

**DISCLOSURE STATEMENT**  
**BRA Deed-Restricted Home Ownership Units**

**WHY ARE THERE SPECIAL CONDITIONS ON THE USE AND RESALE OF THESE HOMES?**

The Boston Redevelopment Authority ("BRA") has made a commitment to provide affordable homeownership opportunities to Boston residents. Using public land, financing assistance, and relief from regulation, housing is made affordable by reducing the purchase price to below market values, thus reducing monthly mortgage payments and requiring lower down payments.

With this help, many families who could not afford to purchase a home in the private market will be able to own their own home. To preserve these benefits for future buyers, certain conditions are placed on the use and resale of the property. They are designed to balance the interests of initial and future owners in a fair way.

To ensure that these special use conditions are maintained, you will receive yearly monitoring letters from the BRA. Included in the letter will be an Affidavit of Owner Occupancy. You must sign and return the affidavit to the BRA within twenty (20) business days.

**WHEN CAN I SELL MY HOME?**

You may sell your home at any point after which you have notified the BRA of your plans to sell and have received your "**Maximum Resale Price**" from the BRA.

**FOR HOW MUCH WILL I BE ABLE TO SELL MY HOME? WHAT IS MY MAXIMUM RESALE PRICE?**

The sales price of your home must be **no more** than the Maximum Resale Price. After notifying the BRA that you would like to sell your home, you will receive your Maximum Resale Price. The Maximum Resale Price is set in accordance with a formula that gives a fair return on your investment but keeps the house affordable to the next buyer. The BRA will calculate your Maximum Resale Price as follows:

The "Maximum Resale Price" - 5% Formula: Your initial purchase price will be multiplied by 5% per year for each year you lived in the home.

Adding the Cost of Home Improvements: Certain home improvement costs can be included in the Maximum Resale Price. Eligible costs include "capital improvements," as defined by the IRS, which significantly increase the value of your home, such as an addition. Routine

repair and replacement costs are not eligible. These additional costs are limited to an annual increase of 1% of the purchase price. These costs must be properly documented at the time the property is sold. (NOTE: the full cost of additional bedrooms and some bathrooms may be added.)

### **TO WHOM CAN I SELL MY HOME?**

When you sell your home, you must sell to a person whose income category is the same as yours at the time of your purchase of your home and whom the BRA has approved as an eligible buyer. For example, if you qualified as a moderate-income household below 80% of the Boston area median income, you must sell your home to another moderate-income household below 80%. You must also comply with the BRA's household size requirements in effect at the time of sale. To receive BRA approval on your potential buyer, the BRA must income certify the candidate similar to the way you were certified at the time you purchased the unit.

However, the BRA will also have the right to purchase the unit or to find a buyer to purchase the unit. This is called an Option to Purchase. The sales price will be the Maximum Resale Price. (If, in unusual cases, the market value is less than the Maximum Resale Price, the BRA will use an appraisal to determine the sales price.) If the BRA does not exercise its Option, you may sell your home to an eligible buyer, as described above, for a price that is within the Maximum Resale Price.

### **CAN I RENT MY HOME TO SOMEONE ELSE?**

You must agree to live in this property as your principal place of residence. You cannot rent out your unit without the written consent of the BRA. If consent is given, the maximum rent you may charge a tenant is 15% above your monthly housing cost (mortgage payment, taxes, insurance, condo fees).

### **HOW LONG DO THESE RESTRICTIONS APPLY TO THE PROPERTY?**

The use and resale restrictions described here apply to the property for 50 years from the date of the initial purchase.

### **WILL I HAVE TO PAY CONDO FEES?**

When purchasing a BRA deed restricted unit, as with most condo units, you may be required to pay periodic condo fees. Because condominium fees are based on the value of the unit, your fees should be lower than those paid by the owners of comparably-sized market-rate units. Although the exact rate may not be determined at the time of purchase, the seller should be able to provide an estimate.

**WHAT LEGAL DOCUMENTS DO I NEED TO REVIEW AND SIGN?**

The unit restriction information in this document includes the most important items from the Covenant for Affordable Housing, recorded at the Suffolk Registry of Deeds along with the deed to your unit, a complete version of which is available to all lottery winners. If you are a lottery winner, you should review this document carefully before you sign a Purchase and Sale Agreement. At the closing, if you decide to purchase a deed-restricted unit, you will be required to execute a Principal Residence Affidavit, and a BRA Note and Mortgage to secure any penalties incurred if the affordability covenants are not followed. AN ATTORNEY'S ADVICE WILL BE HELPFUL TO YOU IN REVIEWING THESE DOCUMENTS.

I/We hereby acknowledge that I/we have read and understand this Disclosure Statement.

Execution at Time of Application for Deed-Restricted Housing

\_\_\_\_\_  
, Buyer

\_\_\_\_\_  
, Co-Buyer

Dated: \_\_\_\_\_

Reaffirmation at Title Closing

I/we have received and read a copy of the Covenant for Affordable Housing that is referenced on page 2 of this Disclosure Statement.

Witness:

\_\_\_\_\_ , Buyer

\_\_\_\_\_ , Co-Buyer

Dated: \_\_\_\_\_