

The City's Affordable Housing Ordinance requires a percentage of new homes and those where the developer and/or buyer received a City subsidy be affordable for very low to above moderate income households. These homes are part of the City's Affordable Housing Program and may also be referred to as inclusionary or deed restricted units.

Each home under the program is restricted to a specific income category. Prospective buyers must be first time homebuyers and may purchase units at or above their projected annual household income based on household size.

For instance, if the home is restricted as a "Moderate Income" unit, the buyer's projected annual household income must be at or below the limit shown in the "Moderate" column for that buyer's household size.

All prospective buyers must be approved by the City and enter into a Buyer's Occupancy and Resale Agreement prior to the close of escrow. The Agreement is recorded against the property along with a Deed of Trust securing the Agreement.

By signing this Agreement, the buyer agrees to occupy the home as their principal place of residence, participate in the City's annual monitoring process and re-sell the home to an income eligible buyer at a price **not to exceed** the maximum allowable sales limit based on restricted income category and number of bedrooms. **Note:** the sales limit may exceed or be less than the appraised value depending on current market conditions.

Homes sold under the Program must meet minimum housing standards and pass a housing and lead based paint inspection prior to close of escrow.

Buyer's who have been qualified for a fully amortized, 30 year, fixed rate 1st mortgage loan and entered into a contract to purchase a deed restricted home must have their lender contact the City to begin the application process. The City will notify your lender regarding the status of the application.

The City must approve all loans that are to be secured by and recorded against the home. Only no-cash refinances may be allowed.

CITY OF WATSONVILLE

AFFORDABLE HOUSING PROGRAM



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SE HABLA ESPANOL





**City of Watsonville Affordable Housing Program Limits
Effective 8/25/2020**



Income Limits								
Income Category	Number of Persons in Household							
	1	2	3	4	5	6	7	8
Very Low	\$43,150	\$49,300	\$55,450	\$61,600	\$66,550	\$71,500	\$76,400	\$81,350
Low	\$53,900	\$61,600	\$69,300	\$77,000	\$83,200	\$89,350	\$95,500	\$101,650
Median	\$64,700	\$73,950	\$83,200	\$92,400	\$99,800	\$107,200	\$114,600	\$122,000
Moderate	\$80,850	\$92,400	\$103,950	\$115,500	\$124,750	\$134,000	\$143,250	\$152,500
Above Moderate	\$91,650	\$104,750	\$117,850	\$130,900	\$141,400	\$151,850	\$162,350	\$172,800

Note: These limits are established by the City Council and change on an annual basis.

Sales Price Limits					
Income Category	Number of Bedrooms				
	Studio	1	2	3	4
Median	\$249,815	\$285,503	\$321,190	\$356,878	\$385,429
Moderate	\$299,778	\$342,603	\$385,429	\$428,254	\$462,514
Above Moderate	\$374,722	\$428,254	\$481,786	\$535,317	\$578,143

Note: The sales price limit is the maximum amount that an affordable unit can be sold for and is determined based on the higher of two different formulas. The above limits are based on the Affordable Housing Program formula, which is established by the City Council on an annual basis. The other formula is based on the Housing price Index, which changes throughout the year. In addition, these limits are not connected to the appraised value, which may be higher or lower.

The information provided in this brochure is a summary of the main program requirements. For additional information, you may contact the Redevelopment and Housing Department at 768-3080 or go to the housing page under Departments on the City's website at www.cityofwatsonville.org. A copy of the Affordable Housing Ordinance (Title 14, Chapter 14-46) can be found at <http://www.codepublishing.com/ca/watsonville> under Title 14, Chapter 14-46.