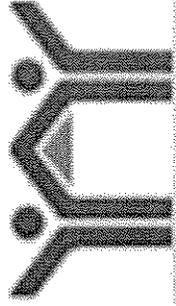


Habitat for Humanity

North Central Massachusetts

Acton/Habitat Opportunities



Building Homes with People in Need

Habitat for Humanity International

- ◆ Non-profit housing initiative to eliminate substandard housing worldwide
 - 170,000 houses built worldwide, 50,000 in US
- ◆ Founded in 1976 by Millard and Linda Fuller, Americus, GA
 - 3,600 U. S. & International affiliates
 - Jimmy Carter involvement in 1984
- ◆ Habitat is #10 largest homebuilder in the world, #1 Non-Profit homebuilder
 - By 2005...will have built next 250,000 homes

How Habitat Works

- ◆ Identify and select land for building site
 - Land is typically donated
- ◆ Community Involvement
 - Local Project Committee - Local volunteers
- ◆ Fund raising
 - Donations of materials, services, and money
- ◆ Partner family selected by need
 - Not a giveaway program – 300 to 500 hours of homeowner sweat equity
- ◆ Construction Begins
 - Site supervisor recruited
 - Houses built with volunteer labor

How Habitat Works

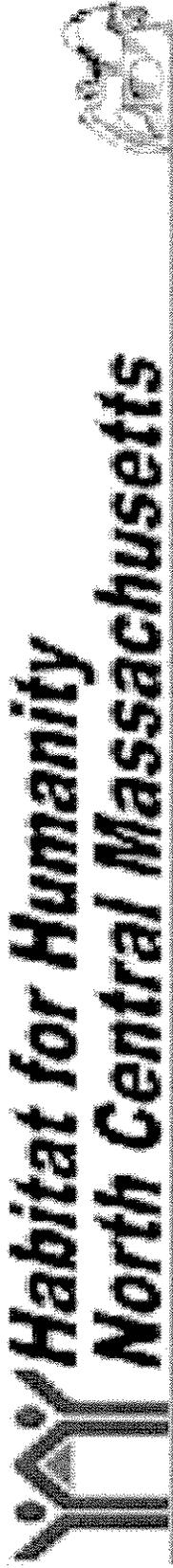
- ◆ House is sold to partner family with interest-free mortgage
 - Mortgage payments recycled to build more Habitat Homes
- ◆ Compliant as a Local Initiative Project (LIP) in accordance with 40B M.G.L.
 - Deed restriction assures continuation as affordable housing
 - Habitat has first right of refusal when home is sold, Town has second right of refusal, DHCD has third right of refusal
 - Equity is pro-rated based on the number of years owner is in the home
 - Selling price: fixed formula based on median income

Habitat for Humanity

North Central Massachusetts

Serves these towns:

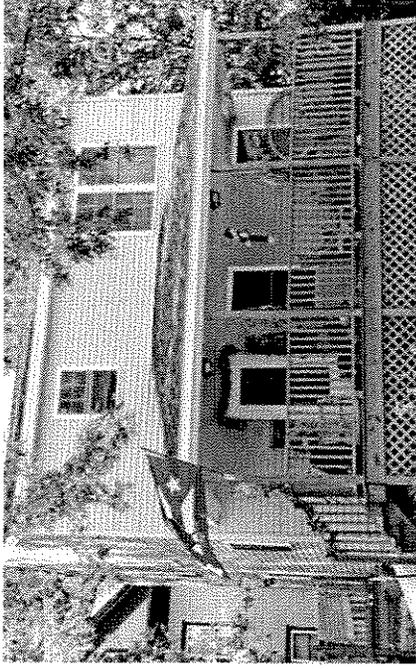




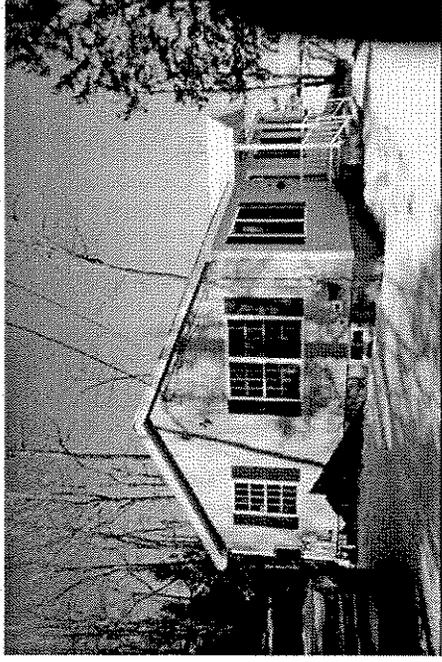
- ◆ Habitat for Humanity-North Central Mass is a 501C3 non-profit affiliate, incorporated in 1989, serves 23 cities and towns
- ◆ 8 houses completed
 - ◆ 4 in Gardner
 - ◆ 2 in Leominster
 - ◆ 1 in Littleton
 - ◆ 1 in Fitchburg
- ◆ 3 additional houses starting in 2004 in Groton, Fitchburg and Ayer

A Typical Habitat-NCM House

- ◆ 1050 sq. feet
 - 3 BR, 1 BA, no garage
- ◆ Approx. Total Cost = \$70,000
 - Land is usually donated
- ◆ Labor (30–50 volunteer days)
- ◆ Materials donated or purchased at a reduced rate
- ◆ Time from ground-break to finish: approx. 6-8 mos.



Fitchburg Habitat Home



Gardner Habitat Home

How Acton Can Benefit

- ◆ Increases Tax Revenue
- ◆ Builds community spirit through volunteerism
- ◆ Involves local civic groups, faith communities, seniors, schools and many more in a common goal
- ◆ Builds an economically diverse community

How Acton and Habitat Can Work Together

- ◆ Identify and select potential land site
 - Mass. Ave. property recommended
 - Other ideas?
- ◆ Community Preservation Act Funds
 - Habitat to submit proposal for 2005 funding
- ◆ Recruit Local Volunteers

AFFORDABLE HOUSING RESTRICTION

This Affordable Housing Restriction is created pursuant to Mass. General Laws Chapter 184, Sections 23 through 30, inclusive.

This Affordable Housing Restriction is created in order to assure the affordability of the subject property by future low and moderate income purchasers and to retain the availability of affordable housing for persons and families of low and moderate income.

The subject property is: [property description]

The owner of the subject property who is executing this restriction is: [name of Homeowner Partner].

This restriction is granted to and is for the benefit of Habitat for Humanity North Central Massachusetts, Inc., (hereinafter called "HFHNCM") and any successor non profit corporation whose purpose is to create and/or maintain the availability of affordable housing for persons and families of low and moderate income, or in the event of the dissolution of HFHNCM without assignment of its interest to any other non-profit organization, to the Inhabitants of [name of municipality].

This restriction runs with the land. It shall be effective for a period of 30 years from the date of recording in the appropriate Registry of Deeds, which period may be extended for any number of additional 20 year periods by the recording of a notice of such extension in the appropriate Registry of Deeds as set forth in M.G.L. Chapter 184, Sections 27 to 29, and shall be effective as to, and binding upon, all subsequent owners, whether by descent, devise, foreclosure, attachment and execution, tax taking, or any other form of alienation, to the extent allowable by applicable law.

The terms of this Affordable Housing Restriction may not be released, modified or amended by HFHNCM, its successors or assigns for a period of 25 years from the date of this instrument.

The terms and conditions of the Affordable Housing Restriction are:

The following definitions apply to this Affordable Housing Restriction

1. **"Home"** shall mean the property and the house constructed thereon that are conveyed to the Partner Homeowner by HFHNCM contemporaneously with this Covenant.
2. **"Original Selling Price"** shall mean the price at which HFHNCM sold the Home to Partner Homeowner
3. **"Maximum Resale Price"** shall mean the Original Selling Price, plus the value of any Improvements (as defined below) plus an amount equal to the percentage increase in the median income for the Commonwealth of Massachusetts for the period of time since the transfer of the property to the Partner Homeowner, as

published in HUD Income Limit Statistics for the Fitchburg-Leominster area for the most recent year. This percentage increase shall be applied both to the Original Selling Price and to the value of the Improvements (as defined below). In the case of improvements the increase shall be calculated only for the period from the construction of the improvement to the date of resale.

4. **"New Selling Price"** shall mean the price at which the Partner Homeowner agrees to sell the Home to a third party or to HFHNCM. This price shall in no event be greater than the "Maximum Resale Price" as defined below.
5. **"Total Equity"** shall mean the difference between the Maximum Resale Price and the outstanding balance on mortgage and note.
6. **"Improvements"** shall mean an addition to the living space of the home or an additional structure. Partner Homeowner shall maintain invoices of the costs of any improvements he makes to the Home, which will be the sole references to be used in determining the amount to be recovered by the Partner Homeowner for Home improvements.
7. **"Qualified Purchaser"** shall mean a purchaser from the Partner Homeowner who meets the income requirements as currently established by HFHNCM at the time of the proposed sale.

Right of First Refusal: During the term of this restriction, HFHNCM retains the right of first refusal in the event the Partner Homeowner chooses to sell the Home.

If HFHNCM chooses to exercise this right, the selling price of the Home to HFHNCM will be equal to the Maximum Resale Price.

In the event that HFHNCM does not exercise this right of refusal within 60 days of the Partner Homeowner notifying the President of HFHNCM in writing that he desires to sell the Home, the Partner Homeowner may sell the Home to a Qualified Purchaser for an amount not to exceed the Maximum Resale Price. Whether the Home is purchased by HFHNCM under the right of first refusal or is sold to a Qualified Purchaser, the net proceeds due to the Partner Homeowner will be determined by the Equity Sharing Provision set forth below.

Certification of Compliance: Compliance with the terms of the foregoing provision shall be evidenced by a Certificate of Compliance executed on behalf of the HFHNCM Board of Directors and recorded in the appropriate Registry of Deeds.

Equity Sharing Provision: During the first five (5) years of the restriction period, the Partner Homeowner will not accumulate any interest in the Total Equity. From the proceeds of a sale that occurs during these first five years, the Partner Homeowner would receive the total amount he/she had paid in principal payments to HFHNCM plus the cost of any improvements made by Partner Homeowner as defined above.

After the first five years, the Partner Homeowner will accumulate an interest in the Total Equity equal to the difference between the Maximum Resale Price and the amount equal to the outstanding balance of the mortgage.

For example, if a) the Home were originally sold to the Partner Homeowner for \$60,000; b) over the ten years since the sale the median income had increased 20%; c) \$30,000 was still owed on the mortgage; d) qualifying improvements of \$15,000 had been made to the home five years after the original sale – the Maximum Resale Price would be:

Example Original Selling Price	\$60,000
Plus 20% increase in median income adjustment	\$12,000
Plus cost of qualifying improvements	\$15,000
Plus 10% increase in median income applied to The improvements	\$ 1,500
 Maximum Resale Price:	 \$88,500
 Home owner Equity	
New Selling Price	\$88,500
Less outstanding mortgage balance	(-) \$30,000
 Balance due homeowner	 \$58,500
Balance due HFHNCM	\$30,000

In the event that the Partner Homeowner improves the Home as defined above using his/her own resources/funds, then upon the sale of the Home the Partner Homeowner will recover the cost of such improvements from the proceeds of the sale as set forth above. Partner Homeowner shall maintain invoices of the costs of any improvements s/he makes to the Home, which will be the sole references to be used in determining the amount to be recovered by the Partner Homeowner for Home improvements.

By signing below, the Partner Homeowner acknowledges and agrees that because the Home was sold to the Partner Homeowner below market value, the property should remain as affordable housing for future low- and moderate-income families and that HFHNCM should recover its investment through a share of the Total Equity, and use that money toward the construction of more houses for families in need. As a good steward of the Home, after the first five years the Partner Homeowner has earned his/her share of the Total Equity.

Forced Sale: Note that in the event there is a forced sale of the Home through foreclosure, during the term of the Note and Mortgage, all interest in the Total Equity accumulated by the Partner Homeowner will be forfeited.

BY SIGNING BELOW, Partner Homeowner accepts and agrees to the terms and provisions contained in this Affordable Housing Restriction.

Witness:

Homeowner

Commonwealth of Massachusetts

[County], ss.

[date]

Then appeared the above named [name], and acknowledged the foregoing to be her/his/their free act and deed before me,

Notary Public
My Commission expires:

BY SIGNING BELOW, The following parties accept the foregoing Affordable Housing Restriction

HABITAT FOR HUMANITY NORTH CENTRAL MASSACHUSETTS, INC.

BY _____

Commonwealth of Massachusetts

[County], ss.

[date]

Then appeared the above named [name], and acknowledged the foregoing to be her/his/their free act and deed before me,

Notary Public
My Commission expires:

[3/22/04]