

THE ESSEX CONDOMINIUMS

534 Main Street, Melrose, MA

Affordable Housing Lottery



Lottery Information Brochure

For More Information Contact:
Office of Planning and Community Dev.
OPCD@cityofmelrose.org
781.979.4190

UNITS AVAILABLE

The Essex is comprised of 11 newly constructed condominiums units above retail space in historic downtown Melrose. The condominium units were introduced on the second floor of a two-story building that has recently undergone substantial renovations. The Essex is located in close proximity to public transportation. The following is a description of the units available for eligible households (as defined below):

Unit A: 1-bedroom/1-bathroom

Unit B: 1-bedroom/1-bathroom

Unit C: 1-bedroom/1-bathroom
(approximately 440 square feet)

Price: \$130,000 per unit

Monthly condo fee \$130 per month

Permit Parking \$67 per month in municipal lot
(\$800 annual parking fee)

Amenities: The units includes one-bedroom with state-of-the-art kitchen appliances, UltraCraft kitchen cabinetry, and Corian countertops, a highly stylized bathroom with beautiful tile, vanity, and vessel sink, vaulted ceilings, hardwood flooring, and central air. The unit is Verizon FIOS-ready. Permit parking is available in the nearby municipal parking lot as no on-street overnight parking is permitted in the City of Melrose.

ELIGIBILITY

The following is the criteria households must meet in order to participate in this affordable housing lottery.

A “household” shall mean (1) an individual or (2) two persons who will live regularly in the unit as their principal residence and who are related by blood, marriage, law or who have otherwise evidenced a stable inter-dependent

relationship. A household may only submit one application.

Households and households with relatives with financial interest in the development are not eligible to participate in the lottery.

1. First Time Home Buyer:

All applicants must be first time home buyers, meaning they have not owned a residence in the past three years, with the exception of:

- a. displaced homemakers, single parents, 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 the individual has custody or joint custody, or is pregnant);
- b. households where at least one household member is 55 or over;
- c. households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
- d. households that owned a property that was not in compliance with State, local or model building codes and that cannot be brought into compliance for less than the cost of constructing a permanent structure.

Applicants are strongly encouraged to take a First Time Homebuyers Workshop and may be required to do so by financial programs in which the applicant chooses to participate (such as the North Suburban Consortium First Time Homebuyers Down Payment Assistance Program).

2. Maximum Eligible Income and Assets:

An eligible purchaser is a household whose annual income does not exceed 80% of the area median income adjusted for household size as determined by the U.S. Department of Housing and Urban Development (HUD) (see table below). Annual income will be determined in a manner set forth by The Code of Federal Regulations, Title 24, Section 5.611 and 92.203.

Household Size	Maximum Annual Income Allowed	Maximum Weekly Income Allowed
1	\$46,300	\$890
2	\$52,950	\$1,018

A household may not have more than \$75,000 in assets, as defined by Massachusetts’s Department of Housing and Community Development LIP guidelines.

3. Minimum Eligible Income:

While no specific minimum income requirement exists, an applicant must be able to obtain adequate financing to purchase the unit and must, in most cases, not pay more than 30% of the household income towards monthly housing costs. All applications must include a pre-approval (not pre-qualification) acceptance letter from a federal or state chartered or licensed lending institution for at least the purchase price of the affordable unit.

4. Household Size:

The applicant’s household size must be appropriate for the unit in accordance with the Massachusetts Sanitary Code.

5. Primary Residence:

All household members and borrowers must live regularly in the unit as their primary residence and may not rent their unit.

OWNER SELECTION PROCESS

Households interested in purchasing the affordable units must submit a completed application and provide all required information to the City of Melrose’s Office of Planning and Community Development (OPCD).

Applications may be accessed online at cityofmelrose.org or acquired through OPCD. Applications are also available at the Melrose Public Library, 69 West Emerson Street, Melrose. Applications must be postmarked by Thursday, January 21, 2010 or hand-delivered by 4PM on Thursday, January 21, 2010. Late applications will not be considered.

All applicants will receive confirmation that their application has been received and whether they are eligible to participate in the lottery. A lottery will be administered to rank eligible applicants.

The lottery system used will include a general lottery pool only. There is no local preference for this lottery

Unit Allocation:

Once the lottery process is complete, the applications of the top ranked applicants will be reviewed to confirm that financial and other programmatic requirements are met. After verification of eligibility, the selected applicants will be instructed to begin the process of obtaining their financing for the purpose of purchasing the affordable units.

The selected applicants will have ten (10) days from notification to sign the purchase and sales agreement with the seller. A \$2,500 down payment will be due when the purchase and sales agreement is signed. After the purchase and sales agreement is signed, the purchasers have forty five (45) days to obtain the necessary financing commitment to buy the home. At the closing, the applicants will be required to pay the balance of the down payment as well as closing costs.

If at any point in the lottery process a selected applicant becomes ineligible or uninterested, the

next eligible applicant in that pool will be notified that they must begin the process of obtaining financing.

RESALE RESTRICTIONS

The units will remain affordable to low and moderate-income households in perpetuity. This is accomplished via a “Deed Rider” that will be recorded with the deed at the time of purchase. This Deed Rider limits the price at which the unit can be resold and requires that the unit be re-sold to households with an annual income that does not exceed 80% of median income at the time of sale. Therefore, any equity appreciation to be gained from the sale of the units will be limited by this factor.

A City of Melrose monitoring agent will be available to help future sellers comply with these requirements when they sell their units. Other conditions regarding unit pricing, resale, transfer, leasing and junior encumbrances are covered in the provisions of the Deed Rider. A copy of the Deed Rider is available for review at Melrose City Hall in the Office of Planning & Community Development. A copy of the Deed Rider will be provided to the lottery winners for their review.