

City of Baldwin Park  
Neighborhood Stabilization Program (NSP)  
Sales Plan

**Purpose**

The Sales Plan establishes the procedural requirements for sales of affordable housing under the NSP. This Plan addresses the State Regulations and the elements necessary to meet the requirements.

**Income Limit**

The properties may be sold to households that meet the definition of a moderate-income household (up to 120% of the County's median income).

The income requirements for this program are as follows:

Number of Persons in Family/Maximum Gross Income (effective March, 2010) \*

<u>Family Size</u>	<u>Median Income</u>	<u>110%</u>	<u>Moderate Income (120%)</u>
1	\$43,450	\$47,795	\$52,150
2	\$49,700	\$54,670	\$56,900
3	\$55,900	\$61,490	\$67,050
4	\$62,100	\$68,310	\$74,500
5	\$67,050	\$73,755	\$80,450
6	\$72,050	\$79,255	\$86,400
7	\$77,000	\$84,700	\$92,400
8	\$81,950	\$90,145	\$98,300

\*subject to change

**Maximum Sales Price**

The maximum sales price is based on bedroom count of the property, household size and household income. The maximum sales price for each project may vary and will be determined on a case-by-case basis. However, for the property to remain affordable and taking into the consideration of the required 15year covenant, the selected price should not exceed 95% percent of the current market price.

**Maximum Monthly Payment**

Per State regulations, Affordable Housing Cost for Moderate Income Households is not less than 28 percent of the gross income of the household, and not more than the product of 35 percent times 110 percent of the area median income adjusted for family size appropriate for the unit (Health and Safety Code Section 50052.5(b)(4)).

For households whose income is at or between 110% and 120% of the County's median income, the City may allow the affordable housing cost not to exceed 35% of the actual gross income of the household.

**“Affordable Monthly Housing Costs”** include an estimate of the following costs for a 12-month period:

- Principal and interest payments on the mortgage loan
- Mortgage loan insurance fees
- Property taxes and assessments
- Fire and casualty insurance
- Property maintenance and repairs
- Reasonable allowances for utilities (including garbage collection, sewer, water, electricity, gas and other fuels, but not telephone service). Such an allowance shall take into consideration the cost of an adequate level of service.

### **Down Payment Requirement**

To ensure financial participation and personal investment from the homebuyer, the minimum down payment requirement is 1.5% of the sales price of the home. However, it should be noted that the actual amount of total down payment may vary for each applicant to ensure that they remain within their restricted monthly housing payment. The City will honor a No Down Payment program through a VA loan.

### **Affordability Period**

A Covenant will be placed on the property to ensure that it remains affordable for a period of 15 years. Any sales of the property for the 15-year period must be made to a moderate-income household (120% of the median income).

### **Application Process**

To ensure equity to all residents, the sale of an affordable housing property will be conducted under the following guidelines:

- State regulations require that a public notice be published informing the public of the sales of the property. Placing the notice in Baldwin Park’s newsletter, the *NOW*, informing residents that applications are being accepted for this property meets this requirement.
- Applications will be accepted for 1 month.
- Applications will require to be submitted with an approval letter from a lender indicating approval amount (qualifying amount must be no less than \$200,000).
- Qualifying applicants would be accessed and place in order by preference totals (see Preference Section on page 2).
- The first qualifying applicant will select the property they will purchase from the three NSP properties. The second applicant will select from the remaining two properties and the third applicant must purchase the remaining property.
- The applicant will be required to attend a first time homebuyer certificate seminar.
- A ribbon cutting ceremony will be held at the time of ownership turnover.

## **Preferences**

The following preferences have been established:

- |                                       |           |
|---------------------------------------|-----------|
| ➤ Baldwin Park Residents              | 10 Points |
| ➤ Large families (3 or more minors)   | 5 Points  |
| ➤ Veterans                            | 5 Points  |
| ➤ Working in the city of Baldwin Park | 2 Points  |

## *Tie Breakers*

In cases of ties, the applications will be placed in order by the following criteria:

- 1) Qualifying Amount – Greatest to the least, then;
- 2) Credit Ratings – Greatest to the least