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Housing Authority of Washington County HOMEOWNERSHIP PLAN

INTRODUCTION

The mission of this Housing Authority is to provide decent, safe, affordable housing solutions that strengthen our community by focusing on local needs. When the Authority received funding to build units for larger families in 1987 they determined that this project should be different. The Authority wanted these 25 homes to be scattered throughout the community to avoid creating a neighborhood that might later be labeled "low-income." At these scattered site locations tenants would fit into existing communities where most of their new neighbors would be homeowners.

The Housing Authority Commissioners also directed staff to work with the residents of this project to develop a homeownership plan as soon as it was leased. The homeownership option would make residents more interested in taking good care of their homes and provide a huge incentive for personal growth.

In 2009 the Authority began purchasing additional single family homes for a Lease Purchase program that could operate outside the traditional assisted housing model and benefit moderate income County residents.

ELIGIBILITY

To participate in this homeownership plan, tenants:

- Must be in good standing as a renter (i.e. current in rent payments, in compliance with the lease, etc.);
- Must be a participant in the Family Self-Sufficiency (FSS) program in good standing;
 - With home ownership as a family goal; and
 - With an escrow savings plan established;
- Must have been in lawful occupancy as an Authority tenant for at least one initial lease term of 12 months; and
- Tenants must be capable of assuming the financial obligations of homeownership as defined below.



FINANCIAL REQUIREMENTS FOR HOMEOWNERSHIP

To purchase units in the Scattered Site program the resident family must:

- Be able to secure affordable mortgage financing for the purchase at a fixed mortgage rate;
- Have developed a realistic post-purchase family budget in which the anticipated cost of mortgage payments, homeowner's insurance and taxes will be no more than 35% of gross family income. The budget must also show that the household can afford to pay for the cost of utilities, maintenance and any debts;
- Have saved the necessary funds to pay for required down payments, points and other closing related costs; and
- Be current in all lease obligations over the prior 6 months.

PURCHASE PRICE

The purchase price for a particular dwelling unit under this plan shall be the current market value of the unit as determined by an independent fee appraisal. The appraisal may be done by anyone licenced by the Maryland Real Estate Appraisers Commission. The cost of the appraisal shall be split between the Authority and the prospective purchaser. Based on this appraisal the Authority will enter into a contract of sale with the prospective purchaser, however the closing date may not be more than 9 months after the date of the appraisal.

If either party is displeased with the appraisal they may, at their sole cost, obtain a second appraisal from a similarly licenced appraiser. The Authority will accept the lower of the two as the fair market value, however, if the second appraisal is more than \$500 different from the first appraisal the Authority must hire a third appraiser to reconcile the two. All parties must agree in advance to be bound by this evaluation process.

FINANCING

The Authority and the participating families will work together to find the best sources of mortgage financing for this homeownership effort. The Authority agrees to seek and accept grants or other funding that would promote this program. The following programs will be fully utilized where applicable:

- The Rural Development (USDA) 502 program with interest credit for all homes outside the Hagerstown metropolitan area as defined by Rural Development.
- The Maryland Mortgage Purchase Program offering below market interest rates for borrowers earning less than 85% of the Statewide median; and
- The Maryland Home Financing Program/Homeownership Incentive Program offering a preferred rate targeted to first time homebuyers with incomes below the area median.

If the Authority is able to reduce the purchase price through grants, limitations on resale profit for a term of up to 10 years will be added to the financing terms above.

COUNSELING AND RESIDENT ASSISTANCE

Counseling, educational programs and assistance with budgeting will be provided to residents by the various agencies participating in the FSS program (see FSS Action Plan

and related materials in Exhibit 2). The efforts of these participating agencies will be supplemented by the staff of the Authority as necessary.

USE OF SALE PROCEEDS

The Housing Authority shall use the proceeds of sale of any of the units in this program to buy and rehabilitate another comparable scattered site unit of a size consistent with the current housing needs of area families.

RECORD KEEPING

The Authority shall keep complete records on each sale and replacement unit purchase. The transactions shall be carried on the books of the Authority and covered in the annual agency audit

PROPERTIES THAT MAY BE SOLD

A list of the properties eligible for sale to residents is attached as Exhibit 1. This exhibit shows the most recent full valuation shown on the Maryland Department of Assessments and Taxation web site. This value will be used as an approximation of the purchase prices during the development of this program

EXHIBIT 1

Properties eligible for sale to residents:

Address of Bldg.	Approximate Value ¹	Address of Bldg.	Approximate Value
11425 Englewood Rd	\$160,200.00	10207 Cold Harbor Dr.	\$193,200.00
1846 Abbey Lane	\$113,000.00	17703 Meadowood Dr.	\$179,400.00
1926 Abbey Lane	\$102,100.00	17833 Red Oak Dr.	\$191,400.00
13820 Countryside Dri.	\$121,700.00	17949 Reiff Church Rd.	\$180,600.00
13844 Countryside Dr.	\$154,700.00		
11204 Cristins Circle	\$124,300.00		
26 East Frederick St.	\$133,310.00		
17324 Gay St.	\$138,100.00		
11337 Greenberry Rd.	\$136,200.00		
11311 Grouse Lane North	\$142,000.00		
17930 Hickory Lane	\$94,000.00		
17944 Hickory Lane	\$106,600.00		
126 Bethlehem Ct.	\$105,900.00		
11228 Marbern Ave.	\$125,600.00		
11303 Marbern Ave.	\$125,100.00		
12021 Mayfair Ave.	\$173,900.00		
13834 Village Mill Dr.	\$96,500.00		
11206 Robins Glenn	\$115,200.00		
17528 Shepherdstown Pk.	\$162,580.00		
17839 Sherman Ave.	\$120,500.00		
114 Wabash St.	\$131,370.00		
17708 Winterberry Rd.	\$136,800.00		

¹ Base Value from the Department of Assessments and Taxation as of 6/30/2011

LEASE PURCHASE FSS ACTION PLAN

Mission

The FSS Program creates a network of community resources to assist families in attaining self sufficiency that includes the housing programs of the Housing Authority of Washington County (HAWC). The primary purpose of this Action Plan is to describe how needed services will be provided to eligible families.

Coordination with JTPA

The services and activities under this FSS program have been coordinated with the Job Training Partnership Act programs (JTPA) provided by the Western Maryland Consortium (WMC). Implementation of this program will continue to be coordinated with JTPA staff to avoid duplication of services and activities.

Case Management

HAWC is responsible for overseeing and coordinating case management. Representatives from the core support agencies, called the Support Team, will assist the Authority and meet monthly to review family progress. The Support Team shall consist of representatives from CAC, DSS, WMC and the HAWC.

Provision of Service Needs under Contract of Family Participation

Families shall be referred to support agencies to meet specific goals as outlined in the Contract of Family Participation. These services include but are not limited to the following:

Addictions/Individual/Family Counseling and Services. Families requiring personal counseling for addictions, and individual and family counseling may be referred to the Washington County Health Department. The Health Department also provides family planning and child health counseling and services.

Budget/Financial Counseling. Families requiring financial/budget counseling may be referred to the Financial Counseling Service of the Maryland Cooperative Extension Service. The Washington County Office provides trained volunteers to help clients become competent financial managers. FSS clients may be required to attend group financial counseling, seminars, and workshops conducted by the Cooperative Extension Service.

Education. Options include: 1) University of Maryland System, 2) Frostburg State University (Hagerstown Campus), 3) Hagerstown Junior College - Displaced Homemakers Chapter II Program, 4) JTPA, 5) Washington County board of Education for completion of GED, vocational training, etc.

Housing Counseling. FSS participants may be referred to counseling in rental and ownership of homes, landlord/tenant relations, seeking affordable housing, rights of tenants, etc. as available from Community Action Council, Inc., under the Housing Counseling Program and the Pre-purchase Housing Counseling Program.

Job Training and Placement. FSS participants may qualify to receive services under JTPA. Funding under JTPA provides job training to unskilled/underskilled adults that will prepare them for entry into the labor force. Referrals may be made from the appropriate agency to JTPA for job training and placement and for any additional counseling necessary to provide skills for entering the workforce. Citicorp Credit Services, Inc. of Hagerstown will aid in providing job seeking skills and career counseling. In conjunction with the Private Industry Council, Citicorp will provide information on job opportunities in the community.

Nutrition/Personal Development. The Expanded Food and Nutrition Education Program (EFNEP) of the Maryland Cooperative Extension Service - Washington County Office offers educational information and assistance in the areas of nutrition and personal development. Homemakers are taught in their homes or in small groups by trained nutrition aides. The Cooperative Extension Service also offers information/workshops in the areas of leadership development, family resource management, and parenting.

Resume Writing/Interviewing Skills. Evening classes/seminars for prospective employees will be offered by a FSS Coordinating Committee member and a Citicorp representative to prepare participants for employment by teaching resume writing, interviewing, and personal image skills (i.e. grooming and communications).

Policy for Terminating or Withholding Benefits

Fraud shall be grounds for termination from the FSS Program. For violations of the FSS Contract of Family Participation, the Housing Authority, in consultation with the Support team, shall have the option to terminate and/or withhold services under FSS. In either case, FSS families shall have the right to an appeal as contained in the Authority's Grievance Procedure.

Circumstances that Warrant Termination from the FSS Program.

- 1) Failure of family or member of family to honor terms of contract, if the circumstances are within the control of the family;
- 2) Achievement of self-sufficiency by the family;
- 3) Family's withdrawal from the program;
- 4) Such other acts deemed inconsistent with the FSS Program, as determined by FSS Support Team and Housing Authority; and
- 5) Operation of law. The FSS contract may also be terminated by mutual consent.

Circumstances that Warrant Withholding of Services.

- 1) Failure of family to comply with individual service plan;
- 2) Notification from Service Agency that family failed to attend scheduled meeting(s); and
- 3) Such other acts deemed inconsistent with the FSS Program, as determined by FSS Support Team and Housing Authority.

FSS Action Plan for Lease Purchase Program

Approved January 20, 2010