

AFFIRMATIVE FAIR MARKETING AND LOTTERY PLAN

**8 & 10 Hynes St, Lenox, MA
2/2022**

**PURCHASE PRICE LIMIT
Housing Cost**

Sales Price	254,000*
5% down	12,700
Mortgage	241,300
Interest	3.25%
Amort	30
Payments/year	12
Total Payments	360
Monthly P&I	\$1,050.15
Prop.tx rate	12.10
PROP TAX	243.31
Haz. Ins	95
Mo. PMI	80.43
MONTHLY HOUSING COST	\$1,468.89
Necessary Income	\$52,880

HOUSEHOLD INCOME

# Bedrooms	3
Sample Household size	4
80% AMI "Low-Income" Limits(2021)	\$67,300
Target Housing Cost 80% AMI	\$1850.75
10% Window	\$58,730
Target Housing Cost 70% AMI	\$1615.08

*Sample maximum affordable sale price for a 3BR in Lenox, MA using the applicable (Berkshire) regional income limit for 2021 adjusted to the appropriate target household size (ie 4 person) and assuming the local 2021 tax rate of \$12.10 and an interest rate at least a quarter % above latest average for a 30 year FRM.

Marketing and Outreach Plan Lottery Plan

Introduction

Lenox, MA is excited to have the opportunity to provide affordable houses in Lenox. Construct Inc is the lottery agent for this project. Located at Hynes St, Lenox, we are offering 2 homes:
a 3 bedroom , 1 bath unit on 1/10 acre.

a 3bedroom , 1 bath unit on 1/10 acre

The marketing program and minority outreach for the house is detailed below.

The units will be distributed based upon criteria established by the Department of Housing and Community Development (DHCD). The unit will be distributed by lottery, to an income eligible first-time homebuyer (certain exceptions apply – see “Lottery Applicant Requirements and Qualifications section2) through the Open Pool.

The objective of the marketing program is to identify a sufficient pool of applicants for the available affordable unit. Based upon the lottery results, all applicants would have their proper rank in the open lottery pool. This will enable us to quickly determine who would have the first opportunity to own the available unit.

Potential tenants will not be discriminated against on the basis of race, color, national origin, disability, age ancestry, children, familial status, genetic information, marital status, public assistance reciprocity, religion, sex, sexual orientations, gender identity, veteran/military status, or any other basis prohibited by local, state or federal law.

What follows is a list of activities and materials we intend to utilize to assist in unit marketing, processing of the applicants and our attempts to reach out to the Berkshire FMR Area and area minority populations.

General Information

Lenox

Incorporated in 1767, the Town of Lenox, Massachusetts is located in central Berkshire County. Lenox is a popular retreat, with every season attracting thousands to the Berkshires for its scenery, arts, and activities. According to the [United States Census Bureau](#), the town has a total area of 21.7 square miles (56.1 km²), of which 21.2 square miles (55.0 km²) is land and 0.46 square miles (1.2 km²) is water. Lenox is bordered by [Pittsfield](#) to the north, [Washington](#) to the east, [Lee](#) to the southeast, [Stockbridge](#) to the southwest, and [Richmond](#) to the west. The town center is 8 miles (13 km) south of downtown Pittsfield, 45 miles (72 km) west-northwest of [Springfield](#), and 125 miles (201 km) west of Boston. Lenox has town water and sewer. The houses on Hynes Street are serviced by Berkshire Gas. The properties are .2 miles from the town center, which has a grocery store, Post Office, Library, Community Center and many employment opportunities.

Construct Inc and the town of Lenox have worked together to provide an affordable housing opportunity at 8 and 10 Hynes. The project will provide two affordable unit, by lottery, to eligible first time homebuyers

8 Hynes St is 1168 square foot, 3BR, 1 Bath, 2 story house with new kitchen on 4353 sq' lot

10 Hynes St is 1550 square foot, 3 BR 1 bath, 2 story house with new kitchen on 5188sq' lot

Construct Inc will be sponsoring an application process and lottery to rank the eligible program applicants. The application and lottery process as well as the eligibility requirements are described in this plan.

Marketing and Outreach Plan

Application availability and a public information meeting will be announced, with a minimum of two ads, in the *Berkshire Eagle* and the *Berkshire Edge*. We will work with the *Eagle* and the *the Edge* to have articles placed to increase awareness of the project and the available affordable housing opportunity.

Minority outreach will be conducted through Multicultural Bridge and the Berkshire Immigrant Center. Placement of notices on the local cable station and town website will be pursued. A mailing will be sent to local social service and public organizations.

A listing on www.massaccesshousingregistry.org, and www.massaffordablehomes.org will also announce the lottery and application availability.

Construct Inc will post Hynes St. lottery information and application online at www.constructinc.org. Applications can be requested from Construct by phone, email or picked up at Lenox town hall or the Lenox public Library, provided they have reopened to the Public. Construct Inc can be reached at:

Construct Inc
316A State Rd.
Great Barrington, MA 01230
(413) 528-1985
FAX (413) 298-3114
applications@constructberkshire.org

A local Public Information Meeting will be scheduled via Zoom where questions regarding program eligibility requirements, preferences for selections and the lottery process will be addressed. A confirmation letter will be sent to each eligible applicant with their lottery code after the application deadline. Lottery codes will be announced during the lottery drawing, to ensure the applicant's privacy.

Eligibility Criteria for Homeownership Units

What are the qualifications required for Prospective Buyers?

- Qualify Based on the following maximum income table, which is adjusted for household size:

Household Size	1	2	3	4	5	6
Maximum allowable Household Income	\$47,150	\$53,850	\$60,600	\$67,300	\$72,700	\$78,100

LOTTERY APPLICANT QUALIFICATIONS:

1. Household Income cannot exceed the above maximum allowable income limits.
2. Household must be a first time homebuyer defined as not having owned a residential property for three years, including property held in a trust.
 1. *The following exceptions apply:*
 - a. “Displaced homemakers” – defined as an adult who 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. While a homemaker, they owned a home with his or her partner or resided in a home owned by the partner;
 - b. “Single parent” – an individual who owned a home with his or her partner or resided in a home owned by the partner and is now a single parent (is unmarried or legally separated from a spouse and has custody or joint custody of one or more children or is pregnant);
 - c. Households where at least one household member is 55 or over;
 - d. Households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
 - e. Households that owned a property that was not in compliance with state, local or model building codes and cannot be brought into compliance for less than the cost of construction of a permanent structure.

A home owned by one of the above exceptions must be sold prior to closing on an affordable home

2. Total household assets cannot exceed \$75,000
 - a. Liquid retirement assets are counted
 - b. Individual retirement, 401K and Keogh accounts are included at 100% of the account value
 - c. The value of Retirement and Pension Funds differ if you are employed or are no longer working. If still employed, the value is determined using the amount you can withdraw less any penalties or transaction costs. At retirement, termination of employment or withdrawn periodic receipts from pension and retirement funds are counted as income. Lump sum receipts are counted as assets.
 - d. Assets divested for less than their fair market value within the last tow years will be counted at their full Fair Market Value to determine eligibility.

Complete Income and Asset Guidelines will be provided upon request, If you have an opportunity to purchase or you can view online at www.constructinc.org

- Unit must be principal residence of the owners and cannot be rented or leased.
- Non-household members are not permitted to be co-signers on the mortgage
- A mortgage pre-approval letter, from a bank experienced with deed-restricted properties, is required to participate in this lottery.

Mortgage guidelines

1. Be a fully amortizing fixed rate mortgage with a down payment of at least 3%, at least half of which must come from the buyer's own funds.
2. Be made by an institutional lender.
3. Have a fixed interest rate through the full term of the mortgage that is a current fair market interest rate.
4. No more than 2 points.
5. Monthly housing (inclusive of principal, interest, property taxes, hazard insurance, private mortgage insurance) may not exceed 38% of the buyer's monthly income for the mortgage.
6. Non-household members shall not be permitted as co-signers of the mortgage.

VA and FHA loans are NOT accepted as they will not close on deed restricted units.

The mortgage must be from an institutional lender familiar with affordable deed restrictions guidelines. It is recommended that applicants consider the One Mortgage Program through Massachusetts Housing Partnership (mhp.net) or a MassHousing loan for their financing.

Lottery Process and Preferences for all Lotteries

Construct will screen all applications. All applicants who mail in a completed application will be reviewed for eligibility. All eligible applicants will receive a lottery code to be announced during the lottery. The unit will be distributed through the Open Pool, available to all applicants.

Household Size

Unit preferences for homeownership are based on the following:

1. There is at least one occupant per bedroom.
2. A husband and wife, 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.
3. A person described in the first sentence of (2) 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.
4. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
5. If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

Lottery Information Package
Hynes Street
Lenox, MA 01240

The houses, Located at 8 and 10 Hynes Street, Lenox, will be distributed by lottery to an income eligible first time homebuyer (certain exceptions apply). The descriptions of the houses follow:

8: 1168 square foot, 3BR, 1 Bath, 2 story house with new kitchen, new appliances and new furnace on 4353 sq' lot

10: 1550 square foot, 3 BR 1 bath, 2 story house with new kitchen, new appliances, new floors and new bathroom fixtures on 5188sq' lot

The sales price for the affordable homes is \$254,000. The tax rate is \$12.10 per thousand.

Applicants will not be discriminated against 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.

KEY DATES:

Public Information Meeting
Via Zoom
February 25th, Noon
February 28th 7pm

Application Deadline

MUST BE POSTMARKED or received on or before APRIL 25 _____ 2022

Lottery
Via Zoom

An open house will not be scheduled due to Covid-19. Photos will be posted on our website at constructinc.org. and at berkshirehabitat.org Buyer will have the opportunity to view the unit before committing to purchase.

Please review this information packet in detail. To be included in the lottery, you must complete the Application Package which includes the submission of a Mortgage pre-approval letter and the related **MANDATORY** Financial Documentation. If any of the required items are not supplied with your Application by the Application Deadline you will **NOT** be included in the lottery.

Complete applications can be mailed to applications@constructberkshire.org OR mailed to Construct Inc. 316A State Rd. Great Barrington, MA 01230.

LOTTERY APPLICATION REQUIREMENTS & QUALIFICATIONS

1. Household income cannot exceed these maximum allowable gross Income limits, per household size.

Household Size	1	2	3	4	5	6
Maximum allowable Household Income	\$47,150	\$53,850	\$60,600	\$67,300	\$72,700	\$78,100

(Income limits subject to change based on HUD guidelines & updates)

2. Household must be a “First-time Homebuyer” – this is defined as not having owned a residential property for at least three years, including homes in a trust. *The following exceptions apply:*
 - a. “Displaced homemakers” – defined as an adult who 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. While a homemaker, they owned a home with his or her partner or resided in a home owned by the partner;
 - b. “Single parent” – an individual who owned a home with his or her partner or resided in a home owned by the partner and is now a single parent (is unmarried or legally separated from a spouse and has custody or joint custody of one or more children or is pregnant);
 - c. Households where at least one household member is 55 or over;
 - d. Households that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations; and
 - e. Households that owned a property that was not in compliance with state, local or model building codes and cannot be brought into compliance for less than the cost of construction of a permanent structure.

A home owned by one of the above exceptions must be sold prior to closing on an affordable home.

3. Total household assets cannot exceed \$75,000.
 - a. Liquid retirement assets are counted.
 - b. Individual retirement, 401K and Keogh accounts are included at 100% of the account value.
 - c. The value of Retirement and Pension Funds differ if you are employed or are no longer working. If still employed, the value is determined using the amount you can withdraw less any penalties or transaction costs. At retirement, termination of employment or withdrawn periodic receipts from pension and retirement funds are counted as income. Lump sum receipts are counted as assets.
 - d. Assets divested for less than their fair market value within the last two years will be counted at their full Fair Market Value to determine eligibility.

Detailed Income and Asset Guidelines are available online at www.constructinc.org

4. A MORTGAGE PRE-APPROVAL LETTER from a bank experienced with deed-restricted properties, IS REQUIRED TO PARTICIPATE IN THE LOTTERY
 - a. The Affordable home must be the principal residence of the owners and cannot be rented or leased.
 - b. Additional important mortgage guidelines are as follows:

- (1) Must Secure a 30 year fixed rate mortgage.
 - (2) The loan must have a current fair market interest rate (No more than 2% (200 basis points) above the current MassHousing Rate.)
 - (3) The buyer must provide a down payment of at least 3%, 1.5% of the purchase price must come from the buyer's own funds.
 - (4) The loan can have no more than 2 points.
 - (5) The sales price of the unit is set by DHCD to be affordable to an income-eligible household paying no more than 30% of their monthly income for housing costs. Generally, the buyer may not pay more than 38% of their monthly income for housing costs.
 - (6) Non-household members are not permitted to be co-signers on the mortgage.
 - (7) FHA and VA loans will not be accepted as they will not close on deed restricted properties.
- c. It is recommended applicants consider the One Mortgage Program through Massachusetts Housing Partnership (mhp.net) or a MassHousing loan for their financing.

5. There is two units available through the open pool only .

6. There are preferences based upon Household size.

Preference will be given to households that require three bedrooms over households requiring one or two bedrooms. Second preference will be given to households requiring two bedrooms and final preference to households requiring one bedroom.

Unit preferences are based on the following:

- a. There is a least one occupant per bedroom.
- b. A husband and wife, 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 (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 reliable medical documentation is provided substantiating the adverse impact.
- d. A household may count an unborn child as a household member. The household must submit proof of pregnancy with the application.
- e. If the applicant is in the process of a divorce or separation, the applicant must provide proof that the divorce or separation has begun or has been finalized, as set forth in the application.

Persons with disabilities are entitled to request a reasonable accommodation of rules, policies, practices, or services or to request a reasonable modification of the housing, when such accommodations or modifications are necessary to afford the person(s) with disabilities equal opportunity to use and enjoy the housing. All requests must be made a time of application and provide the necessary documentation, ie doctors letter.

7. There are Deed Restrictions which control the future sale price and sales process of the homes to ensure they ALWAYS stay affordable.

Deed restrictions are used to ensure the homes are affordable for future buyers. If you are selected and have the opportunity to purchase, at closing you will sign a deed rider which requires you to live in the home, ensures affordability **in perpetuity** for future buyers and require prior approval from the Town and DHCD for capital improvements & refinancing. If/when you choose to sell your affordable home you will need to notify the Town and the Monitoring Agent/DHCD and they will determine the allowable sales price and outline the sales process you must adhere to. The maximum resale price is determined by DCHD using a Resale Price Multiplier, a figure calculated by taking your initial sales price and dividing it by the area median income. Upon resale, the Resale Price Multiplier is multiplied by the updated area median income number to determine the maximum resale price.

For example, if the initial price is \$254,000 and the current area median income is \$83,900, the Resale Price Multiplier would be $\$254,000 / \$83,900 = 3.03$. If you decide to sell in 2024 and the median income at that time is \$85,000, the sale price would work out to be $\$85,000 \times 3.03 \text{ multiplier} = \$257,550$.

Added to your sale price is a 2% resale fee that will be paid to the resale agent.

All selected applicants are urged to review the deed rider with their own attorney. A copy of the deed rider can be found in the DOCUMENTS section at www.constructinc.org.

8. The minimum income required to purchase is based upon an applicant's ability to secure a mortgage.

A "Sample Affordability Analysis" is shown below based upon current interest rates, anticipated real estate taxes and related housing expenses.

SAMPLE AFFORDABILITY ANALYSIS

Home Price	\$ 254,000
Interest Rate	3.25%
Down Payment(%)	5%
Down Payment (\$)	\$ 12,700.00
Mortgage Amount	\$ 241,300.0
Monthly Expenses	
Principal & Interest	\$ 1,050.15
Real Estate Taxes	243.31
Private Mortgage Insurance	80.43
Hazard Insurance	95.00
TOTAL Monthly Expenses	\$ 1468.89

NOTES:

All values are estimates and are subject to change.

Lenox 2021 Residential Tax Rate = \$12.10 per thousand

LOTTERY PROCESS

Please be advised the program and its requirements are subject to changes in local, state or federal regulations. The financial evaluation requirements are established by state and federal agencies. The financial review associated with the Lottery Process can be a lengthy and sometimes complicated process. We appreciate your participation and patience in advance when dealing with the required detailed financial review.

Lottery Pools

The lottery has two pools, a local pool and a general pool. The local pool is only for one unit (50% of units available).

The following applicants qualify for the local pool:

1. Current residents • A household in which one or more members is living in the community at the time of application. Documentation of residency should be provided, such as rent receipts, utility bills, census listing or voter registration listing.
2. Municipal and/or Community Employees • Employees of the municipality, such as teachers, firefighters, police officers, librarians, or town hall employees.
3. Employees of businesses located in the community.
4. Households with children enrolled in the Lenox School System.

All approved applications in the lottery will be assigned a Lottery Code. All qualified applicants provided a Lottery Code will be selected at the time of the lottery. This order of selection will establish the initial rankings for the distribution of the affordable units.

Applicants who qualify for the local pool will have their number entered twice in the drawing for one unit.

The units will be distributed to the highest ranked household that meets the Unit Size Preference as stated on Page 3. If all three-bedroom applicants have been offered the unit and they choose not to purchase or are declined we will then begin offering the unit to households requiring two bedrooms based on their lottery ranking and then one bedroom units.

Time Frames

If you are selected in the lottery and have the opportunity to purchase a home, you will speak with or meet with a Lottery Agent representative to review your application and financial submissions to verify all provided information. Please be advised it is likely additional financial information will be required and verified prior to home selection. Lastly, ALL selected applicants' financial documents will be verified prior to selecting a specific home (if this is delayed from lottery time frame). Financial submissions are verified again prior to closing on the home. If you are determined ineligible at that time you will not be able to purchase.

Acceptance of Home

If you choose not to purchase the "offered" home at the property, you will go to the bottom of the list and will likely NOT have another opportunity at that property.

UNIT AVAILABILITY & DISTRIBUTION

Unit	#of Baths	Sq. Ft.**	Pool	Estimated Availability
8	1	1,168	Open	TBD
10	1	1550	Open	TBD

SCALE 1" = 20'
RECORDED LAND COURT PLAN #1926-6

BLACK

N/4 LAND OF ANTHONY J. SALVATORE, W/P, VICTORIA P. SALVATORE (BK 3483 PG 143)

GRANTOR: ...
GRANTEE: BLD

N/4 LAND OF TRAYNIE MALE (BK 4568 PG 151)

N/4 LAND OF ANDREW B. HOLY, KATHERINE LANDERS (BK 6193 PG 1)

HOUSATONIC STREET

STREET

8

10

