



Legal Notices

Consolidated Plan-2013 Annual Action Plan Amendment

July 14, 2013

Spokane County's 2013 Annual Action Plan determines priorities, establishes strategic goals, and allocates resources for the U.S. Department of Housing and Urban Development (HUD) funded programs administered by the Community Services, Housing, and Community Development Department (CSHCD.) The 2013 Annual Action Plan is being amended to provide federal HOME Investment Partnership resources, in the amount of \$330,000, for homeownership, using zero interest, deferred loans covering down payment and closing cost assistance to eligible low-income families participating in Habitat Spokane's Hope Meadows development, located in the City of Deer Park.

Public comment is being sought for a thirty-day period beginning on July 15, 2013 and ending on August 13, 2013. More information on the 2013 Annual Action Plan is on the CSHCD website at www.spokanecounty.org/communitysvcs/HCD/content.aspx?c=2219 or upon request from the contact below. To submit comments, request the documents in hard copy or an alternative format, contact Tami Landsiedel at: tlandsiedel@spokanecounty.org; (509) 477-2588; or mail to CSHCD, Attn: Tami Landsiedel, 312 W. 8th Avenue, Fourth Floor, Spokane, WA 99204.





CHRISTINE BARADA

COMMUNITY SERVICES, HOUSING, AND COMMUNITY DEVELOPMENT DEPARTMENT
DIRECTOR

SPOKANE COUNTY DOWNPAYMENT ASSISTANCE PROGRAM (DAP) 2013 GUIDELINES

Funding for the Program is made available to Spokane County's Community Services, Housing and Community Development Department from HUD. Habitat for Humanity-Spokane will provide pre-approved client referrals to the Program.

AVAILABILITY OF FUNDS:

First come first served basis until all funds have been loaned or the Program's expiration date, whichever occurs first.

BORROWER ELIGIBILITY:

- Homes must be located in Habitat for Humanity-Spokane, Hope Meadows Development, Deer Park, WA 99006
- Homes purchased must be owner occupied.
- Participation is limited to borrowers who are referred by Habitat for Humanity-Spokane.
- Borrowers must have met all obligations under the Habitat for Humanity-Spokane Program.
- Borrowers must be approved by Spokane County and meet HOME underwriting eligibility requirements.
- Borrowers have not previously used County Downpayment Assistance or any other federal downpayment assistance.
- Borrowers must participate in pre-purchase counseling and education.
- Borrowers must complete all required forms to determine eligibility prior to being approved. (Also see Reserving Funds below)
- Household income cannot be more than 80% of Area Median Income as outlined in the following chart: (HUD MFI; effective January 1, 2013)

HOUSEHOLD SIZE	MAXIMUM MONTHLY GROSS INCOME	MAXIMUM ANNUAL GROSS INCOME
1	\$2,938	\$35,250
2	\$3,354	\$40,250
3	\$3,775	\$45,300
4	\$4,192	\$50,300
5	\$4,529	\$54,350
6	\$4,863	\$58,350
7	\$5,200	\$62,400
8	\$5,533	\$66,400

312 WEST 8TH AVENUE ♦ FOURTH FLOOR ♦ SPOKANE, WA 99204

PHONE: (509)477-5722 ♦ FAX: (509)477-6827 ♦ TDD: (509)477-5722 ♦ RELAY SERVICE OF WASHINGTON: 1-800-833-6384 ♦ WWW.SPOKANECOUNTY.ORG

BORROWER INVESTMENT:

The borrower must complete 500 hours of “sweat equity” required by the Habitat Program, have \$2,000 to contribute to closing costs and purchase one year of insurance, listing Spokane County as additionally insured.

MAXIMUM LOAN AMOUNT: \$30,000

INTEREST RATE: Zero interest loan

REPAYMENT TERMS:

Borrowers must maintain the home as their primary residence. Payments are deferred and repayment of the downpayment becomes due on re-sale, transfer, refinance, or if the home is no longer the borrower’s primary residence. See Resale Provisions for details on resale requirements.

MORTGAGE FINANCING & LIEN POSITION:

Habitat for Humanity-Spokane will be the first mortgage holder. Spokane County will hold the second position.

HOUSING TO INCOME RATIO:

Mortgage payments based on the household’s actual income and not in excess of their reasonable ability to pay. Generally, the same ratios acceptable for government insured loans; 31/43 will apply to the County’s Program.

DAP RESTRICTIONS:

- Single-family homes, located within the Hope Meadows Project, within the City of Deer Park, Spokane County, Washington 99006
- Homes must be owner occupied or vacant at the time of acquisition
- Maximum purchase price cannot exceed HUD’s 203(b) limit of \$271,050
- A property located within 3,000 feet of a civilian airport, 2.5 miles of a military airfield, or in a flood plain without flood insurance may not be eligible
- Lot size is limited to a typical single family residence – generally ¼ acre or less
- Larger lot sizes will be reviewed on a case by case basis
- Homebuyer will sign and adhere to affordability covenant prior to accepting downpayment assistance
- The Period of Affordability shall be for 10-years.

INITIAL SALE INSPECTIONS:

- Homes must meet all local codes/standards or one of the nationally accepted codes and the Model Energy Code.
- Homes must receive a certificate of occupancy.

RESALE INSPECTIONS:

- Homes re-sold to an eligible low-income homebuyer who also receives downpayment assistance from Spokane County must pass a Housing Quality Standards (HQS) inspection to ensure the home meets HUD’s minimum health and safety standards. HQS Inspections are arranged by Habitat for Humanity-Spokane and are performed by Spokane County Housing and Community Development Division staff.
- A home inspection performed by a member of the American Society of Home Inspectors (ASHI) or the International Association of Certified Home Inspectors (NASHI) is highly recommended. Buyers are responsible for arranging and paying for their home inspection.

HAZARD INSURANCE:

Hazard/Homeowner's insurance sufficient to cover both the first mortgage and downpayment assistance is required. Spokane County requires certification of adequate insurance, with Spokane County listed as an additional insured.

RESERVING:

Funds are reserved when approved borrowers submit an application and provide all of the necessary documentation to the Spokane County Housing and Community Development staff and are determined to be eligible for the Program. Additional information may be requested before funds can be reserved.

PRIOR DEFAULTS: If the borrower, co-borrower, spouse, or other adult household member, who will execute the loan documents, has previously defaulted on a mortgage administered by Habitat for Humanity-Spokane, or defaulted on any loan with Spokane County, the household will be ineligible to participate.

For additional information please contact Spokane County, Housing and Community Development Department: (509) 477-4490 or czuniga@spokanecounty.org



**Table 3C
Consolidated Plan Listing of Projects**

Jurisdiction's Name: Spokane County

Priority Need: **Owner Occupied Housing**

Project: **Down Payment Assistance Program**

Activity: **Down Payment Assistance Program**

Description: Spokane County Community Services Housing and Community Development Department 477-4487
The CSHCD will provide funds to low-income first-time homebuyers in the form of direct downpayment assistance. The Department will enter into an MOU with Habitat for Humanity - Spokane to refer applicants for assistance within the Hope Meadows Project in the City of Deer Park. This is the only Downpayment Assistance Program CSHCD will administer for the 2013 Program Year. Zero Interest loans will be a maximum of \$30,000 each. HOME Program income will be the funding source for the administration of the Downpayment Assistance Program. The period of affordability will be honored on these loans for Ten years.

Location/Target Area: Community - Wide

Street Address: 312 W. 8th Avenue (office location)

City, State, Zip Code: Spokane, WA 99204-2506

Objective category: Suitable Living Environment

Outcome category: Availability/Accessibility

Objective Number 2 HSG	Project ID 13-20	FUNDING SOURCES	
			CDBG
HUD Matrix Code 13 Direct Homeownership Assistance	CDBG Citation 570.201 (n)	ESG	
		HOME	\$300,000.00
Type of Recipient Other	CDBG National Objective 570.208(a)(3) LMH	HOPWA	
		Total Formula	\$300,000.00
Start Date July 1, 2012	Completion Date June 30, 2013	Prior Year Funds	
		Assisted Housing	
Performance Indicator: 10 Housing Units	Annual Units: 10	PHA	
		Other Funding	30,00.00
Local ID	Units Upon Completion	TOTAL	\$330,000.00

13-20

10

The primary purpose of the project is:

N/A

EXHIBIT A

**Spokane County Downpayment Assistance Program (DAP)
Recapture Guidelines for Homebuyers**

These guidelines apply when a homebuyer voluntarily sells, refinances, or transfers ownership, anytime during the Affordability Period, or if the property ceases to be homebuyer's primary residence anytime during the Affordability Period.

Period of Affordability

Consistent with 24 CFR Part 92.254(a)(4), the following minimum period of affordability shall be enforced:

<u>HOME amount per unit</u>	<u>Minimum Period of Affordability</u>
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

Recapture Provisions

The Spokane County Community Services, Housing and Community Development Department (CSHCD) will use HOME Program funds to provide downpayment assistance to low-income homebuyers with incomes of between 25% and 80% of Area Median Income (AMI) adjusted for family size, who are purchasing a Habitat for Humanity-Spokane home located in Deer Park or Airway Heights. This will be the County's only downpayment assistance program. Spokane County will administer this program in-house with Community Services, Housing and Community Development Staff.

The maximum amount of assistance will be \$30,000. The Affordability Period will be for ten (10) years. The assistance shall be structured as a loan with zero percent interest. The County loan will be in second lien position and no payments will be required during occupancy. The County Loan will become due and payable upon the following conditions regardless of the length of occupancy: If the home is sold, transferred, refinanced, no longer continues to be the homeowner's principle residence, or if the first mortgage terms are satisfied.

The County will execute a Written Homebuyer Agreement with the homebuyer that will clearly define these Recapture Provisions prior to closing of the County Loan. Enforcement of the Affordability Period and these Recapture Provisions will be through the Written Homebuyer Agreement, deed restrictions, and an affordability covenant.

Under this Recapture Provision, the County requires full repayment of the County Loan (HOME investment principal and any accrued interest) from the net proceeds before the homebuyer receives a return. The net proceeds are the sales price minus the superior loan repayment (other than HOME funds) and closing costs. The homebuyer will receive remaining net proceeds in excess of the County loan or (HOME investment principal and any accrued interest).

In instances where the net proceeds from the sale are not sufficient to recapture the full HOME investment, plus enable the homeowner to recover the full amount of the homeowner's downpayment and any *capital improvement investment made by the owner since the purchase, the County will share the net proceeds.

EXHIBIT A

The Shared Net Proceeds will be divided proportionally as set forth in the following mathematical formulas:

The Shared Net Proceeds to be returned to Spokane County:

$$\frac{\text{Direct HOME Subsidy}}{\text{Direct HOME Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{HOME Recapture}$$

The Shared Net Proceeds available to the Homebuyer (seller):

$$\frac{\text{Homebuyer Investment}}{\text{Direct HOME Subsidy} + \text{Homebuyer Investment}} \times \text{Net Proceeds} = \text{Amount to Homebuyer (seller)}$$

*For the purpose of this Recapture Provision, capital improvement investment shall be limited to the addition of permanent structural improvements or the replacement or upgrade of some aspect of the property that will either enhance the property's overall value or substantially extend its useful life. Regular maintenance, painting and repairs shall not be considered capital improvements

The County's Downpayment Assistance Program primary contact person will be:

Tim Crowley, Manager
Housing and Community Development Division
312 W 8th Avenue, Fourth Floor
Spokane WA 99204