

AFFORDABLE AND WORKFORCE HOUSING PLAN

I. PURPOSE

This Affordable and Workforce Housing Plan (the "Housing Plan") for NAS South Weymouth is created by South Shore Tri-Town Development Corporation (the "Corporation") as required by the NAS South Weymouth Affordable and Workforce Housing Regulations (the "Housing Regulations"). Capitalized terms not otherwise defined in this Housing Plan shall have the same meaning as in the Housing Regulations.

This Housing Plan includes:

- Description of the requirements for approval of Affordable Housing and Workforce Housing, including minimum standards for the siting, timing and design of Affordable Housing Units and Workforce Housing Units;
- Description of the process by which the Lottery Agent (as defined in Section III) will identify Eligible Households and certify income, in conjunction with the Monitoring Agent (as defined in Section III).
- Description of the process by which the Monitoring Agent will oversee the eligibility screening process, handle tenant recertification and oversee resales of Affordable Homeownership Units and Workforce Homeownership Units;
- Process for developing and executing the Affirmative Marketing Plan and administering the Lottery Process;
- Model Affordable Housing Restriction.
- Model Workforce Housing Restriction.

II. REQUIREMENTS FOR AFFORDABLE AND WORKFORCE HOUSING

A. Required Percentages of Affordable Housing and Workforce Housing

Affordable Housing Units and Workforce Housing Units shall be provided at NAS South Weymouth in accordance with the percentages provided in Section III.C of the Reuse Plan and Section 6.1 of the Housing Regulations.

B. Required Mix of Rental and Homeownership Units

Development at NAS South Weymouth must meet the required mix of rental and homeownership units provided in Section 7.2(C) of the Housing Regulations. Accordingly, up to 70% of Affordable Housing Units will be Affordable Rental Units and the remainder shall be Affordable Homeownership Units, and up to 50% of the Workforce Housing Units will be Workforce Rental Units and the remainder shall be Workforce Homeownership Units.

C. Timing of Construction of Affordable Housing Units and Workforce Housing Units

Affordable Housing Units and Workforce Housing Units shall be constructed in accordance with the timing provided in Section 7.3 of the Housing Regulations.

D. Phasing of Affordable Housing Units and Workforce Housing Units

Affordable Housing Units and Workforce Housing Units shall comply with the Phasing Plan contained in Section 6.2 of the Housing Regulations.

E. Siting of Affordable Housing Units and Workforce Housing Units

Affordable Housing Units and Workforce Housing Units shall be sited in accordance with Section 7.1 of the Housing Regulations.

F. Minimum Design and Construction Standards

Affordable Housing Units and Workforce Housing Units shall be situated within mixed-income developments and shall be integrated with the rest of such developments and shall be comparable in design, appearance, construction and quality of materials with the market-rate units such that they are externally indistinguishable from market-rate units of the same type. In addition, the following standards shall apply:

- (1) **Mix of Unit Sizes and Types.** In accordance with Section 7.2(A) of the Housing Regulations, Affordable Housing Units and Workforce Housing Units shall include the same proportional mix of bedroom counts as applicable to all residential development in NAS South Weymouth. Affordable Housing Units and Workforce Housing Units shall be interspersed among market rate units in specific building locations so that no more than two (2) Affordable Housing Units or Workforce Housing Units are located adjacent to each other or to one another.
- (2) **Accessibility.** In developments consisting of more than ten residential units, the development should meet the accessibility requirements in Section 7.2(B) of the Housing Regulations.

G. Additional Requirements for Affordable Homeownership Units

In order to qualify for an Affordable Homeownership Unit, a household must meet each of the four following criteria:

- (1) Everyone in the household on the note and mortgage must qualify as a “first time homebuyer” (as hereinafter defined);
- (2) The entire household’s income and assets must be below the program’s maximum allowable income and asset limits;
- (3) The household must be pre-approved for a mortgage that meets program mortgage standards; and
- (4) The households must be of an appropriate size and composition as established and communicated in the Lottery Information Packet and program application.

H. Affordable Housing Restriction (*Deed Rider*)

Each Affordable Homeownership Unit will have a deed rider which sets forth the various obligations a purchaser will have upon resale. All of the deeds for the Affordable Homeownership Units will have a deed rider, which the purchaser will be required to sign. The deed rider, in part, will ensure that each Affordable Homeownership Unit will stay affordable in perpetuity. Each purchaser is encouraged to read the deed rider carefully and the Corporation recommends that each purchaser seek legal counsel to have a full understanding of his or her obligations under the deed rider.

A model form of deed rider is attached hereto and incorporated herein by reference.

I. Workforce Housing Restriction (*Deed Rider*)

Each Workforce Homeownership Unit will have a deed rider which sets forth the various obligations a purchaser will have upon resale. All of the deeds for the Workforce Homeownership Units will have a deed rider, which the purchaser will be required to sign. The deed rider, in part, will ensure that each Workforce Homeownership Unit continues as a Workforce Homeownership Unit for five (5) years. Each purchaser is encouraged to read the deed rider carefully and the Corporation recommends that each purchaser seek legal counsel to have a full understanding of his or her obligations under the deed rider.

A model form of deed rider is attached hereto and incorporated herein by reference.

III. MARKETING AND BUYER/TENANT SELECTION

Each Affordable Housing Unit and Workforce Housing Unit at NAS South Weymouth will be marketed, to its initial purchaser or initial tenant, through a fair and open lottery process administered by a lottery agent to conduct the oversight, administration and execution of the lottery process (the "Lottery Agent"). In addition, the Corporation shall select a monitoring agent to oversee the lottery process and administer and execute the recertification process (the "Monitoring Agent"). The Monitoring Agent will be contracted and paid by the Corporation and will report directly to the Corporation. The Monitoring Agent will oversee the Lottery Agent's work by reviewing a random sample of applications to confirm that selected applicants meet the eligibility criteria for both rental and sales units.

In addition, resales and releasing activity will be subject to a recertification process to be administered by the Corporation. The Monitoring Agent will have the exclusive responsibility to perform these activities. For all Affordable Rental Units and Workforce Rental Units, the Monitoring Agent will recertify each tenant on an annual basis to confirm that each tenant remains eligible under program guidelines. For Affordable Homeownership Units and Workforce Homeownership Units, the Monitoring Agent will be responsible for overseeing resales to confirm the resale abides by the terms in the applicable deed restriction. The Monitoring Agent will also help to identify eligible renters and purchasers upon unit turnover.

The affirmative marketing plan is attached hereto. Four (4) separate lottery information packets, which provide details pertinent to each lottery program, will be developed by the Lottery Agent and approved by the Corporation at least five (5) months prior to anticipated occupancy of the Units.

The four lottery programs described below are similar in terms of the basic approach proposed. However, a separate information packet will be necessary for each because there are key differences between both the Workforce and Affordable lottery programs, as well as between the homeownership and rental lottery programs. Each packet will enumerate lottery program details pertinent to the applicant as well as the development entities.

A. Affirmative Marketing

The affirmative marketing plan for NAS South Weymouth's Affordable Housing Units and Workforce Housing Units has been designed to reach all segments of the eligible population. Affirmative fair marketing of all the Affordable Housing Units and Workforce Housing Units will be conducted to provide maximum opportunity for low and moderate-income households, including minority households, to apply for the lotteries. The affirmative marketing plan specifies the local and regional newspapers, as well as newspapers that serve minority groups and other protected classes, and civic organizations and social/community groups that will be targeted as part of the affirmative marketing program.

Any advertisements or documents developed as part of the marketing campaign will include: project size, unit mix, number and type of bedrooms, sales price or rent level, selection process for units (e.g. dates and times), maximum qualifying income, local preference percentage, and appropriate contact information.

Sixty days prior to each lottery, the Lottery Agent will execute the marketing plan and begin with the outreach effort. Advertisements will run at least twice within the 60-day marketing period in newspapers of general circulation or with other publications, as well as being posted and distributed to the appropriate organizations listed in the marketing plan.

The marketing campaign will have a specific prohibition of discrimination on the basis of race, creed, color, sex, age, handicap, marital status, sexual orientation, national origin or any other basis prohibited by law in the leasing or sale of units.

B. Local Preferences

Section 7.4 of the Housing Regulations require a local preference for no more than 70% of the Affordable Housing Units and for no more than 70% of the Workforce Housing Units. An applicant qualifies for local preference if the applicant or a member of their household fit into one of the local preference categories.

The following documentation is acceptable to establish that an applicant fits within the following local preference categories:

- *Current Resident of Abington, Rockland, Weymouth or NAS South Weymouth:*
 - A copy of a current utility bill *or*
 - A copy of a current lease
- *Current Employee of Abington, Rockland, Weymouth or the Corporation*
 - Current proof of employment and address of employer
- *Current Employee of Facilities Within the Central Redevelopment Area*
 - Current proof of employment and address of employer

While purchasers of Affordable Homeownership Units are required to be first-time homebuyers (see Section II.G above), preference will be given to a first-time homebuyer of a Workforce Homeownership Units. A person is a “first-time homebuyer” if the person or persons who will be signing the note and mortgage have not, within the preceding three years, owned the house they lived in as their primary residence. The Lottery Agent, subject to review and approval of the Monitoring Agent, may make exceptions in the following instances:

- (a) a displaced homeowner who is an adult who has owned a home only with a spouse, who is legally separated or divorced from such spouse, and who does not currently own the home previously owned with such spouse or will be disposing of such ownership interest prior to purchasing a unit at NAS South Weymouth;
- (b) a household that owned a principal residence not permanently affixed to a permanent foundation in accordance with applicable regulations;
- (c) 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; or
- (d) an age-qualified household (in which at least one member is age 55 or over) which is selling a home in order to purchase a Affordable Housing Unit or a Workforce Housing Unit.

C. Lottery Information Packets

Each lottery information packet will contain the following information:

- (1) Project Background. This section will include a brief history of the entire NAS South Weymouth project (*and Phase if available*), specifics about the project relative to unit density, amenities and other locational and geographic features. The background also will contain information regarding the mix of available units (e.g. number of one bedrooms, two bedrooms) as well as information on the affordability and workforce restrictions, capital improvements and re-sale limitations.
- (2) Eligibility Requirements. This section will include the program's eligibility criteria such as: maximum income limits by household size, approximate minimum income limits to qualify for a mortgage, mortgage standards (relevant to affordable for sale units) and obtaining mortgage pre-approval, first time homebuyer qualification, determining household size, term of affordability, and income verification requirements as part of the initial application submission (required for rental units).
- (3) Application and Selection Process. This section will provide details on how applicants will be selected for the available units including: when and how an applicant will receive an application number for the lottery, local preference criteria as established by the Corporation, an example of how the lottery will be conducted

on the night of the drawing and how applicants will be grouped into different categories based upon household size and local preference criteria, what happens after the lottery process has concluded and who is invited to proceed to the next steps, and adjustments in the local preference pool the night of the lottery to ensure compliance with fair housing and affirmative marketing standards.

- (4) Timing. This section will specify the dates and times as to when the marketing process will begin, when applications will be accepted as well as the application submission deadline, timing of notification to the applicant as to whether that can move forward with the process, the date and time of the lottery, when eligible households can sign a purchase and sale or lease agreement, and unit closing or apartment move-in dates.

In the information packets for the Affordable Homeownership Units and Workforce Homeownership Units, a summary deed rider will be included which will highlight the key terms and conditions including the terms of affordability and capital improvement considerations.

D. Marketing and Lottery Process

There will be four different lottery programs with each lottery program remaining separate and distinct to minimize confusion from interested buyers/renters. The Lottery Agent will conduct lotteries for each of the housing types:

- Affordable Homeownership Units
- Affordable Rental Units
- Workforce Homeownership Units
- Workforce Rental Units

Individuals expressing an interest in either Affordable Housing or Workforce Housing will need to submit a completed application – including providing the income verification documentation. Applicants will be asked to provide a list of *all* CURRENT sources of income for *all* household members over 18 years old. The applicant does not need to provide current sources of income for any household member who is 22 years of age or younger and who is a fully matriculated college student. In addition, each applicant will be required to complete a matrix of income information which segments income into specific categories including salary/wages, Social Security, pension, 401K, interest, stocks/bonds, alimony, and other possible categories of income.

Examples of the specific income verification documentation that will be required to substantiate each applicant's information include:

- Last 3 years of federal income tax returns with all schedules
- Copies of the 5 most recent pay-stubs
- Copies of most recent W-2
- Copies of most recent statements from the source of income (*ie: Social Security, SSDI, Pensions, Unemployment, Public Assistance, TANF, Veteran's Benefits, Retirement, Student Income, Interest Income etc.*)
- Copies of most recent 1099s from the source of income (*if received*).
- Three most recent checking account statements
- Copies of three most recent statements for any income generating assets
- If divorced or separated, copy of the divorce decree/separation agreement or proof that applicant has filed for divorce/separation.

For Self-Employed Applicants

- Last 3 years of federal income tax returns with all schedules
- Copies of all 2006 1099s
- A Copy of Schedule C of your 2006 1040s
- Copies of current financial statements,
- Accountant's statements of Net Business Income
- Copies of income receipts
- Any other documentation that can provide to corroborate income

Not all documentation will be required of each applicant as each applicant has a unique household composition, income and asset profile.

It is at the discretion of the individual if they want to complete more than one application. Prior to any lottery, the Lottery Agent will conduct a group informational session to speak about the overall lottery process.

1. **Timing:** Lotteries will be conducted on an as needed basis. The initial lottery for each lottery program shall occur approximately four months before the first building(s) and units which are applicable to the lottery program receives a certificate of occupancy. The timing of subsequent lotteries for each lottery program will be dictated by the unit completion schedule (as communicated by the developer) and the number of eligible applicants on the list. Additional lotteries will be administered if the list of eligible buyers/renters becomes too depleted based upon the anticipated number of Affordable Housing Units and/or Workforce Housing Units scheduled to come on-line. The Lottery Agent will work with the master developer for NAS South Weymouth (the "Master Developer") and the Corporation to periodically evaluate the construction schedule to determine the most effective time(s) to conduct a housing lottery(s).
2. **Application Processing:** The Lottery Agent will process each application to determine the preliminary eligibility of each applicant

and their household. The Lottery Agent will frequently contact an applicant to request additional information. The applicant will have the responsibility to submit complete information. If the applicant fails to do so, the applicant's application will be suspended. If an application is incomplete as of the due date, or if an applicant fails to submit an application by the due date, the applicant will be deemed ineligible to participate in the lottery; however, if the applicant thereafter submits a complete application following the due date, the applicant will be added to the "bottom" of the list of potential purchasers/renters.

Once the Lottery Agent has a complete packet, the Lottery Agent will review the information and make a preliminary eligibility determination. Applicants that meet the eligibility standards will be kept in a waiting list queue, until a unit becomes available. If units become available for multiple properties at the same time, the Lottery Agent will direct qualified applicants to each development on a rotational basis (e.g. applicant #1 to Project A, applicant #2 to Project B, applicant #3 to Project A, etc.). Upon notification, applicants will have the choice to either move forward with the unit selection process (e.g. mortgage approval in the case of homeownership housing, credit and background checks in the case of rental housing). If the applicant does not want to move forward with the unit selection process (e.g. they do not like their choice of units), the applicant reserves the option to move to the bottom of the list. If the applicant is in a queue for a prolonged period of time, the applicant's income may need to be recertified. The Lottery Agent will be responsible for recertifying an applicant's income if six (6) months have passed since the initial certification. If the applicant needs to be recertified, the applicant must provide the Lottery Agent with updated financial information, including submitting more recent income and asset documentation as well as updated information on household composition.

D. Lottery Agent Selection

The Lottery Agent will be selected by the Master Developer, subject to the approval of the Corporation, which approval shall not be unreasonably withheld or denied. The Lottery Agent will be contracted for and paid by the Master Developer and will report to both the Master Developer and the Corporation on a periodic basis relative to the administering of the lottery process, the eligibility of applicants, and the ineligibility of applicants. The Lottery Agent will be responsible for facilitating and executing the entire lottery process including affordable sales, workforce sales, affordable rental and workforce rental lotteries.

F. Maximum Resale Price and Capital Improvements

The maximum resale price of Affordable Homeownership Units and Workforce Homeownership Units and the process for approval of any Capital Improvements

are set forth in the Affordable Housing Deed Rider and the Workforce Housing Deed Rider.

