



Real Estate Division

AFFORDABLE FOR-SALE PROGRAM DISCLOSURE NOTICE – INCLUSIONARY

IMPORTANT: Please read this Disclosure Notice in its entirety. Email any questions to affordableforsale@sdhc.org

The property located at _____
is being sold at a below market affordable sales price of \$_____ through the San Diego Housing Commission's (SDHC) Affordable For-Sale program. The buyer(s) household income and assets must be at or below 100% of the area median income and they must meet all program guidelines. In exchange for purchasing the property at a below market affordable price, eligible buyer(s) _____ (OWNER) will be required to sign a Declaration of Covenants, Conditions, and Restrictions, Affordable Housing Agreement and First Right of Refusal (CC&Rs), a Deed of Trust, and a Promissory Note. These documents will be recorded against the property at the close of escrow.

The Promissory Note amount will be the difference between the below market affordable sales price, and the fair market value, as verified by an appraisal report. The Promissory Note amount will be determined after SDHC receives the appraisal report. The principal balance of the Promissory Note must be repaid in full to SDHC upon the earlier of:

- i. The first resale (see CC&Rs section 3.c.1 for a complete definition of resale)
- ii. The date the property is no longer owner occupied
- iii. At the end of the 30 year term

In addition to the Promissory Note repayment, should a resale as defined in CC&Rs section 3.c.1 occur during the first 15 years, the equity must be shared between the OWNER and SDHC. _____ (buyer(s) initials)

Year of Sale	Share of Equity to SDHC	Share of Equity to OWNER
Months 0-12	85%	15%
2	79%	21%
3	73%	27%
4	67%	33%
5	61%	39%
6	55%	45%
7	49%	51%
8	43%	57%
9	37%	63%
10	31%	69%
11	25%	75%
12	19%	81%
13	13%	87%
14	7%	93%
15	0%	100%

The OWNER will be responsible for complying with all terms and conditions set forth in the CC&R's, Deed of Trust, and Promissory Note. Key Terms and Conditions include but are not limited to:

Buyer(s) to Initial

_____ **The OWNER must occupy the property as their primary residence** until the end of 15 years AND full repayment of the Promissory Note, or until the property is sold and SDHC receives fully repayment of the Promissory Note and equity share.

_____ Refinancing (except under limited circumstances as approved by SDHC) and/or recording any additional loans against the property (further encumbrance) is strictly prohibited.

_____ Leasing/Renting all or any part of the property is strictly prohibited.

_____ The OWNER must maintain sufficient Property Insurance.

_____ The OWNER must pay their Mortgage Payments, Property Insurance, Property Taxes, and Homeowners Association dues on time each month.

_____ Prior to selling the property, the OWNER must first notify SDHC of their intent to sell.

_____ Future Resale Options:

- i. Sell the property at fair market value, as verified by an appraisal report approved by SDHC and repay in full, the Promissory Note and Equity Share.
- ii. Sell to an eligible household, who meets the program eligibility requirements, at an affordable sales price set by SDHC. The eligible buyer will assume the CC&Rs, Deed of Trust and Promissory Note, including the equity share provisions. Repayment of the Promissory Note and Equity Share will not be required during that sale.

BUYER CERTIFICATION

By signing below, I confirm: The Developer/Independent Affordable Housing Consultant/Lender Partner met with me and explained the Affordable For-Sale program terms and conditions. I/We have disclosed all income, assets, debt, and household members to the Developer/Independent Affordable Housing Consultant/Lender Partner. My/Our Household income and assets are below the 100% area median income limit. I UNDERSTAND THE PROPERTY I AM PURCHASING IS A RESTRICTED UNIT. I HAVE READ AND UNDERSTAND THE TERMS AND CONDITIONS DESCRIBED IN THIS DISCLOSURE NOTICE.

Name of Buyer: _____ Date _____

Name of Buyer: _____ Date _____

DEVELOPER/INDEPENDENT AFFORDABLE HOUSING CONSULTANT/LENDER PARTNER CERTIFICATION

By signing below, I confirm that I met with the buyer(s) and explained the terms and conditions of the Affordable For-Sale program as described in this Disclosure Notice.

Disclosure meeting held by?

_____ Independent Affordable Housing Consultant

_____ Developer - Tri Point Homes

_____ Lender _____

Name of Representative: _____ Date _____