

2018 Workforce Housing Program Annual Monitoring Report

Name of Project: Goldsborough Farm
Townsend, Delaware

Description of Location: Council District 12. Goldsborough Farm is located north of Fieldsboro Road, just a quarter mile east of South DuPont Highway (Route 13). There are no DART bus routes that service the area; however, there are Park & Ride or Park & Pool locations close by.

Property Owner: Harley Development, LLC
200 Mary Ella Drive
Wilmington, DE 19804

<u>Number of Units Approved:</u>	143
<u>Number of Units Completed:</u>	66
<u>Percentage of Total Units Completed:</u>	46.2%
<u>Number of Workforce Housing Units Required:</u>	13
Workforce Housing Units Sold:	4
Workforce Housing Units Rented:	0
<u>Percentage of WFH Units Completed:</u>	30.8%

**as of September 30, 2018*

On June 8, 2018, Tasheena Friend and Stephanie Rizzo of the Department of Community Services performed the annual monitoring inspection. Paul Handler, Handler Homes, represented the developer, Harley Development. Jamie Holland, Sales Manager, was also in attendance. The meeting occurred in the model home at Goldsborough Farm. The builder advised they are now offering a one-story model option.

The original neighborhood entrance was closed. It was only meant to be a temporary entrance. New entrance is a circle intersection with Preserve at Robinson Farms. There are three (3) workforce housing lots in this phase of construction. It is their intention to find low-qualified buyers for those lots. Thirteen (13) workforce housing units are required in Goldsborough Farms. Currently, only four (4) have been sold and they were all moderate-qualified buyers. Seven (7) must be sold to low-qualified buyers.

The builder was reminded of Delaware State Housing website to post Workforce Housing units if interested. A required form needs to be completed and pictures are encouraged. The current Maximum Sales Price Chart was distributed.

Key Issues and Recommendation:

The developer has consistently advised on the hindrance of finding a low-qualified household to afford the mortgage of a house priced at the maximum sales price of approximately \$297,000. It would have to be a large family with one household income, or a senior with low taxable income. With the one-story option now available, it will be attractive to seniors. There is currently a low-qualified household with an executed purchase agreement for a workforce housing unit in Goldsborough Farms. The unit is currently under construction and will go to settlement in 2019.

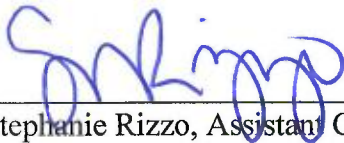
The first workforce housing resale has been initiated in Goldsborough Farms. It was with the second workforce housing buyer to go to settlement since the commencement of the program. Unfortunately, the sellers attempted to sell the property without informing New Castle County. They misunderstood and thought the affordability period was only for five (5) years. The realtor they used was the same realtor they used to purchase their house. The Workforce Housing Buyers Agreement was caught by the new buyer's settlement attorney a week before settlement. Sadly, the buyer decided to cancel the contract upon learning of the restrictions. The seller had already vacated the property and moved to Florida.

Upon further review of the executed Buyers Agreement, it was discovered that once New Castle County became aware of the sale, there are 90 days to approve an income qualified buyer and go to settlement. Otherwise, the seller can sell the house to any resale purchaser. The Department received four (4) applications for purchase. The first three (3) were over income, with the final application meeting income guidelines. However, the seller had already accepted an offer from one of the unqualified applicants with settlement occurring after the 90 days expired. A Resale Profit will be calculated and a payment will be made to the Housing Trust fund if there is a profit after customary closing costs.

There were challenges and the situation was problematic. However, it became an opportunity to make changes for the future. The Buyers Agreement is being updated to reflect current law, which allows 180 days to find and settle the property with an income qualified household.

Floor plans and photos of Goldsborough Farms are attached to this report. Current Maximum Sales Price Chart is also attached.

Completed by:



Stephanie Rizzo, Assistant Community Services Administrator

Date: 10/17/18

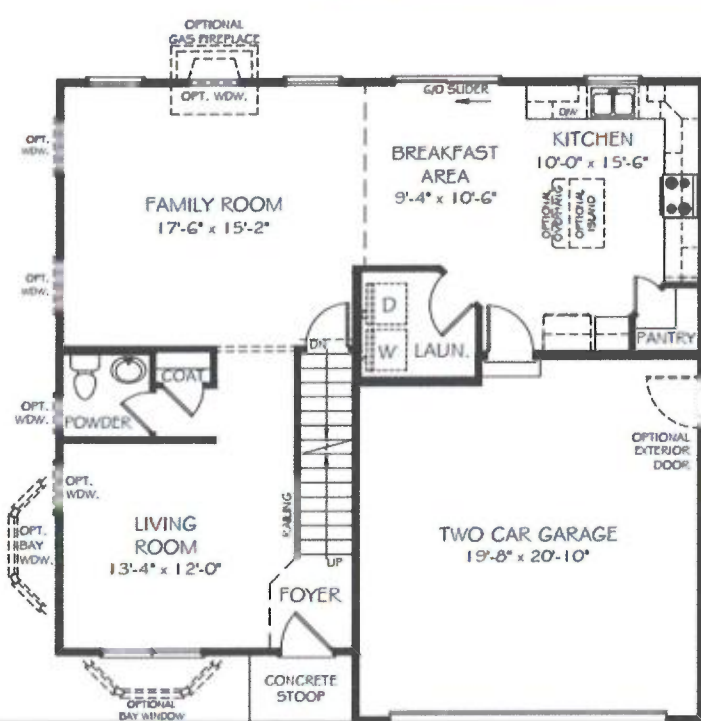
Reviewed and approved by:



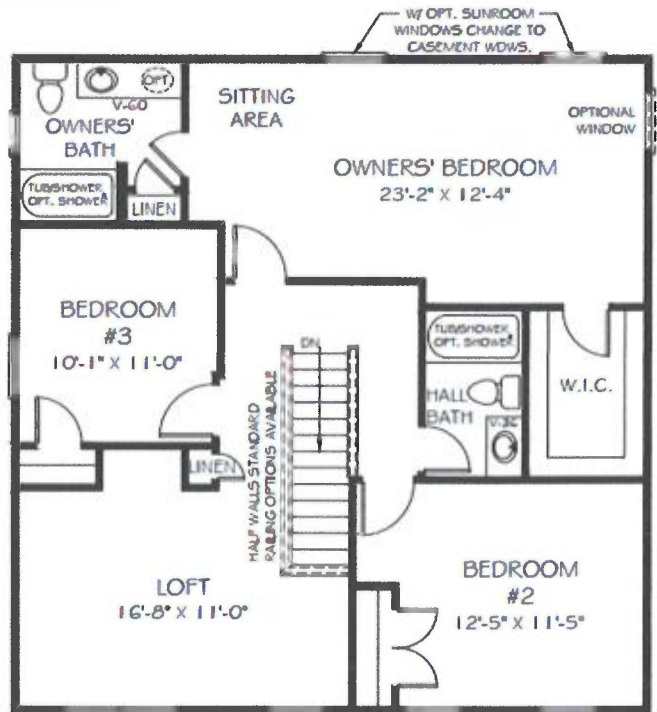
Marcus Henry, General Manager

Date: 10/18/18

THE FALLSTON II MODEL
Starting at \$300,900

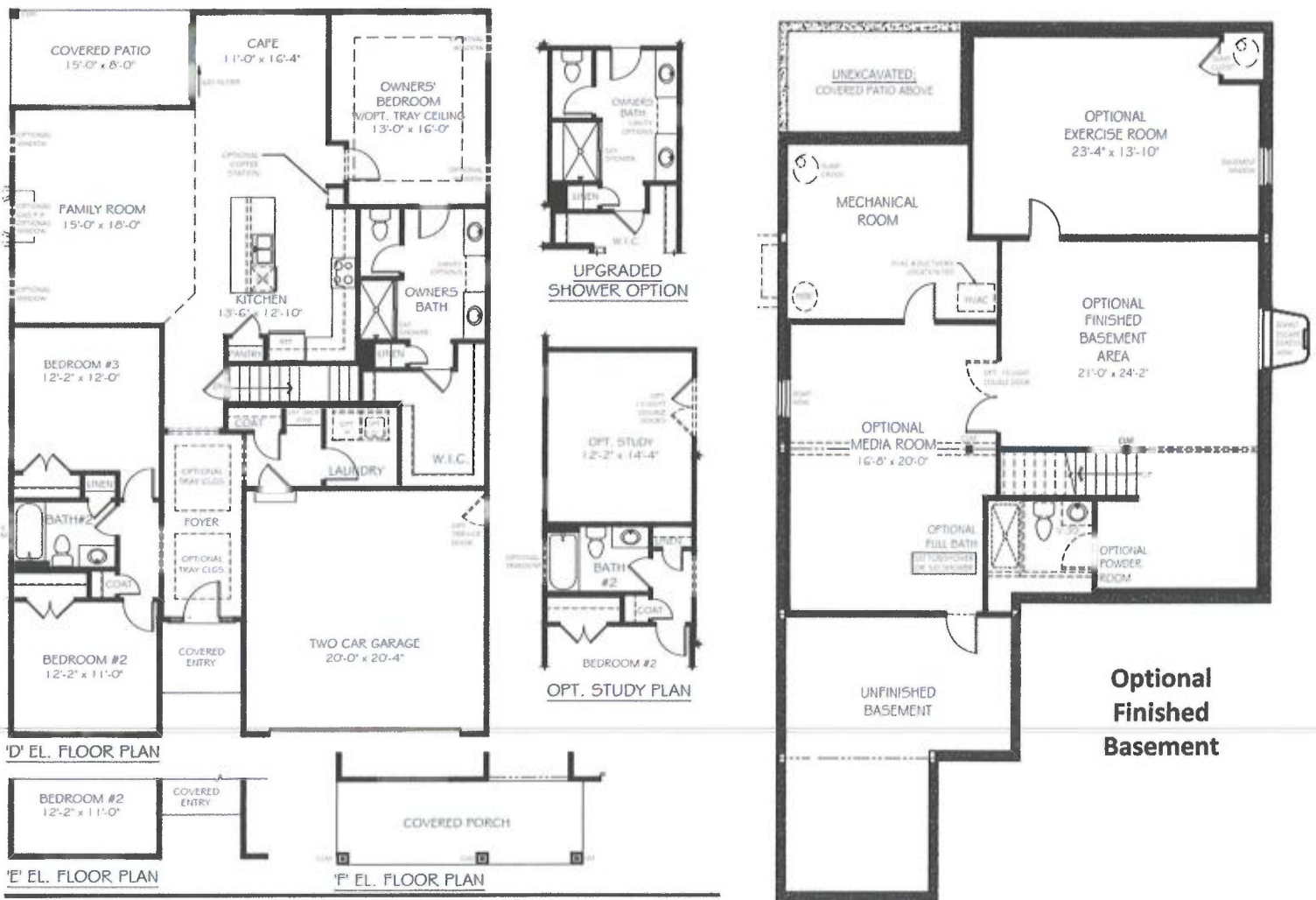


First floor



Second floor

THE LAKELAND MODEL
Starting at \$319,400



Main floor plan

Photos from Goldsborough Farm:



Neighborhood Entrance



Model Home



Under Construction



Site work

MAXIMUM SALES PRICE CHART

New Castle County Department of Community Services
Quarterly Maximum Allowable Sales Price Calculation Chart
Fourth Quarter October 1, 2018 - December 31, 2018

Unit Bedroom Size	0	1	2	3	4	5
Household Size	1	2	3	4	5	6
Annual Median Household Income for Household Size*	80%	80%	80%	80%	80%	80%
	\$48,950.00	\$55,950.00	\$62,950.00	\$69,900.00	\$75,500.00	\$81,100.00

Annual Housing Affordability Level**	\$14,685.00	\$16,785.00	\$18,885.00	\$20,970.00	\$22,650.00	\$24,330.00
Monthly Housing Affordability Level	\$1,223.75	\$1,398.75	\$1,573.75	\$1,747.50	\$1,887.50	\$2,027.50
Monthly Cost for Real Estate/School Taxes***	\$192.76	\$192.76	\$192.76	\$192.76	\$192.76	\$192.76
Monthly Cost for Homeowner' Insurance****	\$45.71	\$45.71	\$45.71	\$45.71	\$45.71	\$45.71
Monthly Maintenance Reserve (5%)	\$61.19	\$69.94	\$78.69	\$87.38	\$94.38	\$101.38
Monthly Maintenance Association Fee*****	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50
Available for Mortgage Payment	\$911.59	\$1,077.84	\$1,244.09	\$1,409.16	\$1,542.16	\$1,675.16

Interest Rate for Prevailing Rate-30 Year Fully Amortized Fixed Rate	Mortgage Calculation			
	Interest Rate*****	4.72%	Factor Per Thousand	\$5.18
	FreddieMac September 27, 2018			

Maximum Mortgage Loan Amount	\$175,983.11	\$208,077.70	\$240,172.30	\$272,037.64	\$297,713.32	\$323,389.00
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Maximum Sales Price <i>Rounded Down to Nearest \$100</i>	\$175,900.00	\$208,000.00	\$240,100.00	\$272,000.00	\$297,700.00	\$323,300.00
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Approved by:  Date: 10/2/18
 Marcus Henry, General Manager, Department of Community Services Date

New Castle County Department of Community Services
Quarterly Maximum Allowable Sales Price Calculation Chart
Fourth Quarter October 1, 2018 - December 31, 2018

Unit Bedroom Size	0	1	2	3	4	5
Unit Household Size	1	2	3	4	5	6
Annual Median Household Income for Household Size*	120%	120%	120%	120%	120%	120%
	\$73,440.00	\$84,000.00	\$94,440.00	\$104,880.00	\$113,280.00	\$121,680.00

Annual Housing Affordability Level**	\$22,032.00	\$25,200.00	\$28,332.00	\$31,464.00	\$33,984.00	\$36,504.00
Monthly Housing Affordability Level	\$1,836.00	\$2,100.00	\$2,361.00	\$2,622.00	\$2,832.00	\$3,042.00
Monthly Cost for Real Estate/School Taxes***	\$192.76	\$192.76	\$192.76	\$192.76	\$192.76	\$192.76
Monthly Cost for Homeowner' Insurance****	\$45.71	\$45.71	\$45.71	\$45.71	\$45.71	\$45.71
Monthly Maintenance Reserve (5%)	\$91.80	\$105.00	\$118.05	\$131.10	\$141.60	\$152.10
Monthly Maintenance Association Fee*****	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50
Available for Mortgage Payment	\$1,493.23	\$1,744.03	\$1,991.98	\$2,239.93	\$2,439.43	\$2,638.93

Interest Rate for Prevailing Rate-30 Year Fully Amortized Fixed Rate	Mortgage Calculation			
	Interest Rate*****	4.72%	Factor Per Thousand	\$5.18
	FreddieMac September 27, 2018			

Maximum Mortgage Loan Amount	\$288,268.34	\$336,685.33	\$384,552.12	\$432,418.92	\$470,932.43	\$509,445.95
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Maximum Sales Price <i>Rounded Down to Nearest \$100</i>	\$288,268.00	\$336,600.00	\$384,500.00	\$432,400.00	\$470,900.00	\$509,400.00
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Approved by:  Date: 10/2/18
 Marcus Henry, General Manager, Department of Community Services Date