

2115 & 2117 Robin Sales Methodology

Mission: The HOME Program seeks to protect and promote the availability of affordable housing options for low and moderate income households seeking to purchase a home within the City of Lakewood. The three primary goals we seek to accomplish through the sale of these homes are:

- Provide affordable housing to homebuyers meeting HUD income limits for low and moderate income households
- Level the playing field for homebuyers from all walks of life by improving access to credit
- Ensure long term affordability in housing

Note: The City reserves the right to reject offers from potential buyers who do not meet the mission and spirit of the program as outlined

Requirements to purchase:

- Meet current income guidelines based on household size
- Preference will be given to first time homebuyers with the minimum 1.5% out of pocket downpayment and limited cash assets
- No cash deals will be accepted. Buyers must obtain financing through a current HOME Program lending partner (see www.onelakewood.com/firsthome for list). Other lenders may be considered on a case by case basis)
- Attend credit counseling through Neighborhood Housing Services, Asian Service or other HUD approved counseling agency
- Buyers must clearly show that the proximity of the property to community amenities and services (examples include schools, transportation, employment, etc...) will improve their quality of life
- Demonstrated commitment to residing in Lakewood for a minimum of ten years, including buyers who may be :
 - Transitioning from low income housing into single family living
 - Participating in homeownership and credit counseling programs that incorporate a savings component

Recommended Sales Price to ensure affordability for low and moderate income buyers:

- 2115 Robin Purchase Price - \$155,000
 - 3 Bedroom
 - 2 Bath
 - Approx. 1,500 sf
- 2117 Robin Purchase Price - \$148,000
 - 3 Bedroom
 - 2 Bath
 - Approx 1,500 sf (slightly smaller than 2115)

Downpayment and closing cost assistance:

- Buyers will receive downpayment and closing cost assistance in the form of a second mortgage at 0% interest, no monthly payment. Funds must be repaid at the time of sale, or if the buyer moves from the property to rent (regardless of how long the property remains owner occupied). The amount of assistance is determined based on the below percentages and need demonstrated by the buyer.
 - 15% for households at or below 60% of Area Median Income (AMI) – Example, Household of 4 = \$42,420, in an amount necessary to enable the buyer to meet mandatory lending ratios.
 - 10% for households at or below 80% AMI – Example, household of 4 = \$56,555, in an amount necessary to enable the buyer to meet mandatory lending ratios.

Restrictions – The City of Lakewood will require repayment of the downpayment assistance in full at such time as the property ceases to be owner occupied. Additionally, in order to ensure that the property is not re-sold at a profit, the buyer’s agreement will require proportional repayment of any profits from sale within the first 10 years of ownership (each successive year the City’s percentage of the profits will be reduced by 1/10th)

- As an example, a sale within the first year would require repayment of 100% of the downpayment and 90% of the profits after repayment of the 1st and 2nd mortgages, sales and related fees.
- A re-sale after year five would require repayment of 100% of the downpayment and 50% of any profits after repayment of the 1st and 2nd mortgage, sales and related fees.

Income Guidelines:

2018 Income Guidelines	
Household Size	Maximum Household Income
1	\$39,600
2	\$45,250
3	\$50,900
4	\$56,550

Additional –

- Realtors will be asked to reinforce City requirements to ensure understanding to the extent feasible among all potential buyers