

# COMMUNITY LAND TRUST WORKFORCE HOUSING PROGRAM

## LOTTERY INTAKE APPLICATION GUIDELINES

**Please Read Carefully**

### **I. Program Description**

The **Long Island Housing Partnership, Inc. and its Affiliates** (LIHP) will be developing affordable single family workforce housing units located in Nassau and Suffolk Counties, New York. Homes are currently planned in the Towns of Babylon, Brookhaven, Islip, Smithtown, Hempstead and Oyster Bay. LIHP, as developer, will be responsible for implementing and administering the Workforce Housing Program under the Program Guidelines. A lottery will be conducted to establish a ranking of potential homebuyers.

### **II. Lottery**

A household interested in participating in the Workforce Housing Program must complete a **Lottery Intake Application** form. Only one Lottery Intake Application Form is allowed per household. A lottery will be conducted to establish a ranking of eligible applicants. LIHP will notify applicants in writing of their ranking.

Lottery intake applications can be completed and submitted online at: [www.lihp.org](http://www.lihp.org) or by being mailed to or submitted to the LIHP office in Hauppauge, N.Y.

- Online applications must be received by 5:00 p.m. on October 15, 2018 to be included in the lottery.
- Applications submitted by mail must be postmarked by October 15, 2018 to be included in the lottery.
- Applications submitted directly to the LIHP office in Hauppauge must be received by 5:00 p.m. on October 15, 2018 to be included in the lottery.

As an applicant's name is reached on the lottery list, the applicant will be contacted by LIHP to submit a **Formal Program Application** and supporting documents. LIHP will then conduct an eligibility review to determine if an applicant meets all program guidelines. A letter from LIHP detailing eligibility will be sent to an applicant after a full review of the **Formal Program Application** has been completed.

An applicant who is determined to be eligible will be offered a home to purchase. The applicant must, subsequently, begin the home buying process. Should the applicant not move forward in purchasing the home, LIHP will move on to the next name on the lottery list.



### **III. Program Eligibility**

In order to be eligible to participate in the Workforce Housing Program, an applicant must be a first-time homebuyer, meet the income limits described below, have the required homebuyer contribution and have an acceptable credit history as defined by the standards contained in these guidelines. These standards reflect the objective that the housing being developed is affordable to and sustainable by the homebuyer.

### **IV. Income Requirements**

The maximum permitted total annual **household** income for purchasers in the Program shall not exceed 80% of the median annual household income for the area as determined by HUD:

Household Size	Maximum Total Annual Household Income <sup>1</sup>	Household Size	Maximum Total Annual Household Income <sup>1</sup>
1	\$65,350	5	\$100,850
2	\$74,700	6	\$108,300
3	\$84,000	7	\$115,750
4	\$93,350	8	\$123,250

Income limits may be adjusted annually based on the HUD established Nassau/Suffolk median household income.

<sup>1</sup> Includes all income – overtime, bonuses, pensions, social security, 401K distributions, tips, etc. Total household income minus allowable exclusions cannot exceed the maximum annual income listed above for your household size. The Long Island Housing Partnership (LIHP) must project the income that will be received for the upcoming 12-month period. Tax returns will be required for all household members whose earnings will be used as part of the income qualification. Any person whose earnings will be used to qualify for the program will be required to sign a '4506' tax release form to verify their tax returns with the Internal Revenue Service.

### **V. Credit History Standards**

The following credit history standards will be analyzed in conjunction with income limits to determine program eligibility:

- Applicants must have an overall good pattern of credit behavior including a history of timely payments for rent, automobile and installment loans, credit cards and revolving loans as described below. If a good payment pattern has been maintained, isolated cases of slow/late payments may not disqualify an applicant for program eligibility.
  - Applicant must not have been late on rental payments in the last 12 months.
  - Payments on automobiles and installment loans should reflect no late payments in recent 24 months.
  - Payments on revolving loans or credit cards should not have any late payments in recent 24 months.
- Applicants must have a satisfactory income, credit and employment history.
- At a minimum, a bankruptcy must have been discharged at least three years from date of application for assistance and credit re-established.



- At a minimum, a foreclosure sale or a transfer of title in a deed in lieu of foreclosure must be at least three to five years old from date of application for assistance.
- No open collection accounts, judgment, or liens.
- As part of the credit history and mortgage ability review, LIHP will utilize the middle credit score of all borrowers from three national credit repositories. At a minimum this credit score must be at least 580. (Higher credit scores may be required by lenders).
- The credit standards listed above are to determine program eligibility and do not represent a mortgage approval. The applicant is responsible for securing a mortgage approval through a responsible lending institution.

## **VI. Home Buyer Contribution**

Applicants, at time that the Formal Application is submitted to LIHP, must meet the down payment requirement for the CLT Workforce Housing Program. The minimum required down payment is 5% of the subsidized purchase price. The required down payment must be in a savings and/or checking accounts (not a gift) or verifiable liquid assets from their own funds to apply towards the down payment. At a minimum, the applicant should have 7-12% of the sales price for down payment and closing costs.

## **VII. Citizenship**

Each person who will be residing in the home must be a U.S. Citizen or a Qualified Resident Alien. For the purposes of this program, a qualified resident alien is an alien who is lawfully admitted to the United States for **permanent residence** under the Immigration and Nationality Act.

## **VIII. Gift Letter**

LIHP will allow a gift letter from an immediate family member stating that the money provided is in the form of a gift and will not have to be repaid. This letter must be signed, notarized and submitted with the application. This gift contribution **cannot** be used towards the minimum homebuyer contribution.

## **IX. First-Time Homebuyer Requirement**

This program is limited to first-time homebuyers only as described below:

- A **household** that has not owned a home during the **three-year** period immediately prior to the date of application for assistance is considered a first-time homebuyer.
- Applicants may own vacant land or a vacation timeshare provided that they have not received the benefits of the mortgage interest deduction and/or property tax deduction during the prior three years from date of application for assistance.
- Applicants who do not hold title to a home but did receive the benefits of the mortgage interest deduction and/or property tax deduction during the prior three years from date of application are not considered first-time homebuyers.
- Please contact LIHP with any questions regarding this requirement



## **X. Housing Types**

Depending on a home's location a home may have either 3 or 4 bedrooms with 1 and a half or 2 bathrooms and be either a one or two story design. The homes come with a one year warranty provided by the builder. Home designs and floor plans can be viewed at <http://www.lihp.org/clt.html>. Homes constructed in the 100 year flood plain zone will be constructed to meet FEMA building standards.

## **XI. Estimated Purchase Price**

The estimated subsidized sales price of the homes is between \$200,000 and \$240,000 depending on the size and location of the home selected.

## **XII. Community Land Trust**

The homes being offered for sale through this program will be part of the LIHP Community Land Trust (CLT). The new owner of the home owns the house that is constructed on the land and the CLT retains ownership of the land. By utilizing this form of ownership the CLT is able to sell the home at an affordable price. The homeowner will enter into a 99 year lease with the CLT that provides the homeowner with the exclusive use of the land by the homeowner. The homeowner receives a deed to the house on the land owned by the CLT.

The CLT form of homeownership is new to Long Island; however it is widely used in many communities across the country as a way of providing affordable housing. Should you have any questions regarding the CLT, the LIHP staff and counselors are available to answer questions on the CLT and the homeownership opportunities it provides to first-time homebuyers. Additional information on the Community Land Trust is available on the LIHP website at: [lihp.org](http://lihp.org).

## **XIII. Residency Requirement**

Applicants must occupy the property as their Principle Residence at all times. Property cannot be rented.

## **XIV. Re-Sale Restrictions**

There will be restrictions placed on each home to maintain affordability upon future home re-sales.

## **XV. Pre-Purchase Mortgage Counseling**

All income eligible applicants are required to attend pre-purchase mortgage homebuyer counseling. Certified counselors through the Long Island Housing Partnership (LIHP) will conduct the counseling. There is no charge for the counseling



## **XVI. Affordability**

To purchase the home, applicants must have:

- a) Sufficient income to pay the monthly mortgage payment, including property taxes, mortgage payment and insurance premiums. Applicants must also have sufficient funds for a down payment and closing costs estimated at 7-12% of the sales price; and
- b) The ratio of total monthly housing cost (i.e. mortgage payments, property taxes, insurance premiums plus other debt (e.g. credit cards, car payments, school loans, etc.) to monthly household income may not exceed 45%.

Affordability will vary depending on income, sales price, insurance requirements, interest rates, property taxes, and buyer down payment.

Mortgages must be with a recognized lending institution familiar with the CLT model of homeownership financing. The following types of mortgages are **not** permitted:

1. FHA Mortgages
2. Private mortgages
3. “No Doc” Loans, 100% financing, and 80/20 loans;
4. 203K loans;
5. Adjustable rate or interest only loans; and
6. Non-occupying Co-Borrowers are not permitted.

## **XVII. Asset Limitation Policy**

After deducting down payment and estimated closing costs, any household with net liquid assets more than 25% of the Unsubsidized Sales Price, will be referred to the specific program’s committee. The committee will examine the applicant’s full economic situation and other possible extenuating circumstances to determine if they would be able to purchase a home without the assistance. If it is determined that because of its assets, a household would be able to purchase a home without the assistance and if no relevant extenuating circumstances exist, the household will be deemed ineligible for the Long Island Housing Partnership program to which it applied

## **XVIII. Applicant Intake and Eligibility**

Lottery applications can be completed and submitted online at: [www.lihp.org](http://www.lihp.org) or by being mailed to or submitted to the LIHP office in Hauppauge. **LIHP will conduct a lottery to establish a ranking of eligible applicants. A letter will be sent to each applicant notifying them of their rank. As an applicant’s name and number is reached on the ranking list, LIHP will contact the applicant and send the applicant a Formal Application to apply to the program, determine eligibility and begin the home buying process.**



- Online applications must be received by 5pm on October 15, 2018 to be included in the lottery.
- Applications submitted by mail must be postmarked by October 15, 2018 to be included in the lottery
- Applications submitted directly to the LIHP office in Hauppauge must be received by 5pm on October 15, 2018 to be included in the lottery.
- Applications received or post-marked after October 15, 2018 will be accepted on a first-come, first-served basis after lottery applicants have been assisted.

**A non-refundable application fee of \$50.00 made payable to the Long Island Housing Partnership, Inc., is required with the application. Therefore, before you make an application for entrance into this program, read the guidelines thoroughly.**

**For those applicants applying online**, the application fee of \$50.00 can be paid through the secure payment service. Upon completing the online application you will be directed to the payment section. Follow the payment instructions to make payment by debit or credit card. Upon payment you will be sent an email confirming payment and an application receipt. **Your application cannot be accepted as complete until payment is received.**

**For those applicants submitting an application by mail or in person**, please send the completed intake application accompanied by a check or money order for the \$50.00 application fee (do not send cash) to:

**Long Island Housing Partnership  
180 Oser Avenue, Suite 800  
Hauppauge, New York 11788  
Attention: Community Land Trust Workforce Housing Program**

The LIHP staff is available to assist with the application, and answer questions about eligibility requirements. We also provide free mortgage counseling. If you have any questions regarding the guidelines or need language assistance including translation and/or oral interpretation services, please call the Long Island Housing Partnership at (631) 435-4710 before applying.

**Disclaimer:** It is understood that this is not an offer and that the terms and conditions may be changed at any time by the Long Island Housing Partnership, Inc., and Affiliates. It is further understood that notices by the Long Island Housing Partnership, Inc., and Affiliates may be made in such manner as Long Island Housing Partnership, Inc., and Affiliates may determine, including solely by advertisement.

**PLEASE RETAIN A COPY OF THESE GUIDELINES AFTER YOU SEND IN YOUR APPLICATION AS THEY CONTAIN IMPORTANT PROGRAM INFORMATION.**

