

Vital Brooklyn Homeownership Initiative Term Sheet

Program Overview	
Program Description	<p>This term sheet applies only to the Vital Brooklyn Homeownership Initiative at the Kingsboro Psychiatric Center Site, which will provide subsidy to facilitate affordable homeownership opportunities for low- and moderate-income households. The subsidy is designed to allow purchasers to build equity over time, while preserving affordability for future generations. Homebuyers who purchase affordable units can realize appreciation up to 2.5% per year on the original purchase price.</p> <p>It is expected that 10% of the total units developed at the Kingsboro Psychiatric Center site will be set aside for homeownership housing, with a at least half of those homeownership units designated as affordable. All homeownership units should reflect the same size and quality and reflect a mix of household sizes, including larger families.</p> <p>The actual award amount must be approved by HCR Staff and the Board. This subsidy may be combined with other local, state and federal sources.</p>
Maximum Amount Available	\$5 Million.
Per Residential Unit Maximum Award	\$100,000 per affordable unit created.
Minimum Affordable Units	50% of the total homeownership units.
Affordability Targets	<p>No fewer than 50% of the total unit must be affordable to low- and moderate-income households. A mix of units should target units as low as 40% NYC AMI up to 85% NYC AMI. No more than one-third of the affordable units should target the maximum affordable AMI (85% NYC AMI).</p> <p>Sales prices for affordable units should be calculated based on a maximum monthly housing cost of no more than 35% of a buyer’s total monthly income, and must factor in mortgage payments, projected maintenance or common charges, taxes, insurance or other housing-related costs that will be incurred on a monthly basis.</p> <p>Projects that propose more affordable units will be preferred.</p>
Unit Mix	The affordable units must provide opportunities for different household sizes. While some studios and one-bedroom units may be included, the proposed project should include two- and three-bedroom family units as part of the affordable component of the project.
Long Term Affordability Requirements	
Term of Affordability	30 years and/or coterminous with the Kingsboro Rental regulatory agreement.
Future Resale Restrictions	Homes will be subject to resale restrictions allowing for a maximum 2.5% increase in potential sale price per year. Future sales will be restricted to the same income targets as in the original sale, adjusted for inflation, throughout

	the term of the regulatory period. HCR may approve changes to the target AMI and the sale price on a case by case basis, depending on market conditions at the time of sale.
Reviews and Approvals	
HFA Board Approval	All projects must be vetted by HCR staff and committees and approved by the HFA Board as well as comply with priorities set for Fair Housing and other state and federal priorities.
Appraisal Report	An independent appraisal is required and subject to HCR review and approval. The appraisal must agree with analysis of any common or maintenance charges proposed for the operation of a condominium or homeowner association.