

2018 Workforce Housing Program Monitoring Report

Name of Project: Spring Oaks
Townsend, Delaware

Description of Location: Council District 12. Spring Oaks is located on Dupont Parkway. It is just south of the town of Odessa. There is no DART service to this location. There is a Park & Ride facility located close by.

Property Owner: Spring Oaks Development LLC
P.O. Box 1037
Middletown, DE 19709

<u>Number of Units Approved:</u>	247
<u>Number of Units Completed:</u>	63
<u>Percentage of Total Units Completed:</u>	25.5%
<u>Number of Workforce Housing (WFH) Units Required:</u>	50
Workforce Housing Units Sold:	3
Workforce Housing Units Rented:	25
<u>Percentage of WFH Units Completed:</u>	56%

as of September 30, 2018

Narrative:

On June 19, 2018, Tasheena Friend and Stephanie Rizzo, Department of Community Services, performed the annual monitoring inspection at Spring Oaks. Jay Heilman, Sales Manager, was present and represented the developer, Landmark Homes.

The meeting occurred onsite at the sales office in the model home. There were two pending sales at the time and were discussed.

A tour of an actual Workforce Housing unit occurred. Landmark Homes provides many “upgrades” as standard options: wood floors, lever handles and paneled doors, stainless appliances, and recessed lighting in kitchen. They have been offering \$3,000 off the unit with no lot premium. If the buyer goes with Pike Creek Mortgage, there is an additional \$5,000 incentive. There have been some delays on delivery with Landmark Homes, but their product is quality craftsmanship.

It was discussed possibly selling Phase II & III to Ryan Homes. If so, Ryan Homes will be offering their “Simply Ryan” product.

Since 25 of the units are located off-site in Cheltenham Village, TaSheena Friend and Stephanie Rizzo completed an annual monitoring inspection on June 27, 2018. The property manager was unaware of the inspection as the previous manager no longer worked for the company. Property manager provided email contact to verify tenants.

On September 5, 2018, TaSheena Friend and Stephanie Rizzo met with Ryan Homes. They will continue with building the remaining phases of Spring Oaks. Colin Carr, Amy Petkevis, and Illyana Stennett were present for the meeting. Amy is familiar with Workforce Housing, as she sold for High Hook Farms previously. The difference with Spring Oaks Workforce Housing Agreement was discussed. Copies of the agreement, as well as brochures, applications and business cards were distributed.

The developer and sales staff were 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 at time of inspection.

Photos and floor plans of Spring Oaks (Both Landmark and Ryan Homes) and photos of Cheltenham Village are attached to this report. Maximum Sales Price Chart is also attached.

Key Issues and Recommendation:

There have been delays with Landmark Builders and several sales have fallen through because of the holdup.

Spring Oaks has a waiver and special agreement, therefore, an additional maximum sales price chart and income guidelines must be maintained specifically for this development. Their affordability period of five (5) years is attractive to Workforce Housing homebuyers. However, because the affordability period is a shorter timeframe, the incentives offered to buyers are not as enticing as incentives offered by other Workforce Housing builders.

Completed by:

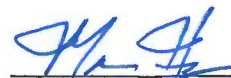


Stephanie Rizzo, Assistant Community Services Administrator

Date:

1/3/19

Reviewed and approved by:



Marcus Henry, General Manager

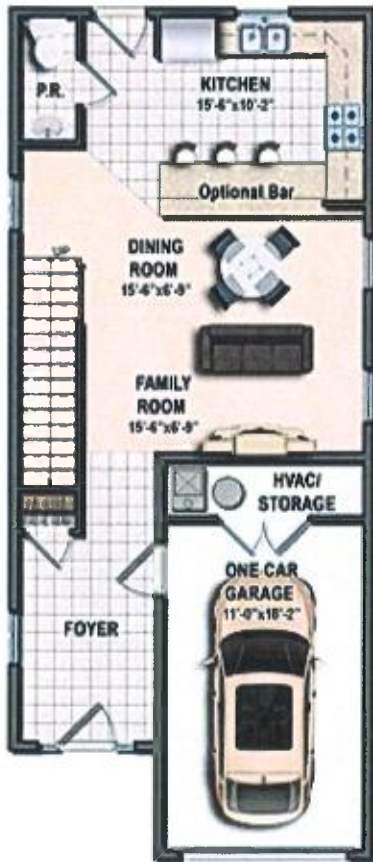
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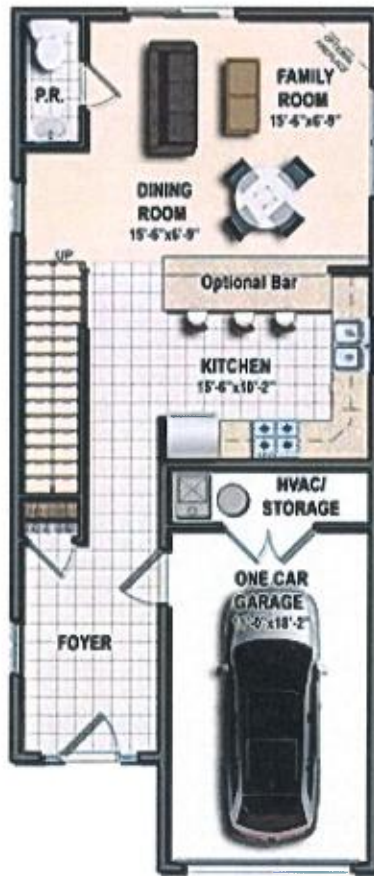
Photos of Spring Oaks



Spring Oaks – Landmark Homes



*First Floor Plan
Opt. Rear Kitchen*



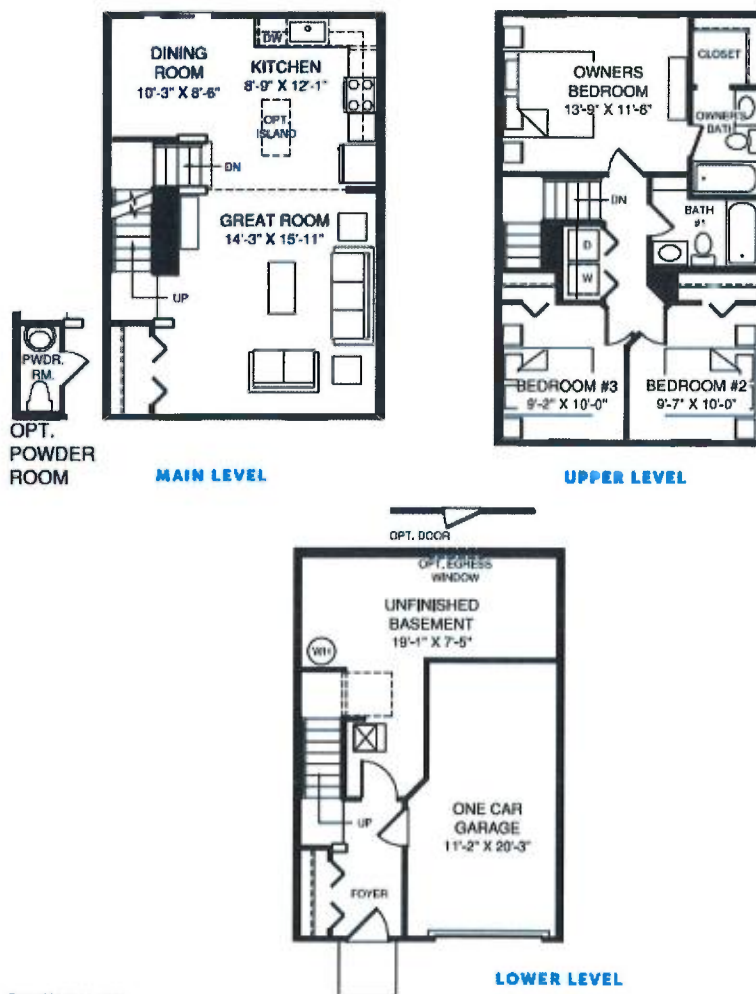
First Floor Plan



Second Floor Plan



Spring Oaks - Simply Ryan



RyanHomes.com



Cheltenham Village



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

Unit Bedroom Size	0	1	2	3	4	5
Household Size	1	2	3	4	5	6
Annual Median Household Income for Household Size*	100%	100%	100%	100%	100%	100%
	\$61,200.00	\$70,000.00	\$78,700.00	\$87,400.00	\$94,400.00	\$101,400.00

Annual Housing Affordability Level**	\$18,360.00	\$21,000.00	\$23,610.00	\$26,220.00	\$28,320.00	\$30,420.00
Monthly Housing Affordability Level	\$1,530.00	\$1,750.00	\$1,967.50	\$2,185.00	\$2,360.00	\$2,535.00
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%)	\$76.50	\$87.50	\$98.38	\$109.25	\$118.00	\$126.75
Monthly Maintenance Association Fee*****	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50	\$12.50
Available for Mortgage Payment	\$1,202.53	\$1,411.53	\$1,618.16	\$1,824.78	\$1,991.03	\$2,157.28

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	\$232,148.65	\$272,496.14	\$312,385.14	\$352,274.13	\$384,368.73	\$416,463.32
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Maximum Sales Price Rounded Down to Nearest \$100	\$232,100.00	\$272,400.00	\$312,300.00	\$352,200.00	\$384,300.00	\$416,400.00
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Approved by:  10/2/18
 Marcus Henry, General Manager, Department of Community Services Date