

# Townes at MAGNOLIA

## MODERATE INCOME PROGRAM - FREQUENTLY ASKED QUESTIONS

- How do I know if I qualify?
  - You must have a minimum of 4, maximum 9, people living in the household. No Exceptions.
    - Minimum and maximum income limits
      - 3-person household: \$117,920 - \$128,600
      - 4-person household: \$131,010 - \$142,900
      - 5-person household: \$141,515 - \$154,350
      - 6-person household: \$151,965 - \$165,750
      - 7-person household: \$162,470 - \$177,200
      - 8-person household: \$172,920 - \$188,650
    - If your combined gross household income (before taxes) is less than the lower limit, or higher than the upper limit, you do not qualify. The combined household income must be within the specified limits.
  - Must be a first-time buyer. No interest (title or co-signer) in real estate in the past 3 years.
  - Download and read the Moderate Income Program Guidelines which are available on our website: <https://meliahomes.com/communities/townes-at-magnolia/moderate-income-program>
- How much do I have to put down as my down payment?
  - The program requires a minimum of 3% down and a maximum of 20% down, however, the City also caps your total monthly housing expenditure. So, if you only make the minimum down payment, you will have a monthly payment that exceeds the monthly housing expenditure limit. It is likely that you will need to make a down payment between 15% - 20% in order to satisfy the City's monthly housing expenditure limit.
- What are the steps to qualify?
  - First, all applicants will need to be approved with the builder's preferred lender, the Jessica Cao Team at US Bank: [mortgage.usbank.com/jessicacao](https://mortgage.usbank.com/jessicacao).
  - Second, read the program Guidelines.
  - Third, applicants need to complete the City of Anaheim's Affordable Housing Application Package. The package and checklist can be downloaded on our website: <https://meliahomes.com/communities/townes-at-magnolia/moderate-income-program>
- Can I use a different lender?
  - Yes, however, it is recommended that you use the builder's preferred lender for the following reasons:
    - This Program is time sensitive.
    - Your outside lender must be approved by the city (that process may take some time).
    - This is a new Condo development and lenders typically require a condominium questionnaire (which may take some time to process and approve).
    - Your lender must understand the complex rules of the program (which may take time to learn. If mistakes are made, that may delay the transaction and that may result in additional fees and/or complications that may compromise your opportunity to participate in the program).

- When can we move in?
  - Move-in timeframes depend on when we receive your application, how long it takes the city to review and approve your application and however long it takes to secure financing from the lender.
    - The City of Anaheim takes a minimum of 2 weeks to review applications.
    - The lender usually needs 30 days after the city approval to finalize your loan.
  
- Can I pick my homesite?
  - If you are offered a home, it is recommended that you purchase the first available home. If you wait for a different location, the city may approve a different, more qualified buyer, and we may run out of eligible homes.
  
- Can we make upgrades?
  - All Affordable homes will be built and sold with standard features. No builder upgrades are allowed. Any upgrades an affordable buyer makes must be done after they have completed their new home purchase.
  
- Are there restrictions if I want to sell the home?
  - Yes. If the home is sold in the first 30 years of ownership, then you must follow the city guidelines.
    - You must notify the city of your intention to sell PRIOR to listing the home.
    - The city requires affordable homeowners to sell their affordable home at an affordable price to a new affordable buyer. If after 180 days, you are unable to find an affordable buyer, the city may allow you to sell the home to a regular buyer, but those decisions are made on a case-by-case basis.
    - The city will determine the selling price (based on median incomes in the County).
    - The city will recapture their initial subsidy and also retain a share of the appreciated value (if any) at the time of sale.
      - Homeowners will get 5% of the appreciated value per year from year 1-10 (capped at 50%). From year 10 through year 30 the city will retain a 50% share of equity appreciation gains.
      - Homeowners will recuperate their initial down payment, principal reduction, and some of the costs of home improvements, when the home is re-sold.
  
- What if we don't have a minimum of 3 people in our household?
  - The City will not approve applications for households of 1 or 2.
  - Can we get a friend or family member to live with us?
    - Yes, but their income will be calculated as part of the household income, and you cannot charge anyone rent. Additionally, that person must be a legitimate member of the household.
  - Can we get a renter?
    - No, the affordable home (or any space in the home) cannot be rented out.
  - Does an unborn child count as a household member?
    - No. Children who have been born and have birth certificates are considered household members.
  
- Does the City of Anaheim offer down payment assistance?
  - Not for this development.
  
- What happens if I make more money after I move in as an affordable buyer?
  - This will not be an issue for the City of Anaheim. Income restrictions apply only for qualification purposes. Once you own the home, it will not be taken away just because you make more money.
  
- What happens if someone moves out?
  - You should consult with the City of Anaheim if/when the household size changes. This will not necessarily result in any specific action by the City of Anaheim, however affordable buyers are not permitted to rent out any portion of the home while participating in the program.