

tower oaks

ROCKVILLE, MARYLAND

Facts You Need to Understand Before You Participate in the City of Rockville Workforce Home Purchase Program

1. The purpose of the Workforce housing program is to make homeownership in the City of Rockville available to households with moderate incomes.
2. To purchase an workforce unit, you must be first time homebuyer and not have owned a home or been on the deed to a home somewhere else within the past five years
3. The owner of a workforce unit cannot own a second home while owning the home.
4. A workforce unit has a legally enforceable control period of 30 years from the date of settlement.
5. Owners of a workforce unit must live in the home as their residence throughout the 30-year control period.
6. During the 30-year control period, owners may only sell their home through the workforce program at a price determined by the City of Rockville. Receipts are required for credit for improvements.
7. Workforce units may be refinanced during the 30-year control period but the owner must obtain approval from the City to refinance.
8. Owners may not rent out their home during the 30-year control period unless the City grants permission to do so.
9. If the same owner lives in a workforce unit for the full 30-year period, the control period will expire. After it expires, the owner may rent out the unit or sell it on the open market at market price.
10. When the unit is sold for the first time following the expiration of the control period, the owner must pay 50% of the profit to the City.

Resale Information

A. Subsequent Sale Price

Except for foreclosure proceedings, workforce homes constructed or offered for sale or rent under this chapter shall not be resold or refinanced during the first thirty (30) years after the original sale for a price greater than the original selling price plus:

1. A percentage of the unit's original selling price equal to the increase in the cost of living, as determined by the consumer price index;
2. An allowance for improvements made to the home not to exceed ten (10) percent of the selling price
3. An allowance for closing costs which were not paid by the initial seller, but which will be paid by the initial buyer for the benefit for the later buyer; and
4. A reasonable sales commission if the unit is not sold within sixty (60) days to an eligible person from the department's eligibility list.

B. Subsequent Sales Requirements

1. Any moderately priced dwelling unit offered for resale during the first thirty (30) years after the original sale must be first offered exclusively to the housing agency. The Department shall notify the housing agency of any workforce units offered for resale. Upon receipt of such notice, the housing agency has twenty-one (21) days to indicate to the seller its interest in acquiring any such home. For any unit that the housing agency has so indicated its intent, the housing agency then has twenty-four (24) days to notify the seller of its final decision.
2. If the housing agency does not exercise the rights provided for herein within the prescribed time frames set forth above, the workforce home then shall be offered exclusively for forty-five (45) days through the Department to persons found by the Department to be of eligible income. After this 45-day period expires, that unit may be offered for sale to the general public.
3. If the workforce unit remains unsold one hundred eighty (180) days after the unit is offered for sale to the general public, the city manager may permit the owner of the workforce home to sell the home at market price. If a unit is sold a market price, the seller must pay to the Moderately Priced Housing Fund all sales proceeds in excess of the price calculated in accordance with subsection (a). Once the sales proceeds are deposited in the Moderately Priced Housing Fund, the city will release the covenants applicable to the unit.

C. Sale after 30-year control period ends

1. If an workforce unit is sold or resold after thirty (30) years after its original sale or rental, the restrictions on resale in subsections (a) and (b) no longer apply. However, for the first sale of a workforce home after thirty (30) years after the original sale or rental, the seller shall pay to the Moderately Priced Housing Fund one-half ($\frac{1}{2}$) of the excess of the total resale price over the sum of the following:
 - a) The original selling price;
 - b) A percentage of the unit's original selling price equal to the increase in the cost of living as determined by the consumer price index;

- c) An allowance for improvements made to the workforce home not to exceed ten (10) percent of the selling price.
 - d) A reasonable sales commission.
- 2. The City Manager shall adjust the amount paid into the Fund in each case so that the seller retains at least ten thousand dollars (\$10,000.00) of the excess of the resale price over the sum of the items in a. through d.
- 3. The housing agency shall have the right for forty-five (45) days after receiving notice that an offer has been made to match any bona fide offer to buy a workforce home when the home is offered for sale after thirty (30) years after the original sale or rental. Upon receipt of such notice, the housing agency has twenty-one (21) days to indicate to the seller its interest in matching any bona fide offer to buy the home. Thereafter, for any home that the housing agency has so indicated its interest, the housing agency then has twenty-four (24) days to notify the seller that it will match any such bona fide offer.
- 4. The housing agency need not pay into the Moderately Priced Housing Fund any portion of the resale price of any MPDU that it sells after thirty (30) years after the original sale or rental.