

# Huntington Community Development Agency

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## What you need to know about participating in an affordable housing lottery

**Affordable housing lotteries generate many questions, and sometimes, even confusion. Huntington Community Development Agency is pleased to offer the following information and advice to help you understand and prepare to participate in our next affordable housing lottery.**

### **Q: What is an affordable housing lottery?**

A: An affordable housing lottery is a means by which the opportunity to purchase or rent affordable units are offered to persons that meet the prescribed income, asset or other relevant criteria set forth by Huntington Town Code. Each housing development that contains affordable units has its own lottery, and the eligibility guidelines vary depending upon the project.

### **Q: How do I find out about Town of Huntington affordable housing and lotteries?**

A: Visit <http://www.huntingtonny.gov/cda> to register yourself to receive email notifications.

### **Q: I just received notification of an affordable housing lottery, what is the first step?**

A: The first step is determining if you are eligible for an affordable unit. The guidelines are different for affordable senior developments, non-age-restricted first-time homebuyer developments, ownership and rental. Each development has its own set of guidelines. Reading the guidelines carefully to determine if you are eligible will save you time and money (there is a nominal administrative entry fee for each lottery).

### **Q: I've read the guidelines and believe I'm eligible, what now?**

A: If you believe you are eligible, complete the Lottery Entrance Form for that affordable housing development and submit it along with your administrative fee, by the prescribed deadline to Huntington Community Development Agency. The Lottery Entrance Forms and Guidelines will be posted at the Town's website and can be downloaded.

**Q: How do I confirm that I will be included in the lottery?**

A: Lottery Entrance Forms that are completed and submitted on or before the deadline will be reviewed by the Huntington Community Development Agency. Agency staff will screen the Entrance Forms to determine basic eligibility for the lottery. The last names and first initial of lottery participants will be posted one week before the lottery on the Town's web site. This is an opportunity for applicants to confirm their inclusion in the lottery. The Agency reserves the right to delay posting the list, if necessary, due to the volume of applicants.

**Q: Do I have to attend the lottery? What happens at a lottery?**

A: It is not necessary to attend the lottery to be in the running for the opportunity to buy or rent an affordable unit. The lottery is a random and fair system used to create a sequential order for Huntington Community Development Agency (HCDA) to process, in numerical order, the applications of those who entered. At lottery, whether you are present or not, you will receive a rank number.

**Q: The lottery has been completed and I now have a rank number, what happens next?**

A: Starting with Rank # 1 and so on, HCDA will contact applicants to ask that they complete a formal application and submit financial and other needed documentation to prove their eligibility for a unit. Usually, HCDA will give applicant/s five (5) business days to complete the formal application and supply the back-up documents requested. If the documentation provided satisfies the eligibility criteria for the affordable program, HCDA will then authorize the applicant/s to either sign a lease (if a rental unit) or a contract (if ownership) with the developer of the housing community for an affordable unit.

Failure to deliver all required documentation within the Agency five-day turnaround timeframe shall be cause for disqualification. Should an applicant fail to qualify, the next drawn applicant will be contacted to begin the formal application process. This process will continue until there are approved buyers for all of the affordable units. Any remaining applicants shall remain on a waiting list held by the Agency and will be contacted upon such time a unit becomes available.

**Q: What happens when I am ready to sell my affordable unit?**

A: You must contact Huntington Community Development Agency that will find another affordable buyer. No real estate agents or brokers may be involved in the sale of an affordable unit. Huntington Community Development Agency monitors the sale and resale of all affordable units. One (1%) percent of the contract sale price per transfer of owner-occupied affordable unit shall be paid by the seller to the Agency at or prior to closing.

**Affordable Housing eligibility – Ownership Units**

Once Huntington Community Development Agency makes contact with applicant/s to advise it has reached their lottery rank number, certain documentation will be required to certify that the applicant/s meet the criteria set forth in the program. Some of the basic rules include:

- Applicant/s must reside full-time in the affordable unit they purchase.
- Applicant/s combined household income cannot exceed the maximum household income stated in application. HCDA will include and calculate income from all adult household members who plan to live in the affordable unit (age 18 or older).
- At the time of application, first-time homebuyer program applicant/s cannot own, or have owned, any other residential real estate for the past three years.
- First-time homebuyers or purchasers of non-senior affordable housing may not have assets, which, after deduction of down payment and estimated closing costs, exceed 25% of the contract price of the affordable unit.
- For 55-year and over affordable housing: 1) at least one applicant must be 55-years of age at the time of application, and 2) it is expected that a person 55-years or older will have a home to be sold in order to purchase the affordable unit. Therefore, in this case ownership of a home at application is allowable.
- Applicant/s for 55-year and over affordable housing may not have assets, which after down payment and estimated closing costs, exceed 100% of the purchase price of the affordable unit. The value of the home to be sold, less any mortgage obligations will be counted as an asset.
- Affordable housing is subject to resale restrictions. Owners of affordable housing must contact Huntington Community Development Agency when ready to sell so the Agency can find a new affordable buyer. Once occupied by an eligible applicant, an affordable unit may never be offered for rent or otherwise used to generate income.
- As a rule of thumb, monthly rent or ownership housing expenses (including mortgage loan payments, mortgage insurance, HOA dues and property taxes- if ownership) should not exceed 40% of an applicant's monthly income. The mortgage loan payment shall be based on the fully-indexed interest rate rather than an introductory or "teaser" rate.
- Applicants for ownership units are generally required to provide a down payment of at least ten percent (10%) of the purchase price.
- Gifts from outside parties for the purchase of affordable housing are permitted. However, the gift amount cannot exceed 20% of the purchase price and must be accompanied by a "gift letter" indicating that the gift is not expected to be repaid.
- Although it is not a requirement to enter an affordable housing lottery, applicants are highly encouraged to collect their financial documentation and begin working with a mortgage lender for pre-qualification.

## **Affordable Housing eligibility – Rental Units**

- Applicant/s must reside full-time in the affordable unit they rent. Tenants of affordable units may *never* sublet their unit.
- Applicant/s combined household income cannot exceed the maximum household income stated in application. HCDA will include and calculate income from all adult household members who plan to live in the affordable unit (age 18 or older).
- Applicant/s will be subject to a credit check by the developer that will take place prior to eligibility qualification by HCDA. If the applicant passes the credit check, the Agency will next ask for documentation to certify eligibility for an affordable unit. If the applicant does not pass the credit check, he she will be disqualified from moving forward.
- At lease signing One Thousand (\$1,000) per rental unit or short term rental of owner occupied unit, or one month's rent, whichever is lower, is paid by the tenant.
- Representatives of the Huntington Community Development Agency shall not restrict affordable housing applicants on the basis of race, color, national origin, religion, sex, familial status, age, disability, marital status or sexual orientation.
- Generally, the maximum occupancy limit is equal to twice the number of bedrooms in the home plus one person. A "household" is all persons-related or unrelated-who occupy a single housing unit full-time
- The housing developer and the Huntington Community Development Agency will make reasonable accommodations in rules, policies, practices or services at the request of persons with disabilities when these accommodations are reasonable and necessary to give disabled persons equal opportunity to apply for an affordable home. If applicant requires such accommodations due to a disability, please submit a request in writing at the time application is submitted describing the accommodation request, the reasons for it and a signed physician statement verifying the need for the accommodation requested.

### **For more information about affordable housing contact:**

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