



Honeysuckle Drive Lottery Information
Application Deadline: 2:00 pm on May 6, 2024
Middle-Income, Attainable Homeownership



Lottery for two (2) new 3BR Single-Family Homes with 2.5 baths (1,782 sq ft)

Purchase Price: \$995,000

Eligible households earn less than 240% of the Area Median Income

[Submit a digital application by clicking here or scanning the QR code below.](#)

This is a lottery for TWO (2) Middle-Income, Attainable homes on Honeysuckle Drive in Nantucket’s Sandpiper Place development. “Attainable” homes are deed restricted and designed to be permanently affordable for middle-income households with incomes at or below 240% of Nantucket’s Area Median Income (AMI). The homes will be ready for occupancy in the late spring of 2024.

These newly constructed homes, each situated on over 5,200 sqft of land in the R-5 zone, feature an open living and kitchen area on the first floor, complete with silestone quartz countertops, white cabinets, and appliances including an electric range, microwave, dishwasher, and refrigerator. Additionally, there is a half bath on this level, along with a washer and dryer for added convenience. The first floor boasts luxury vinyl plank flooring, and a carpeted stairway leads up to the second floor.

Upstairs, the master bedroom includes an en suite bathroom, while the other two bedrooms share a hall bathroom. These homes are well-insulated and equipped with an electric ducted heat pump for efficient heating and cooling. Access to a crawl space is available from inside the home, providing additional storage space. Outside, the driveway features a Belgian Block apron and accommodates parking for 2 cars.

There is no MINIMUM Income Limit. However, applicants will need to provide a pre-approval letter from a reputable lender verifying their financial ability to purchase the home at the above sale price. The MAXIMUM Household Income Limits are as follows:

\$243,840 (1 person), \$278,640 (2 people), \$313,440 (3 people) \$348,240 (4 people),
 \$376,320 (5 people), \$404,160 (6 people), \$432,000 (7 people), \$459,840 (8 people)

Households must have less than \$500,000 in unrestricted assets to be eligible to purchase an Attainable home. Households cannot own Nantucket residential real estate at the time of purchase. Residency and resale restrictions apply.



Honeysuckle Lottery Application

Submit a [digital application by clicking here or scanning the QR code](#). Google Chrome can be used to [translate the online application into any language](#). After you apply, you will receive a detailed email from our staff within a week of application submission. This verifies your eligibility and assigns each applicant a lottery number. If you do not receive an email, please contact info@housingnantucket.org prior to application deadline.

Housing Nantucket will hold an info session on Zoom on April 3rd at 5pm. [Click here to register](#). **Completed applications, including a pre approval letter, must be received by Housing Nantucket before 2:00 pm on May 6, 2024.** The Lottery will be held on May 8, 2024 at 5pm on Zoom.

Reasonable accommodations for persons with disabilities and free translations available upon request. Any questions should be directed to info@housingnantucket.org or call (508) 228-4422. More information can be found at www.housingnantucket.org/honeysuckle.



Lottery Information Packet

Honeysuckle Drive

Nantucket, MA

A Middle-Income, Attainable Homeownership Housing Lottery

The Honeysuckle Drive Attainable Homeownership opportunity is a lottery for TWO (2) Middle-Income, Attainable homes in the Sandpiper Place development off Old South Road. "Attainable" homes are deed restricted and designed to be permanently affordable for middle-income households with incomes at or below 240% of Nantucket's Area Median Income (AMI). This packet contains specific information about the opportunity, as well as background, eligibility requirements, selection priority categories, and the application process for the Attainable homes being offered through this lottery.

Housing Nantucket invites you to read this information and submit an application if you think that you meet the eligibility requirements. Please note this lottery is the first step in the application process and does not assure you the opportunity to purchase one of the homes. All homes should be ready for occupancy within a few months of the lottery.

APPLICATIONS MUST BE RECEIVED BEFORE

2:00 PM on May 6, 2024

[Submit a digital application here or scan QR code below.](#)

Once a digital application has been submitted, you will receive confirmation the application has been recorded. If you do NOT receive an email, that indicates the application has not been received. Also, a more detailed email will be sent within a week of application submission verifying eligibility and assigning each applicant a lottery number. Please contact info@housingnantucket.org prior to application deadline with any concerns.



Honeysuckle Lottery Application

Housing Nantucket

75 Old South Road, Nantucket

Phone: (508) 228-4422

Email: info@housingnantucket.org



Table of Contents

General Overview and Sales Prices.....	pg. 4
General Eligibility Requirements.....	pg. 5-9
<i>Maximum Income and Asset Limits.....</i>	<i>pg. 5-8</i>
<i>Household Size and Composition.....</i>	<i>pg. 9</i>
<i>Exemptions & Separation/Divorce Q&A.....</i>	<i>pg. 9</i>
Mortgage Pre-Approval Standards.....	pg. 9-10
Step-By-Step Process and Timeline.....	pg. 10-16
<i>Step 1a: Applying for the Program.....</i>	<i>pg. 11</i>
<i>Step 1b: The Lottery.....</i>	<i>pg. 12</i>
<i>Step 1c: The Waiting List.....</i>	<i>pg. 12</i>
<i>Step 1d: Monitoring Agent Approval.....</i>	<i>pg. 13</i>
<i>Step 2a: Unit Selection and Reservation Agreement.....</i>	<i>pg. 13</i>
<i>Step 2b: Sign Purchase & Sale Agreement.....</i>	<i>pg. 14</i>
<i>Step 2c: Obtain Mortgage Commitment.....</i>	<i>pg. 14</i>
<i>Step 1e: Final Review of Eligibility.....</i>	<i>pg. 14</i>
<i>Step 2d: Closing and Move-In.....</i>	<i>pg. 16</i>
Deed Rider Summary/Property Restrictions.....	pg. 17-18

GENERAL OVERVIEW AND SALES PRICES

This is a lottery for the two Attainable homes being built on Honeysuckle Drive on Nantucket. “Attainable” homes are deed restricted and designed to be permanently affordable for middle-income households with incomes at or below 240% of Nantucket’s Area Median Income (AMI).

These newly constructed homes feature an open living and kitchen area on the first floor, complete with silestone quartz countertops, white cabinets, and appliances including an electric range, microwave, dishwasher, and refrigerator. Additionally, there is a half bath on this level, along with a washer and dryer for added convenience. The first floor boasts luxury vinyl plank flooring, and a carpeted stairway leads up to the second floor.

Upstairs, the master bedroom includes an en suite bathroom, while the other two bedrooms share a hall bathroom. These homes are well-insulated and equipped with a heat pump system for efficient heating and cooling. Access to a crawl space is available from inside the home, providing additional storage space. Outside, the driveway features a Belgian Block apron and accommodates parking for 2 cars.

# of Units	Type	Sales Price	Monthly Condo Fees	Bedrooms	Bathrooms	Parking Spots	Square Footage
2	Single-Family	\$995,000	\$50**	3	2.5	2 spots	1,782 sq ft

*For details on property taxes and other mortgage related questions, please read page 12

**Monthly Condo fees cover maintenance of the development’s common areas and sidewalks.

The homes 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 home can be resold for and requires the resale to another income-eligible buyer, ensuring the home stays affordable in perpetuity. We recommend that potential buyers review the Deed Rider with an attorney prior to purchase 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.

Since it is anticipated that there will be more interested and eligible applicants than available homes, an application process and lottery will be conducted to rank the eligible applicants for the program. The application and lottery process, dates, and eligibility requirements can all be found within this Information Packet.

Housing Nantucket 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.

GENERAL ELIGIBILITY REQUIREMENTS

Q: Who is eligible to apply for the Attainable homes?

A: In order to qualify for an Attainable home, 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 that would substantiate the purchase of the home.

Maximum Income for Attainable Homes

To be eligible to purchase an Attainable home, the combined annual income for all income sources of all income-earning members in the household must be at or below two hundred and forty percent (240%) of Area Median Income for the local area (Nantucket) for the Attainable homes. The maximum incomes allowed for this program are:

Maximum Income Limits

Household Size	240% Area Median Income Maximum Income Limit	Unrestricted Assets Limit
1	\$243,840	\$500,000
2	\$278,640	\$500,000
3	\$313,440	\$500,000
4	\$348,240	\$500,000
5	\$376,320	\$500,000
6	\$404,160	\$500,000
7	\$432,000	\$500,000
8	\$459,840	\$500,000

While there is no specific minimum income, all households must qualify for a mortgage loan to purchase an Attainable home. 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.

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 over \$480/year for full time students who are dependents (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

To purchase an Attainable Home, an eligible household shall not have total gross assets exceeding \$500,000 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. Applicants may not own residential Nantucket real estate.

Total Household Assets shall include the following:

- Cash in savings accounts, checking accounts, safety deposit boxes, etc.;
- Assets held in a revocable trust;
- Equity in real property or other capital accounts;
- Cash value of life insurance policies available to the applicant before death;
- Personal property held as an investment: gems, jewelry, coins collections, antique cars, etc. Personal jewelry is not included in Total Household Assets;
- Lump sum receipts or one time receipts (i.e., inheritance, capital gains, one time lottery winnings, victim's restitution, settlement on insurance claims (including health and accident insurance, worker's compensation, and personal or property losses), and any other amounts that are not intended as periodic payments;
- Promissory note, mortgage, or deed of trust held by Applicant;
- IRA, 401(k), SEP, and 403B accounts; and
- Retirement and pension funds.

Total Household Assets shall not include the following:

- Personal property (i.e., clothing, furniture, cars, wedding ring and/or other jewelry that is not held as an investment, vehicles specially equipped for persons with disabilities);
- Term life insurance policies (i.e., policies with no cash value);
- Equity in the cooperative unit in which the applicant lives;

- Assets that are part of an active business. Business does not include rental of properties that are held as investments unless such properties are the Applicant's main source of income; and
- Assets that are not effectively owned by the Applicant.

Notwithstanding the foregoing,

i. Restricted Assets such as 401(K), SEP, IRA, 403B, pension and retirement accounts (hereinafter "Restricted Assets") will not be included in Total Household Assets, provided that the household is not currently drawing any funds from such Restricted Assets.

ii. Restricted Assets shall be included in Total Household Assets if the household is currently drawing any funds from such Restricted Assets. In such a case, a Qualified Purchaser's Total Household Assets shall not be greater than one hundred percent (100%) of the current maximum sales price.

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

A: Yes. These are considered restricted assets and will not be applied to the asset cap. However, you do need to include information on the *net cash value* of all your current retirement funds.

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: Can I own real estate and be eligible for this opportunity?

A: An applicant may participate in this lottery if they own real estate. The value of the real estate asset will be determined based on a recent appraisal and mortgage statement. For how much equity you are allowed to have in your current home, please see the Asset Limits in the following pages.

At the time of the acquisition of the Attainable Home, a Purchaser shall be fully divested of all ownership or beneficial interest of any nature whatsoever in all real property located in Nantucket County, Massachusetts that may be used lawfully for residential purposes.

Program rules regarding ownership of real estate are similar to those of the Nantucket Housing Needs Covenant Program.

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 Attainable 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 Attainable 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 Attainable 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 the available homes at that time. It does not entitle you to pick a 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 reasonable accommodation?

A: Persons with disabilities are entitled to request 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@housingnantucket.org or call 508-228-4422 or postal mail Housing Nantucket, P.O. Box 3149 Nantucket, MA 02584.

HOUSEHOLD SIZE AND COMPOSITION

Q: How is appropriate household size determined?

A: According to the Massachusetts Executive Office of Housing and Liveable Communities 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 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 one member/dependent

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

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

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

In “The Lottery” of the Step-By-Step Process later in this section, 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 attainable three-bedroom unit first.* A Type II Household will be given the opportunity to buy an attainable 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 attainable unit first.* A Type I Household will be given the opportunity to buy an attainable 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*)
- The loan can have no more than two points.
- For ATTAINABLE homes, 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.

Households will need to bring the copy of the [Sample Deed Rider](#) to their lender. A copy can be found at www.housingnantucket.org/honeysuckle. *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 attainable home.

Taxes are assessed to the attainable 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: At the Attainable purchase price of \$995,000, the monthly tax burden can be derived by dividing the Purchase Price by 1,000, multiplying by \$3.17 (the tax rate for FY2024), and dividing by 12 months. *So (for example) a home valued at \$995,000 will have monthly property taxes of approximately \$265/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 the Attainable homes.

STEP-BY-STEP PROCESS AND TIMELINE

Q: What is the application, selection, and move-in process for the Attainable homes offered on Honeysuckle Drive?

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

The first steps all involve qualifying for the 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. Home availability will be determined by your position on the Waiting Lists.

Step 1a: Applying for the Housing Program

Thru May 6, 2024

Step 1b: The Lottery

May 8, 2024

Step 1c: Waiting List

Within 3 days of the Lottery

Step 1d: Monitoring Agent Review

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 homes ready in mid 2024

An information session will be held on April 3, 2024 at 5pm on Zoom. Attendance at the Info Session is not required for participation in the lottery. A recorded version of the Info Session will be available on [Housing Nantucket's Youtube Channel](#).

Step 1a: Applying for the Lottery

Once a household reads this Information Packet in its entirety, they will need to submit a Program Application. The applying household **MUST** include a Mortgage Pre-Approval (a pre-qualification is not sufficient). The Program Application and Mortgage Pre-Approval must be received by Housing Nantucket before 2:00 PM on May 6, 2024 . Applications are submitted digitally through an [online form](#). You may opt-in to receive a copy of your application by clicking the checkbox reading "Send me a copy of my responses."

Reasonable accommodations for persons with disabilities and free translations available upon request. Any questions should be directed to info@housingnantucket.org or call (508) 228-4422. More information can be found at www.housingnantucket.org/honeysuckle.

We recommend submitting your completed application at least a week prior to the application deadline to ensure there are no issues submitting your application. **Late applications will not be accepted NO EXCEPTIONS!**

Once a completed Program Application is received with a Mortgage Pre-Approval, Housing Nantucket will determine initial eligibility and compliance. If the applicant is determined to be eligible for the Lottery, they will receive an **Application Number** via email. The purpose of the Application Number is simply to keep all household 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 email (or by mail if noted on the application). Entrance into the Lottery does not guarantee that a household is eligible to buy a home. If you do not receive an email confirming your application submission, please contact info@housingnantucket.org prior to application deadline. 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 emailed 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.

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 home.

Step 1b: The Lottery

The Lottery will be held May 8, 2024 at 5pm on Zoom. A recording will be made available on Housing Nantucket's Youtube channel afterwards. Households do not have to attend the lottery to remain eligible. The results will be emailed to every applying eligible household after the Lottery.

During the Lottery, a Housing Nantucket representative will pull Application Numbers from a box. The Application Numbers are randomly drawn and placed in the order drawn on the **Lottery Results List**.

The order for this lottery will actually reflect the order that households will get to move forward in the process as all households entered into each drawing will be the same Household Type. To help clarify the actual order that applicants will be given the opportunity to buy homes, a Waiting List will be created from the Lottery Results Lists (*see next step*).

Step 1c: The Waiting List

The Waiting Lists will be compiled immediately after the lottery. **The Waiting Lists illustrate the order households will be offered the opportunity to select a unit to purchase.** The position each household has on the Waiting Lists is determined by the order in which their Application Number is drawn. *Please see "Household Size and Compositions" for details on Household Types.*

The Waiting List

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

Second Tier: All Type II Households who are First-Time Homebuyers

Third Tier: All Type I Households who are First-Time Homebuyers

Fourth Tier: All Type III Households who are NOT First-Time Homebuyers

Fifth Tier: All Type II Households who are NOT First-Time Homebuyers

Bottom Tier: All Type I 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 the Waiting List.

Step 1d: Monitoring Agent Review

After the Lottery, Housing Nantucket as Lottery Agent will notify all the lottery applicants of the results and their positions on the Waiting List. The Lottery Agent will contact up to five times as many households as units available on the 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 Housing Nantucket's preliminary review of Program eligibility.

When Housing Nantucket sends a household their Application Number prior to the lottery, they will also send them a [Required Document 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 Housing Nantucket 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. Those households contacted who complete the eligibility review and are deemed eligible by Housing Nantucket to move forward in the process will remain on the Waiting Lists.

All units are scheduled to have occupancy within 12 months of the lottery date. Since many more households will be required to complete Housing Nantucket's Preliminary Review of Program Eligibility than units available, some households may complete Housing Nantucket's Preliminary Review of Program Eligibility and not be given the chance to move forward in the process of reserving one of the Attainable homes.

The top household on each Waiting List who completes all documentation submission by the given deadline and is deemed eligible by Housing Nantucket will undergo formal eligibility certification. If additional documentation is needed to complete their eligibility review, Housing Nantucket will notify the applicant. The applicant must submit any documentation requested by Housing Nantucket within 5 business days. Applicants who do not provide additional documentation and applicants that Housing Nantucket disqualifies will be removed from the Waiting List and lose their opportunity to move forward in this process. Once a household is certified as eligible, Housing Nantucket will direct the household to the next step.

Households with positions lower on the Waiting List who were not asked to complete Housing Nantucket's 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 Attainable applicants are needed to fill all the Attainable homes.

Step 2a: Unit Selection & Reservation Agreement

The top eligible household on each **Waiting List** will be notified by Housing Nantucket when they can move forward with the purchase of the available Attainable home. When a household is notified, they will be put "on the clock". When they are "on the clock", they will have 3 business days to complete a Reservation Agreement with Housing Nantucket.

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 Attainable home, a refundable deposit of \$1,000 is required.** The deposit is refundable if the buyer is unable to secure a mortgage for

the unit.

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.

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 the 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 Attainable home at Honeysuckle Drive through this lottery.

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 Housing Nantucket **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.

Step 2b: Sign Purchase and Sale Agreement

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 5% of the sales price for the Attainable Homes. The Purchase and Sale Agreement will have the actual closing date on it.

After the Reservation Agreement is signed, the Honeysuckle Drive 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. The bank that is offering your mortgage commitment will need to 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 (eg: 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.

Step 2c: Obtain Mortgage Commitment

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 at a guide through this process. Generally, the lender will want to see the Purchase and Sale Agreement, the Master Deed, the Homeowners’ Association (HOA) Documents and the Deed Rider. They will also do an appraisal of the property once the property is move-in ready. Once the appraisal is complete, the household will be able to close on the home.

Step 1e: Final Review for Program Eligibility

Before a household can close on their Honeysuckle Drive home, Housing Nantucket must do a final review of the household’s eligibility income and asset eligibility in order to prepare the Resale Price Certificate and Deed Rider that must be recorded at the closing. It is therefore essential that all households continue to maintain records of all income and assets until they close on their Attainable home **and maintain program eligibility!**

One month prior to the closing date, households will need to complete a Final Review Application and submit all recent income and asset documentation to Housing Nantucket. Housing Nantucket will review the Final Review Application and determine if the household is still eligible according to affordable 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 a Honeysuckle home.

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.

Approximately 30 days prior to the closing date, Housing Nantucket will review the P&S, Master Deed and mortgage. They will then email the Resale Price Certificate to their closing attorney who will then complete the Deed Rider to record at the closing.

Households who qualified as first-time homebuyers (Age Qualified Households, Displaced

Homemakers and Exempt Single Parents that are current 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 to Housing Nantucket along with all of the above documentation. Housing Nantucket 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, Housing Nantucket will issue a Resale Price Certificate.

Step 2d: Closing and Move-in

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

DEED RIDER SUMMARY/ PROPERTY RESTRICTIONS

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 a Sample Deed Rider is available on [Housing Nantucket's 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 Attainable homes 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 Attainable 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 without prior written approval from the Monitoring Agent, Housing Nantucket. Responding to an Annual Residency Verification is required as proof of principal residence.

REFINANCING

All requests to refinance must be approved by the Monitoring Agent, Housing Nantucket, 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, Housing Nantucket. 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 Monitoring Agent, Housing Nantucket. This notice is referred to as the "Conveyance Notice" in the Deed Rider. Housing Nantucket will then calculate the Resale Price Multiplier (see below) and the Maximum Resale Price.

MAXIMUM RESALE PRICE

The Monitoring Agent will set the Maximum Resale Price according to the formula in your deed rider, designed to be affordable to a household earning at or below 240% of the Area Median Income. The Maximum Resale Price of your home will be set assuming that the home is in the same or comparable condition as when you purchased the home. However, there is no guarantee that you will be able to receive the Maximum Resale Price.

RESALE PROCESS

Once the Maximum Resale Price and income requirements have been set by the Monitoring Agent, marketing efforts may begin. You and the Monitoring Agent will try to find an Eligible Purchaser (a homebuyer whose income is at or below 240% of the Base Area Median Income and who meets the asset limit) within 90 days. Alternatively, the Town of Nantucket may elect to purchase the home at the Maximum Sales Price within those 90 days.

If an Eligible Purchaser is found, sale to the Eligible Purchaser at the Maximum Resale Price shall occur within ninety (90) days after the Monitoring Agent receives the Conveyance Notice. 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 time frame can be extended an additional 60 days.

If 120 days pass from the date of the Conveyance Notice, and an Eligible Purchaser cannot be found, and the Town of Nantucket declines 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.