

# Washington County Housing Authority

## HOMEOWNERSHIP PLAN

### INTRODUCTION

The mission of this Housing Authority is to improve the quality of life for the citizens of Washington County by providing decent, safe and affordable housing. 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.

### ELIGIBILITY

To participate in this homeownership plan:

- Tenants must have been in lawful occupancy in units of the Scattered Site Public Housing Project (MDO6P028006, 007, 008, or 009) for at least 6 months; and
- Tenants must be capable of assuming the financial obligations of homeownership as defined below.

Tenants not yet able to meet the financial requirements of homeownership shall be encouraged to enroll in the Family Self-Sufficiency program.

### 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;
- 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%. 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;
- 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 shall be done by an Federal Housing Administration (FHA) approved appraiser selected

by the applicant from a list of qualified individuals maintained by the Authority. 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 an FHA approved appraiser on the Authority's list of approved appraisers. If a second appraisal is more than \$500 different from the first appraisal the Authority must hire a third appraiser from the list 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 Farmers Home Administration (FmHA) 502 program with interest credit for all homes outside the Hagerstown metropolitan area as defined by FmHA.
- 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 from HUD or other sources, limitations on resale profit for a term of 10 years consistent with HUD regulations will be added to this plan.

### **COUNSELING AND RESIDENT ASSISTANCE**

Counseling, educational programs and assistance with budgeting will be provided to residents by the various agencies participation in the FSS program (see FSS Action Plan and related materials in Exhibit II). 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 the 25 Unit Scattered Site program to buy and rehabilitate another comparable scattered site unit of a size consistent with the current housing needs of low income 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. Annual sales reports shall be provided to HUD on their forms.

**ADOPTION OF PLAN**

This plan must be approved by the majority of the residents of the Scattered Site project, by the Washington County Housing Authority board of Commissioners, by the Board of County Commissioners of Washington County (with respect to the purchase of new units), and by the Baltimore Area HUD office.

**PROPERTIES THAT MAY BE SOLD**

A list of the properties in the Scattered Site project eligible for sale to residents is attached as Exhibit I. This exhibit shows the most recent FHA appraisal amounts and the cost of rehabilitation. This appraisal and the value added by needed repairs where appropriate, will be used as an approximation of the purchase prices during the development of this program

## EXHIBIT I

List of properties eligible for sale to residents:

Address of Bldg.	Approximate Value <sup>1</sup>
11425E	\$216,630.00
AB1846	\$176,970.00
AB1926	\$158,860.00
COU117	\$151,140.00
COU201	\$189,660.00
CRISCR	\$178,130.00
FRED26	\$134,020.00
GAYST	\$190,300.00
GRE148	\$177,310.00
GRO107	\$180,700.00
HIC130	\$134,160.00
HIC144	\$155,610.00
LOC126	\$138,050.00
MAR107	\$164,460.00
MAR200	\$160,630.00
MAY400	\$218,950.00
NOR129	\$116,290.00
R11206	\$164,370.00
S17528	\$162,670.00
S17839	\$146,080.00
WAB114	\$132,740.00
WI1704	\$180,590.00

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<sup>1</sup> Total Market Value from the Department of Assessments and Taxation as of 2008

## EXHIBIT II

### **25 UNIT SCATTERED SITE 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 Washington County Housing Authority (WCHA). The primary purpose of this Action Plan is to describe how needed services will be provided to eligible families.

#### **Development of Action Plan**

This Action Plan has been developed in consultation with the residents of the 25 Unit Scattered Site project, the staff of the Housing Authority and the FSS Coordinating Committee. Any changes to the Action Plan shall be submitted to the Department of Housing and Urban Development (HUD) for approval.

#### **Certification of Coordination with JTPA**

The WCHA certifies that the development of 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.

#### **Outreach**

Upon HUD approval of this FSS Action Plan all residents of the 25 Scattered Site project will be notified of the availability of FSS. The advantages of the FSS program to the tenant families will also be covered at all enrollment interviews and at each annual recertification. By personally introducing FSS at the enrollment and recertification interviews the WCHA will assure that all families are reached without regard to race, color, religion, sex, handicap, familial status, or national origin.

#### **Selection of ESS Participants**

The WCHA shall select FSS applicants from among current residents based on seniority (the date and time of the initial lease-up). Selection shall not be made with regard to race, color, religion, sex, handicap, familial status, or national origin.

#### **Families Expected to Participate**

The families expected to participate are the current recipients of AFDC who are enrolled in the Project Independence program (P1) and the current working families in low-paying jobs. Service needs of families include, but are not limited to, the following: 1) additions/individual/family

counseling, 2) financial counseling, 3) child care, 4) education, 5) housing counseling, 6) job training and placement, 7) nutrition/personal development, 8) resume writing/interviewing skills, and 9) transportation.

### **Incentives to Encourage FSS Participation shall include**

1. Establishment of escrow accounts for those families who have had earned income increases from the effective date of the contract participation.
2. Authorization by the WCHA for early withdrawal of a portion of funds from the escrow account, upon completion of specific interim goals as outlined in the contract of participation, for purposes consistent with the contract, such as completion of higher education (i.e. college, graduate school), or job training, or to meet start up costs involved in the creation of a new business, or to obtain vehicle insurance, obtain driver's license or purchase a vehicle. Disbursement of funds is at the sole discretion of the WCHA.

### **Assurance to Non-Participating Families**

The WCHA assures that a family's decision not to participate in FSS will not affect the family's eligibility for admission to, or continued occupancy of, assisted housing.

### **Determination of Support Needs**

For those families currently active in JOBS or JTPA, the support needs will be determined by the Western Maryland Consortium (WMI). For those families currently active in P1, the support needs will be determined by the Department of Social Services (DSS); and for those families not participating in a local self-sufficiency program, the support needs will be determined by the Washington County Community Action Council, Inc. (CAC). Each respective agency shall prepare a Service Plan for the family and shall submit it to the Housing Authority within 30 days of the initial interview.

### **Signing of Contract of Family Participation**

Upon receipt of the Service Plan, the Housing Authority will meet with the FSS family to execute the Contract of Participation and establish the "base family contribution -

### **Case Management**

The WCHA is responsible for overseeing and coordinating case management using an Interdisciplinary Team approach. A team of representatives from the core support agencies, called the Support Team, will assist the Authority and shall meet monthly to review family progress. The Support Team shall consist of representatives from the CAC, DSS, WMC and the WCHA. Case management will be provided by DSS for all participants, and WMC for JOBS and JTPA participants. Case management for all others shall be provided by the Housing Authority in coordination with the Support Team.

## **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 will be referred to the Washington County Health Department. Family planning and child health counseling and services are also available.

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

**Child Care** Child care vouchers are provided to PI/JTPA clients through DSS. in some cases, JTPA may supplement child care cost.

**Education.** 1) CASA (Citizens Assisting and Sheltering the Abused), 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 the rental and ownership of homes, landlord/tenant relations, seeking affordable housing, rights of tenants, etc. is available from Community Action Council, Inc., under the Housing Counseling Program and the Pre-purchase Housing Counseling Program Washington County Housing Authority representative Diane Griffin will conduct evening seminars on the rights and responsibilities of tenants.

**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).

**Transportation.** A transportation allowance is provided to active JTPA clients; and Washington County Health Department provides transportation for families with a medical card for a medical appointment.

### **Policy for Terminating or Withholding Benefits**

Fraud shall be grounds for termination from the Public Housing program, and 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.