signed, the Richmond Sandpiper Place sales team will give the applicant the Purchase and Sale Agreement, the Deed Rider (which should be attached to the P&S), and the Master Deed. You may also have the bank that is offering your mortgage commitment review these documents.

If the applicant fails to sign the Purchase and Sale Agreement by the agreed upon date (or chooses not to sign it), they will be dropped from the Waiting Lists and the next applicant in line will then be notified that they are “on the clock” to sign a Reservation Agreement.

**Q: If I reserve a unit (through the Reservation Agreement and/or P&S) and then a unit that was not available when I was selecting my unit becomes available (ex: a household who had reserved a unit with a Reservation Agreement never signs their P&S or a household fails to close on a unit), can I “switch” my unit for this newly available unit?**

**A:** No. If you are given the opportunity to reserve a unit, you are allowed to pick from all the available units at that time. It does not entitle you to pick any unit that may become available at any point in the future (specifically because another household was unable to close). Once you have reserved your unit, you may not swap that unit for another unit.

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## Step 2c: Obtain Mortgage Commitment

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Mortgage pre-approval does not ensure a mortgage commitment. Once a household has a signed Purchase and Sale Agreement, they will need to go back to their lender that issued them their pre-approval letter and obtain a Mortgage Commitment. This process will begin immediately after signing the P&S. Households do not need to go back to the same lender that gave them their pre-approval letter but it is recommended.

If a household fails to obtain a Mortgage Commitment by the mortgage contingency date in their Purchase and Sale Agreement, their deposit will be refunded and they will be dropped from all Waiting Lists.

Please note that each lender will handle the Mortgage Commitment differently and this packet only serves as a guide through this process. Generally, the lender will want to see the Purchase and Sale Agreement, the Master Deed, the Condominium Documents and the Deed Rider. They will also do an appraisal of the property once the property is ready to move into. Once the appraisal is complete, the household will be able to close on the home.

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## Step 1e: Final Review for Program Eligibility

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Before a household can close on their affordable unit, SEB Housing must do a final review of the household's eligibility income and asset eligibility and the Monitoring Agent must do a review of the household's mortgage eligibility in order to prepare the Resale Price Certificate and Deed Rider that must be recorded at the closing. For workforce buyers, whether a second review is required will depend upon how soon their unit closes after they're approved by the monitoring agent.

It is therefore essential that all households continue to maintain records of all income and assets until they close on their affordable or workforce unit **and maintain program eligibility!**

One month prior to the closing date, affordable households will need to complete, and workforce households may need to complete, a Final Review Application and submit all recent income and asset documentation to SEB Housing. SEB Housing will review the Final Review Application and determine if the household is still eligible according to affordable and workforce housing program guidelines. If a household is no longer eligible (over the allowable income and asset limits), the household will not be able to purchase an affordable or workforce unit.

Additionally, approximately 1 month prior to closing, households must submit a copy of the MORTGAGE COMMITMENT LETTER from the buyer's lender including interest rate, points, length of loan, and annual percentage rate.

SEB Housing will forward the final package of documentation to the Monitoring Agent 30 days prior to the closing date. They will review the P&S, Master Deed and mortgage. They will then mail and fax the Resale Price Certificate to the developer's closing attorney who will then complete the Deed Rider to record at the closing.

Affordable Buyers who qualified as first-time homebuyers (Age Qualified Households, Displaced Homemakers and Exempt Single Parents that are current homeowners), and Workforce Buyers who are homeowners, will not be able to receive a Resale Price Certificate until they have sold their home. Once their home is sold, they will need to send their Closing Disclosure Form (formerly the HUD-1 form) (received at closing) to the Monitoring Agent along with all of the above documentation. The Monitoring Agent will then perform a final review of their eligibility to ensure that the household did not exceed the established asset limit in net proceeds from the sale of their home. If the household remains asset eligible, and all the above documentation is in order and meets program guidelines, the Monitoring Agent will issue a Resale Price Certificate.

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## Step 2d: Closing and Move-in

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The Purchase and Sale Agreement will set the Closing Date. If all the steps above are followed, the closing should go smoothly. Your lender and lawyer will be able to guide you with all the steps starting with the Reservation Agreement.

Once you have closed on the unit, you may move in. Additionally, once you have closed on the unit, there is NO future income or asset eligibility reviews.

# LOCAL PREFERENCE INFORMATION

## (Only Applicable for Initial Sales)

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**Q: What is Local Preference?**

A: The Town of Nantucket has established a local preference for 70% of the affordable and all workforce units **for the initial sales only**. Local Preference will be given as described in The Lottery in the step-by-step process. An applicant qualifies for local preference if the applicant or a member of their household fit into one of the following categories:

- Current resident of Nantucket
- Employees of the Town of Nantucket
- Employees of Local Businesses (businesses located in Nantucket)
- Households with children attending a Nantucket school

**Q: Do households which meet all Local Preference criteria get priority over households which meet only one?**

A: No. As long as a household meets any one of the Local Preference criteria, they will qualify for Local Preference.

**Q: Does Local Preference take priority over household size/composition?**

A: No. For example, on the Waiting List for the 3BR 80% Affordable Local Preference units, if there are not enough eligible Type II Local Preference Applicants, the units will be made available to a Type II Non-Local Preference household before being made available to a Type I Local Preference Household who would be over-housed in a 3BR unit. Please see the way the Waiting Lists are compiled in the section on Waiting Lists.

**Q: What if a household does not qualify for Local Preference?**

A: Households without Local Preference will be entered into the Open Lottery and will be given positions on the Waiting Lists based on where they are drawn in the Open Lottery drawing. Non-Local Preference households will also be given positions on the Local Preference Waiting List to ensure that need of a unit size get appropriately addressed (see question above, and the Waiting Lists on page 11).

### Adjustments in the Local Preference Pool

As stated by the Massachusetts Department of Housing and Community Development, "If the percentage of minorities in the local preference pool is less than the percentage of minorities in the surrounding HUD (U.S. Department of Housing and Urban Development) defined area, the following adjustments will be made to the local preference pool. The Developer will hold a preliminary lottery comprised of all minority applicants who did not qualify for the local preference pool and rank the applicants in order of the drawing. Minority applicants should then be added to the local preference pool in order of their rankings until the percentage of minority applicants in the local preference pool is equal to the percentage of minorities in the surrounding HUD-defined area." The Percent Minority for the Metropolitan Statistical Area of Boston is 30.6%. This is the minimum percentage of minority applicants that must be in the local preference pool. Minority applicants are defined as a person who is a member of the following groups: Black or African American; Asian; Native American or Alaska Native; Native Hawaiian or Pacific Islander; or other (not White); and the ethnic classification Hispanic or Latino.

# DEED RIDER SUMMARY/ PROPERTY RESTRICTIONS

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**This is not the Deed Rider. The actual Deed Rider will be prepared by the Monitoring Agent and the Closing Attorney and provided on the day of each home closing. A copy of an Example Deed Rider will be on the SEB Housing website.**

The purpose of this *summary* is intended to be informational only and it is not a substitute for independent legal advice. It is intended to highlight some of the obligations a purchaser will have upon resale. The Deed Rider is an especially important legal document; in part it ensures that the home remains affordable for future buyers of your property. Purchasers are encouraged to read carefully and to seek legal counsel to have a full understanding of their obligations of the Deed Rider in its entirety.

All of the deeds for the homes designated as Affordable or Workforce will have a Deed Rider, which you will be required to sign. The rider in part will ensure that the home will stay affordable in perpetuity.

Assuming you qualify, you will be given an opportunity to purchase a home at a substantial discount (“the Affordable or Workforce price”) of the property’s fair market value.

However, significant deed restriction provisions must be observed:

## **PRINCIPAL RESIDENCE**

To occupy the home as a principal residence, where you regularly live, eat, sleep, are registered to vote, etc. You may not rent or lease your home.

## **REFINANCING**

All requests to refinance must be approved by the Monitoring Agent before the owner can close on a new loan.

## **CAPITAL IMPROVEMENTS**

In order to be considered and added to the resale price, capital improvements must be pre-approved by the Monitoring Agent. Capital improvements are defined as necessary maintenance improvements, not covered by a condominium or homeowner association fee, that if not done would compromise the structural integrity of the property. Examples of necessary capital improvements include new roof, heating or plumbing replacement, repair due to termite or water damage, etc. Improvements such as the installation of outdoor decks, flooring (except in cases of replacement due to damage or long-term wear), additions, garages, landscaping, and other items identified by the owner that are upgraded or luxury improvements will not be considered capital improvements and cannot be added to the resale price when the property is sold.

## NOTICES WHEN SELLING YOUR HOME

When you wish to sell your home, you must notify the Town and The Monitoring Agent. This notice is referred to as the "Conveyance Notice" in the Deed Rider. The Monitoring Agent will then calculate the Resale Price Multiplier (see below) and the Maximum Resale Price.

### MAXIMUM RESALE PRICE

The Maximum Resale Price is limited by the percentage change in the Area Median Income (AMI), with adjustments for pre-approved capital improvements, marketing costs, and the Resale Fee, **where inclusion of such expenses would not result in the Maximum Resale Price exceeding 30% of the annual income for household size equal to the number-of-bedrooms-in-the-unit-plus-one earning 70% of the Area Median Income.**

**As an example only**, the maximum resale price is calculated assuming a base number (most recent published Area Median Income as determined by HUD). At the time of initial sale the AMI is \$ 100,000 (A) and the initial sales price is \$ 200,000 (B) the Resale Price Multiplier would equal  $B/A = (C) = 2.00$  Upon resale, assuming the base number has increased to \$ 105,000 (D).

**The Maximum Resale price (E) would then be:**

**Base number (D) x Resale Price Multiplier (C) = \$105,000 x 2.00= \$210,000 (E)**

If there have been capital improvements pre-approved by MWCD (ex. new roof, \$5,000), the Maximum Resale Price would be:

$(E) + \text{Approved Capital Improvements} = \$210,000 + \$5,000 = \$215,000$

Please note that the Deed Rider requires that the Maximum Resale Price must still be affordable to a person qualifying for the applicable housing program.

### RESALE PROCESS

Once the Town of Nantucket and The Monitoring Agent receive the notice to sell, The Monitoring Agent will attempt to find an Eligible Purchaser (a homebuyer whose income is at 80% of the Base Area Median Income and who meets the asset limit) within 90 days. The Town or The Monitoring Agent can also decide within those 90 days to purchase the home.

If an Eligible Purchaser is found within the 90-day period, a Compliance Certificate will be issued to the new purchaser. The certificate states that the sale complies with the Deed Rider.

If an Eligible Purchaser is found within 90 days, but that buyer cannot obtain financing or is otherwise unable to purchase the home, the sale timeframe can be extended additional 60 days.

If 120 days pass from the date of the Conveyance Notice, and an Eligible Purchaser cannot be found, and neither the Town nor The Monitoring Agent wants to purchase the home, the home may be sold for the Maximum Resale Price to an Ineligible Buyer at the Maximum Resale Price, who will also have to sign a Deed Rider, ensuring the home will still be subject to all the same rights and conditions.