

## MONTEREY COUNTY INCLUSIONARY HOUSING PROGRAM EAST GARRISON PROJECT FACT SHEET

### ***What is the Inclusionary Housing Program?***

The Monterey County Inclusionary Housing Program began in 1980. The Program requires that residential development contribute to the production of affordable housing, either by the construction of affordable housing units or by payment of a fee in-lieu of constructing units. As part of an agreement to develop the East Garrison Project, a certain amount of housing is required to be made available to qualified Moderate households, on specified terms. Inclusionary housing in East Garrison is slightly different from Inclusionary Housing elsewhere in the County.

### ***What are Inclusionary Homes?***

Inclusionary homes are created when developers build residences in the unincorporated areas of the County. The inclusionary homes are price-restricted so that they are sold below the market rate, and they must also be resold to a Moderate household who qualifies for the Program. These inclusionary homes are restricted for a period of 45 years, in the case of East Garrison. This means that if you decide to sell your inclusionary home within that time, **the price will be determined by the County and will probably be less than the sales price of similar un-restricted homes in the neighborhood.**

### ***Who Qualifies for the Inclusionary Housing Program?***

In order to qualify for the Inclusionary Housing Program, the gross income of the applicant's household cannot exceed one hundred-twenty percent (120%) of the Area Median Income (AMI) of Monterey County (adjusted annually), and the applicant may only possess a limited amount of assets. Priority will be given to applicants who have lived in Monterey County for at least one year, or have worked in the County for at least six months.

### ***How do I Apply to Become an Inclusionary Homebuyer in East Garrison?***

There is essentially a two-step process: Eligibility and Qualification

#### **A. Eligibility**

Households interested in becoming inclusionary homeowners must complete an Inclusionary Program Application (available on the County's website), which provides information about the household, such as:

- where the household currently resides and contact information;
- the household member length of time of employment and County residency; and
- the household size and income.

#### **B. Qualification**

If a household appears to be eligible to purchase an inclusionary home, their name will be placed on a Waitlist of Eligible Buyers and will be provided to the East Garrison Developer. The Developer is required to work from the Waitlist provided by the County, and in a certain order. If you are placed on the Waitlist, and desire to buy a unit, additional information will be needed in order to become "qualified" as an Inclusionary Moderate Homebuyer. Part of the qualification process includes a review of the

household's income and assets; there is a maximum income and assets test, to ensure that households meet the federal and state requirements.

### ***Is the Inclusionary Home Purchase Process Similar to Purchasing a Market Rate Home?***

If a qualified Inclusionary Moderate Homebuyer household decides to buy the inclusionary home they are offered at East Garrison, the buyer must initiate the same purchase process that the buyer of a market-rate home initiates: The buyer must secure financing to purchase the home. The buyer will be required to purchase property insurance and to complete all of the inspections required by their lender.

Once the buyer has initiated the purchase process and the sale of the home is in escrow, the buyer will be required to sign an **Inclusionary Agreement** with the County. For East Garrison, this Agreement states that the inclusionary home is restricted for a period of 45 years, and it is recorded against the property. The Agreement also states that the buyer is required to abide by the requirements of the Inclusionary Program during the entire 45 years.

Some of the requirements stated in the Agreement include, but are not limited to:

- Inclusionary homeowners must purchase and maintain property insurance for the inclusionary home.
- The homeowner must always keep the inclusionary home maintained in good condition.
- Inclusionary homes must be the owners' primary place of residence and cannot be rented or leased to anyone else.
- Inclusionary homeowners must respond to the County's annual monitoring request for information about the occupants of the home.
- Children and stepchildren can inherit inclusionary homes from their parents, if children meet the income restrictions recorded against the property, and if the children live in the house as their primary place of residence. If the children do not meet the Inclusionary Program criteria, the home must be sold within one year of the inheritance. The County will determine the sales price and refer eligible buyers.
- Once an inclusionary home has been purchased, only a husband or wife can be added to or removed from the title of the home.
- To make sure that the inclusionary homes remain affordable to people like you, the County will determine the sales price or the refinance price.
- Once you have become an inclusionary homeowner, your income can increase.

Please browse through the County's website for further information:

<http://www.co.monterey.ca.us/economicdevelopment>

You may also contact the County of Monterey Economic Development Dept., located at 1441 Schilling Place-North, Salinas, CA 93901, Office phone: (831) 755-5389.