

## ABOUT AFFORDABLE HOUSING RESALE UNITS

Affordable housing units are restricted by written, recorded agreements/documents that constitute a covenant running with the land and the specific affordable housing unit(s).

A thorough and complete reading of these agreements/documents is necessary to fully understand the restrictions that bind these residential units.

Below is a summary of the most significant restrictions:

- 1) Ownership of an affordable housing unit is restricted to households whose total gross annual income is measured at less than 80% of an approved median income guide established by household size, geographic region and authorized for use by the Council on Affordable Housing.
- 2) Affordable housing sale units shall be utilized as the primary residence of the owner. Primary residence is defined as a unit wherein a household maintains continuing residence for no less than nine months of each calendar year. **You can never live in another property for more than 3 months of a calendar year. Your Driver's License, tax return, other pertinent legal documentation must show that the affordable housing unit is your primary residence.**
- 3) Affordable housing sale units shall not be leased. In rare circumstances the housing entity in charge of the affordable units might give permission to lease the unit for a very short period of time.
- 4) Affordable housing sale units shall not be resold at a sales price that exceeds the initial sale price for the unit (Base Price) plus a restricted increase based on the percentage of change in the approved median income guide (the index).
- 5) Home improvements of affordable housing units shall be made at the owner's expense. The Uniform Housing Affordable Control (UHAC) Rules:5:80-26.18-vii: States that **NO** improvement may be made to any unit that would affect its bedroom configuration. **NO** remodeling to add or remove a bedroom. They also usually require the written permission of the association for the development. If you decide to sell your affordable unit, the sale price cannot exceed the "maximum resale price" calculated by CJHRC. This is true, no matter how many home improvements made by the seller during the occupancy of the unit. The only exception, might be approved Capital Improvements with written proof.

- 6) Owners of affordable housing shall not make application for any second mortgage, home equity credit, or refinancing as it may apply to the affordable housing unit unless prior written approval has been obtained by CJHRC or the housing officer.
- 7) The restrictions imposed on an affordable housing unit are contained in an affordable housing agreement, which is signed by the Owner and is recorded with the unit deed in the appropriate county recording office. A cost is involved which is collected at closing.
- 8) All resales of affordable housing units negotiated during the term of restriction shall be only to a certified, income-eligible household. The only exception is if the owner was granted a Hardship Waiver (very rare in the last 10 years).
- 9) Purchasers shall also be required to sign documents that require them to repay 95% of the difference between the market price and the restricted price that accrues to the unit during the restricted period at closing of the first sale of the unit after the municipality releases the unit from the affordable housing restrictions.
- 10) The terms, restrictions, and provisions of the recorded agreements shall end at the first resale occurring after the ending date stated or when the ordinance states for that municipality the restrictions will end.
- 11) Affordable homeowners must always stay current with their mortgage, sewer & water, homeowner association fees and real estate taxes in order to avoid any liens or problems. At the first sign of financial difficulty, affordable housing homeowners should contact CJHRC at 908-704-8901 and arrange for an in-person counseling session