

Tab 13 Commitment to Offer Homeownership to Qualified Residents

Proposals must present a financially viable homeownership program for residents who inhabit the units during the compliance period. 100% of the units must be eligible for Homeownership. The program must incorporate an exit strategy, homeownership counseling and a minimum amount of funds (not less than \$3,000 per unit) **set aside by the developer** to assist the residents with the purchase. This escrow must be shown in the capital budget as a source and use. The Escrow will be funded at closing and be held by the Agency.

For PennHOMES developments, the exit strategy must include the repayment of the PennHOMES loan and should provide a schedule of capital improvements to identify potential capital needs of the units upon conversion.

To be considered under the Homeownership option, a supportive services plan, which must include a financial literacy component, must be included in the Application, and the plan must be approved by Agency staff.

Included under this Tab is a protocol designed by the Agency to provide the framework for strengthening financial core competencies and capabilities of tenants in multi-family housing developments, especially those interested in conversion to ownership. It is recommended that the protocol be incorporated into the services plan. In addition, the Agency has reference materials available to assist in preparing the tenants to become home owners. Please contact the Agency for further information.

The developer will certify the commitment to provide homeownership opportunities in the Application and the Restrictive Covenant Agreement will contain provisions ensuring enforcement of the related covenants by affected qualified residents. Should the units not be converted to homeownership, the Restrictive Covenant Agreement will contain a provision waiving any right to petition the Agency to terminate the extended use term for all units remaining as rental units.

A certification from the design architect verifying that the units are townhouse or single family attached or detached structures (or otherwise appropriate for homeownership by tenants as determined by the Agency) will be required as part of the Application.

During the first 15 years (the compliance period), residents are considered renters and shall not be charged for any of the financial or maintenance obligations of a homeowner.