

12/09/2003

Revised 04/18/05

Homebuyer Selection Plan
Hill Homeownership Phase II DECD Project # HM 05 093 02

It is the policy of the Hill Development Corporation of New Haven (HDC) to promote fair housing opportunities and to encourage racial and economic integration in the neighborhoods.

In conformity with DECD regulations and recommendations, HDC has developed the following Homebuyer Selection Plan, which is based on Affirmative Action principles. This plan is intended to work in conjunction with the Affirmative Action marketing strategies that have already been approved and implemented according to DECD standards. It is the objective of HDC to attract buyers and tenants of all minority and non-minority groups. These groups include White (Non-Hispanic) and members of minority groups: Blacks (Non- Hispanic), American Indians/Alaskan Natives, Hispanics and Asian/Pacific Islanders in the area who may be subject to housing discrimination. The objective of these plans is to ensure that all interested parties have a fair chance to purchase and/or rent Phase II homes. Each Phase II home is **“An Open Occupancy Building”**, which means that as it relates to the sale or rental, each home shall be open to all persons without discrimination on the basis of race, religion, color, gender, sexual orientation, national origin, marital status and physical disability. Each approved prospective homebuyer selected through the random lottery system will be provided with a Real Estate Contract (**Application Package, Attachment 5**) and **“HOMEBUYER(S) UNDERSTANDING AND ACKNOWLEDGEMENT”** (**Application Package, Attachment 2**) delineating the open access requirements and Resale and Rental Restrictions.

Homebuyer Selection Plan

Upon the commencement of the construction of Phase II, HDC will place advertisements in the New Haven Register, Inner City News, and La Voz newspapers, announcing the

availability of eleven (11) two-family homes in the Hill Neighborhood, as HDC’s Phase II initiative.

This advertisement has been reviewed and approved by DECD and shall be in the format attached hereto as **Attachment 1.** **Attachment 1** will also include the date the applications may be picked up and the time they must be returned to HDC. There will be no deviations from this timeframe for any reason whatsoever. These homes are HOME assisted. All applicants must qualify as First Time Homebuyers and must agree to reside in the home as primary residence and rent the Rental Unit to a HOME qualified tenant that must be certified by HDC. The Rental unit must be rented to a tenant whose income does not *exceed eighty (80%) percent of the area median* income for New Haven. In addition All buyers are required to attend homeownership classes conducted by HDC as listed below:

<i>Workshops Sessions</i>	<i>Hours</i>	<i>Number of</i>
• Financial Literacy	8 hours	2
• Landlord and Tenant Relations	4 hours	2
• Pre-Purchase First-Time Home Buyer	12 hours	4
• Post Purchase Homeownership	4 hours	1
• Avoiding Mortgage Delinquency and Foreclosure	4 hours	1

The current population demographics in the Hill neighborhood reflect a heavy concentration of minority residents, (50% African-American and 45% Hispanic according to a 1996 survey). In an effort to target other demographic groups and to reach out to other communities in the city, HDC has also sent strategic mailings to certain designated community groups. The purpose of these notices was to extend the Phase II homeownership opportunity to as many different groups as possible. The copy of the letter notice and the list of designated groups who received information are attached as **Attachments 2 & 3.**

To support these outreach initiatives, HDC has established a Homebuyer Selection Committee. This Committee will be chaired by Luis Maldonado, Project Manager. Other members of the Committee are as follows: Kerri Kelshall Ward, Deputy Administrator of

Housing Counseling and Juan Candelaria, HDC Board Member. This Committee will be responsible for screening applicants for eligibility criteria and for administering the selection process. To qualify as a potential Phase II homebuyer, the applicant must meet income guidelines by having family household income that *does not exceed eighty (80%) percent of the area median* income for New Haven. Additionally, applicants must qualify for a mortgage in which *no more than 33%* of their gross income is used to pay principle, interest, tax, and insurance (“PITI”), see **Attachment 4**. In exceptional cases, with the prior approval of DECD, the Committee may permit PITI in excess of 33%.

Interested buyers must obtain APPLICATION to purchase and related materials at HDC office between hours of 9.00 A.M. and 5.00 P.M. The completed APPLICATIONS will be accepted at the HDC office **until 2:00 PM on Friday June 24, 2005** as specified in advertisement – **Attachment 1**. Each approved Applicant will be required to indicate 1st and 2nd choices and will have complete freedom of preference out of eleven (11) properties to do so. (**Application Package, Attachment 3**) The qualified Applicants will be considered on **Random Selection Lottery Method** –in conformity with the criteria set forth in **Attachment 5**. All Applicants will be listed in the special register marked as “HILL HOMEOWNERSHIP PHASE II APPLICANTS REGISTER” and kept at the HDC office. Once the Committee has approved the Applicant, the Applicant will be assigned a file number and placed in the ELIGIBLE APPLICANTS POOL. The selection will be determined by a random lottery, **Attachment 6**. Applicants will be given preference to select the home of their choice according to their position in the lottery drawing. The disqualified applicant, at every step in the selection process, will be apprised of his/her rights, accorded opportunity to appeal to the impartial hearing officer appointed by HDC, and apprised of further right to appeal to the affirmative action office of the Department of Housing, Connecticut Department of Economic and Community Development, as set forth in **Attachment 5**. This process will be supported with documentation to ensure transparency and consistency in the process as outlined in **Attachment 7**.

Attachment 1



An Open Occupancy Building
Hill Homeownership Phase II
Affordable First-Time Homeownership Opportunity

The Hill Development Corporation of New Haven (HDC) is currently developing eleven (11) two (2) family homes. These homes will be sold to first-time home buyers, as primary residence, at a price affordable to households whose family income is 80% or below of the area median income for New Haven (AMI). Homeowner will rent one unit to household whose family income is 80% or below AMI. All buyers are required to attend homeownership classes conducted by HDC. These Properties are open and available to all persons without discrimination on the basis of race, religion, color, gender, sexual orientation, national origin, marital status or physical disability. Interested buyers must obtain **APPLICATION** to purchase and related materials at HDC office at **Hill Development Corporation of New Haven, 649 Howard Avenue, New Haven, CT 06519** between the hours of 9:00 A.M. and 5.00 P. M. Completed APPLICATIONS will be accepted at the above HDC address until **2.00 P.M. on Friday, June 24, 2005**. No extensions will be granted. The qualified Applicants will be considered on **Random Selection Method - Lottery basis**. To find out more about HDC please log on to www.hdcfnh.org or call Luis Maldonado at the HDC office telephone 203-776-3759.

HDC Strongly Advocates Equal Housing Opportunity

Attachment 2

SAMPLE

December ____, 2003

President
Community Foundation of Greater New Haven
70 Audubon Street
New Haven, CT 06510

NOTICE

Dear Sir/Madam:

Hill Development Corporation of New Haven is marketing eleven (11) two-family homes to households whose family income does not exceed 80% of the area median income for New Haven. The entire text of the Advertisement recently placed in local newspaper(s) is reproduced below as a part of this NOTICE. We would appreciate your circulating this information in and to the communities your organization serves by placing this **NOTICE** in conspicuous places on your premises and or publishing in your organization's bulletin or communications to your constituents.

Advertisement-



An Open Occupancy Building
Hill Homeownership Phase II
Affordable First-Time Homeownership Opportunity

The Hill Development Corporation of New Haven (HDC) is currently developing eleven (11) two (2) family homes. These homes will be sold to first-time home buyers, as primary residence, at a price affordable to households whose family income is 80% or below of the area median income for New Haven (AMI). Homeowner will rent one unit to household whose family income is 80% or below AMI. All buyers are required to attend homeownership classes conducted by HDC. These Properties are open and available to all persons without discrimination on the basis of race, religion, color, gender, sexual orientation, national origin, marital status or physical disability. Interested buyers must obtain **APPLICATION** to purchase and related materials at HDC office at **Hill Development Corporation of New Haven, 649 Howard Avenue, New Haven, CT 06519** between the hours of 9:00 A.M. and 5.00 P. M. Completed APPLICATIONS will be accepted at the above HDC address until 2.00 P.M. on **Friday, June 24, 2005**. No extensions will be granted. The qualified Applicants will be considered on **Random Selection Method - Lottery basis**. To find out more about HDC please log on to www.hdcfnwhaven.org or call Luis Maldonado at the HDC office telephone 203-776-3759.

HDC Strongly Advocates Equal Housing Opportunity

Attachment 3

GROUPS WHO RECEIVED THE ABOVE LETTER

1. Community Foundation of Greater New Haven
2. New Haven Legal Assistance, Inc.
3. The Parents' Foundation for Transitional Living, Inc.
4. Easter Seals Goodwill Rehabilitation Center
5. The Corporation for Supportive Housing
6. Columbus House, Inc.
7. Yale China Association
8. Asian Family Services, Inc.
9. American Indian Council of CT
10. Community Action Agency of New Haven
11. Catholic Family Services, Inc.
12. Centro San Jose
13. American Indians for Development
14. Immanuel Baptist Church
15. NAACP
16. Center for Disability Rights
17. Latin American Women Association
18. Family Counseling of Greater New Haven
19. New Haven Housing Authority
20. Milford Housing Authority
21. Hamden Clergy Association
22. Dixwell Community House
23. CT Small Business Development Center
24. Hamden Housing Authority
25. Beulah Land Development Corporation
26. Mutual Housing of South Central Connecticut
27. Regional Workforce Development
28. CT Korean Presbyterian Church
29. St. Stephens AME Zion Church
30. Family Services of Central CT
31. Center for Independence Access
32. Guilford Housing Authority
33. Milford Clergy Association
34. Guilford Clergy Association
35. Hispanic Clergy Association

Attachment 4

December 9, 2003

Mr. Nathan B. Karnes
Project Manager
State of Connecticut
Department of Economic and
Community Development
900 Chapel Street, Suite 603
New Haven, Connecticut 06510

Re: Hill Housing Development Phase II
DECD Project# HM 05 093 02
PITI Confirmation Letter

Dear Mr. Karnes:

This is in response to your recent query as to the maximum housing expense-to-income, known as "PITI", ratio for potential Phase II homebuyers. HDC has set the PITI ratio at 33% with respect to the Phase II homebuyers, based on the accompanying supporting data and information with respect to various affordable housing products for the first-time homebuyers. Additionally you will find a worksheet from our Homebuyer Seminar Curriculum, indicating that affordable housing initiatives typically offer a qualifying ratio of 33% or more.

In exceptional cases, HDC will seek prior approval of DECD to qualify a homebuyer whose PITI ratio exceeds 33%. This is specially relevant for homebuyers who are already spending 40% of their income on rent, or for those who are currently paying far more for their monthly rent than they would be paying on a Phase II mortgage.

Sincerely,

Luis Maldonado, Project Manager
Hill Development Corporation of New Haven

Attachment 5

HDC Lottery System

Fair Housing Regulations, CT Department of Housing, Sec. 8-37ee-304-305.
HDC will use Random Selection Method – Lottery. Sec. 8-37ee-305 (c) (Selection methodology) as restated below:

(c) Random Selection Method – Lottery

The factors used in determining the random selection method shall include:

- (1) Determining the income eligibility of all applicants;
- (2) Pre-screening/interviewing for credit worthiness and other reasonable common rental or ownership criteria: and verification of applicant information.
- (3) Putting all applicants with favorable interviews, that is, having no ground for disqualification based on subsection (e) of this section, back in the ELIGIBLE APPLICANTS POOL and chosen by the Lottery Selection Method as outlined in **Attachment 6**.

(e) Grounds for disqualification

(1) Applicants may be disqualified from final selection upon documentary verification of any of the following: (A) the applicant or any member of the applicant's household has a history of disturbing neighbors, destroying property, or living or housekeeping habits which would substantially interfere with the health, safety, or peaceful enjoyment of other residents; (B) the applicant has a history of rental nonpayments within the past 12 months without reasonable justification (justification might be: substandard housing, loss of a job, etc.); (C) the applicant has knowingly falsified information in the application process; or (D) the applicant cannot demonstrate an ability to pay the base rent.

(2) Applicants deemed ineligible, for whatever reason(s), shall be notified in writing, before the final selection, of the reason(s) for rejection and their right to appeal within ten days of the rejection. Recipients should inform applicants that an appeal should be made immediately to assure their return to the applicant pool if they prevail. An impartial hearing officer shall be chosen by the recipient who shall issue a written opinion within five days of the hearing. All appeals should be heard within five days of the request.

(3) Applicants still aggrieved shall be informed of their right to appeal the decision of the hearing officer to the Department's affirmative action office. Such appeal shall be made in writing, and brought within ten days of the adverse decision.

(4) Recipients shall keep the following materials on file for at least three years: (1) application; (2) initial rejection notice; (3) any applicant reply; (4) the recipient's final response; and (5) all interview and verified information on which the rejection was based. (Effective February 2, 1994)

Attachment 6

HDC PHASE 2 HOMES LOTTERY SELECTION METHOD

Applicant files will be assigned a file number and put in the eligible applicant's pool for use in the Random Lottery Selection Method. All the Applicant file numbers will be put in a box on a date established by the Homebuyer Selection Committee in the HDC Board Room. The Applicant Names and File Numbers will be on hand on the day of the Random Lottery Drawing. The Applicant File numbers will be randomly selected from the box by the HDC Executive Director, David Alvarado who will then publicly disclose the Applicant File Numbers as follows:

He will select Eleven (11) Applicant File Numbers and Eleven (11) Alternate Applicant File Numbers in numerical order from One (1) to Twenty-Two (22). The first Eleven (11) Applicant File Numbers will be selected and have the opportunity to purchase the homes in numerical order as they were chosen.

- Number 1 will get his/her First Choice.
- Number 2 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1.
- Number 3 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1 or Number 2. If their First Choice and Second Choice have been taken by Number 1 or Number 2 then he/she can choose from the remaining Nine (9) Houses.
- Number 4 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2 or Number 3. If their First Choice and Second Choice have been taken by Number 1, Number 2 or Number 3 then he/she can choose from the remaining Eight (8) Houses.
- Number 5 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2, Number 3 or Number 4. If their First Choice and Second Choice have been taken by Number 1, Number 2, Number 3 or Number 4 then he/she can choose from the remaining Seven (7) Houses.
- Number 6 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2, Number 3, Number 4 or Number 5. If their First Choice and Second Choice have been taken Number 1, Number 2, Number 3, Number 4 or Number 5 then he/she can choose from the remaining Six (6) Houses.
- Number 7 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2, Number 3, Number 4, Number 5 or Number 6. If their First Choice and Second Choice have been taken by Number 1, Number 2, Number 3, Number 4, Number 5 or Number 6 then he/she can choose from the remaining Five (5) Houses.
- Number 8 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6 or Number 7. If their First Choice and Second Choice have been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6 or Number 7 then he/she can choose from the remaining Four (4) Houses.

- Number 9 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6, Number 7 or Number 8. If their First Choice and Second Choice have been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6, Number 7 or Number 8 then he/she can choose from the remaining Three (3) Houses.
- Number 10 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6, Number 7, Number 8 or Number 9. If their First Choice and Second Choice have been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6, Number 7, Number 8 or Number 9 then he/she can choose from the remaining Two (2) Houses.
- Number 11 will get his/her First Choice or his/her Second Choice if his/her First Choice has been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6, Number 7, Number 8, Number 9 or Number 10. If their First Choice and Second Choice have been taken by Number 1, Number 2, Number 3, Number 4, Number 5, Number 6, Number 7, Number 8, Number 9 or Number 10 then he/she can choose from the remaining House.

If any of the above numbers decide to drop out of the process or are disqualified for any reason then the alternate Number 1 (Number 12) will begin the sequence set above until all the houses are pre-sold. If all the alternates drop out or are disqualified for any reason and the houses are not yet pre-sold then the HDC Executive Director will inform the HDC Selection Committee who will schedule a time to pick Eleven new Applicant File Numbers from the box. The above selection method will continue until all houses are pre-sold.

Attachment 7

Dear Prospective Homeowner:

This letter is to inform you that you do not qualify to be included in the Random Selection Lottery Method for the Hill Housing Development Phase II DECD Project # HM 05 093 02. The reason(s) you do not qualify are listed below:

HDC would like to inform you that you have a right to appeal this decision in front of the impartial hearing officer appointed by the HDC Selection Committee, **Mrs. Maria Carmona, HDC Projects Coordinator**. Such appeal must be made within Seven days from the date of this letter and should be addressed to the HDC Hearing Officer at the address shown below. Should your decision be overturned by the Hearing Officer your name will be immediately returned to the approved applicant pool. The impartial officer shall issue a written opinion within five days of the hearing. All appeals will be heard within five days of the request.

If your appeal is denied by the HDC Hearing Officer then you still have a right to appeal the decision of the HDC Hearing Officer to the Department of Housing, Connecticut Department of Economic and Community Development Department's affirmative action office. Such appeal shall be made in writing, and brought within ten days of the adverse decision to the following Address:

State of Connecticut
Department of Economic and Community Development
505 Hudson Street
Hartford, CT 06106-7107

Attention: Affirmative Action Office.

I want to thank you for your interest in these homes and encourage you to continue in your quest to make homeownership a reality in your life. If HDC can be of service to you in this way please do not hesitate to contact our office.

Sincerely,

David Alvarado,
Executive Director