



PALM BEACH COUNTY
WORKFORCE HOUSING PROGRAM (WHP)
Guidelines

a. Summary of the Strategy

Funding will be available to eligible homebuyers purchasing a workforce housing unit from approved developers in the WHP. WHP funds will assist with first mortgage and gap financing for the eligible workforce-housing unit. Eligible costs include, but are not limited to, closing costs and down payment assistance.

b. Maximum Buyer Funding Assistance: The final amount of assistance will be determined by the program requirements, which include, but is not limited to, underwriting criteria, household income and assets.

c. Maximum Buyer Asset Limit: \$200,000 per household, for any household seeking assistance from Palm Beach County to purchase a WHP unit.

d. Buyer Occupancy Requirements: Owner occupied for-sale units for eligible buyers who will make this property their primary residence. Leasing, renting or subletting is not permitted.

e. WHP Orientation: Applicants must attend WHP Orientation as the initial step in the WHP process.

f. Homebuyer Education: All applicants must attend an 8-hour homebuyer education training through a HUD approved or NeighborWorks approved Housing agency.

g. Bank Financing: Applicants are permitted to use the bank / lender of their choice for first mortgage financing.

h. Second Mortgage Award

| Income Groups | AMI % | Maximum Assistance % |
|---------------|-----------|----------------------|
| Low | 60-80% | 27% |
| Moderate-1 | >80-100% | 20% |
| Moderate -2 | >100-120% | 15% |
| Middle | >120-140% | 10% |

* Maximum assistance is a percentage of the Sales Price

Second Mortgage / Gap Financing requirements (*include but are not limited to*):

1. **Loan:** Funds will be awarded as a deferred payment loan secured by a recorded mortgage and promissory note.
2. **Interest Rate:** 0%
3. **Affordability Period:** 15 years
 - (a) If property is sold prior to expiration of the affordability period, the housing unit must be sold to an eligible WHP buyer.
 - (b) If property is sold prior to expiration of the affordability period, the down payment assistance must be repaid in full.
 - (c) If property is sold after expiration of the affordability period, the WHP restrictions are removed. The unit can be sold at market rate, and the buyer is not required to be income eligible.

4. **Default/Recapture**

The loan will be in default if any of the following occurs: sale, transfer, or conveyance of property; conversion to a rental property; loss of homestead exemption status; or failure to occupy the home as primary residence. If any of these occur, the original loan amount will be due and payable. The unit will remain subject to the affordability restrictions for the remainder of the affordability period.

5. Applicants must secure a first mortgage approval by a lender, to be eligible for down payment assistance.

i. **Recipient Selection Criteria**

1. Applicants will be assisted based on a first-qualified, first-served basis.
2. Annual Report: Homeowners will be required to report annually to our department.
3. When required by the developer, buyers must provide their earnest money deposit to the developer at the time of signing a sales contract. The minimum EMD is determined by the applicant and the developer.

j. **Underwriting Criteria** (*include but is not limited to*):

Actual amount of assistance will be based on debt-to-income ratios.

1. Front-end ratio (*housing payment*) – between 30% and 35% of monthly household income, including HOA assessments
2. Back-end ratio (*overall credit and debt payments*) – cannot exceed 48% of the monthly household income

k. **Frequently Asked Questions**

1. **Do I automatically receive the maximum funding assistance provided in the income group I qualify for?**

No. The final amount of assistance will be determined by the program requirements, which include (but not limited to) underwriting criteria, household income and assets.

2. **Can I purchase a WHP unit in a higher income group than what my income qualifies me for?**

Yes, provided you meet all the eligibility and underwriting requirements of the WHP.

Please note that if you are seeking down payment assistance, the amount of down payment assistance provided will not exceed the maximum for the group / category you are purchasing a home in. For instance, if your income places you in the Moderate-1 group and you want to purchase a home in the Moderate-2 group, the maximum down payment assistance will not exceed the eligible percentage for the Moderate-2 group.

3. **Can I purchase a WHP unit in a lower income group than what my income qualifies me for?**

This is not preferable, but will be reviewed on a case-by-case basis.

4. **Do I need to be a first-time homebuyer to participate in the WHP?**

No. As a first-time homebuyer you are eligible, but it is not a requirement for the WHP.

5. **What if my household income/assets exceed the approved ranges after I purchase the WHP home?**

The income/asset ranges are only applicable at the time of purchase. If your income/asset changes after you have purchased the home, there is no adverse impact from the County.

6. **What if the sales prices of the homes change after I receive my**

eligibility certificate?

The certificate of eligibility is valid for up to 2 years.

In order to be guaranteed the sales price listed on the certificate, you will need to enter into a sales contract with the developer/seller. The sales contract will contain the final sales price for the property being purchased.

7. If I own an existing home (mobile home), am I eligible to participate in the workforce housing program?

Possibly. Owners of existing homes must ensure that the WHP Developer is willing to sign a contract while owning a home. Homes must be conveyed prior to the closing of the new property. Quit claim deed is not an acceptable means of conveyance of property. Owners of existing homes must be reviewed on a case-by-case basis to determine their eligibility for the WHP.

8. What if I am approved for the WHP and another developer comes into the program, can I purchase a home in that development?

Yes. You can purchase a home in any existing or future development, provided you are not under contract to purchase a WHP home already.

9. Is there a ceiling on how much the lender can charge for origination fee?

Yes. Lender's origination fee cannot exceed 1.75% of the loan amount.

I. Other WHP Information

Attachment 1 – WHP Restrictive Covenant Requirements

Attachment 2 – WHP Processing Procedures

Attachment 3 – Current WHP Purchase and Sales Prices