



## ABOUT AFFORDABLE HOUSING NEW SALE / 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) **The Affordable housing sale units must 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. **At no time can you ever live in another property for more than 3 months of a calendar year. Your affordable housing address must be reflected on an acceptable primary proof of identity or other document if ever questioned.**
- 3) Affordable housing sale units shall not be leased. In rare circumstances the Administrative Agent/Township/Municipality in charge of the affordable units might give permission to lease the unit.
- 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 increased 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 (add or remove a bedroom). Improvements usually require the written permission of the developments association. If you decide to sell your affordable unit, the sale price will not take into consideration any improvements. The only exception might be approved Capital Improvements with written proof and that meet the regulations.
- 6) Owners of affordable housing units shall not make applications for any second mortgage, home equity credit, or refinancing or their unit, unless prior written approval has been obtained by the reigning Administrative Agent for the affordable unit.

- 7) All resales of affordable housing units negotiated during the term of restriction shall only be to a certified, income-eligible household. The only exception is if the owner was granted a Hardship Waiver (very rare). The household that is buying an affordable unit that has a hardship waiver will be allowed to be over the income limits, however must adhere to all rules/restrictions and still must apply and be processed by the Administrative Agent.
- 8) The restrictions imposed on an affordable housing unit are contained in a recorded deed, Appendix G, Appendix H and Appendix J which are executed by the buyers at closing. Buyers pay filing fees that are collected at the closing for the recording of the documents. The signed documents will be recorded and will be in lien position. They do not have a monetary amount but ensure that in a title search of the unit will show that it is part of the affordable housing program and that all rules/restrictions have to be followed.
- 9) 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. Municipalities very often utilize their option of extending the periods of control.
- 10) 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 legal problems. At the first sign of financial difficulty, affordable housing homeowners should contact a local HUD counseling agency. Central Jersey Housing Resource Center (CJHRC) is a HUD Certified Housing Counseling Agency and offers free counseling to owners who are struggling or concerned about future payments. Call CJHRC at 908-446-0036 and arrange for an in-person counseling session between the hours of 9am and 3pm Monday through Friday.