

21 Arden Street – Marketing Seminar Frequently Asked Questions (FAQ)

This is for informational purposes only. Please refer to the exemption application for additional information. All Purchasers are encouraged to retain an attorney before signing any legal documents.

21 Arden Street Cooperative was developed through the New York City Department of Housing Preservation and Development’s Affordable Neighborhood Cooperative Program (ANCP). Information on the building and applicant eligibility is outlined below. **Please note that only applicants who are first time homebuyers are eligible to apply, and all units must be owner-occupied as a primary residence. Only applicants with family sizes of 1,2,3,4 or 5 who meet the income and asset requirements will be considered.**

Application Deadline

Q. When are applications due?

A. Applications must be postmarked by **June 13, 2022**

Unit & Building Information

Q. What is the size and price of the unit?

A. The units are two (2) 1-bedroom unit (approximately 401 Sq. Ft.) and will be sold for \$149,054 and one (1) 2-bedroom unit (approximately 604 Sq. Ft.) will be sold for \$178,865 with an initial monthly maintenance of \$879.17 and \$1,315.85, respectively.

Q. Can I see a unit?

A. Units will be shown to applicants who have been selected in order of the lottery, and who are found to be qualified, based on Income, assets, and qualification for Coop Mortgage Financing.

Q. Do units come with washer and dryer?

A. There are no washer/dryers in the units. There is a Laundry Room in the building.

Q. Is the building pet-friendly?

A. Pet policies are governed by the House Rules, which are attached to the Proprietary Lease. The co-op board may adopt and amend House Rules as necessary and any changes will be furnished to all shareholders.

Eligibility

Income and Assets

Q. What are the income and asset requirements for this project?

A. The required income ranges and maximum asset limits are outlined in the chart below. The income ranges and maximum asset limits are adjusted for family size. Please note that the required 3% down payment does not count towards a household’s asset limit.

<u>Bedrooms</u>	90% AREA MEDIAN INCOME (AMI) UNITS	Units Available	Household Size*	Total Annual Income Range Minimum – Maximum**	Asset Limit*** (\$198,975 + Minimum Down Payment)	Monthly Maintenance	Estimated Subsidized Prices
1 bedroom		2	1 person	\$58,000-\$84,060	\$248,355	\$879.17	\$149,054
			2 people	\$58,000 - \$96,120	\$248,355		
			3 people	\$58,000 - \$108,090	\$248,355		

<u>Bedrooms</u>	90% AREA MEDIAN INCOME (AMI) UNITS	Units Available	Household Size*	Total Annual Income Range Minimum – Maximum**	Asset Limit*** (\$198,975 + Minimum Down Payment)	Monthly Maintenance	Estimated Subsidized Prices
2 bedroom		1	2 people	\$79,000-\$96,120	\$251,337	\$879.17	\$178,865
			3 people	\$79,000- \$108,090	\$251,337		
			4 people	\$79,000- \$120,060	\$251,337		
			5 people	\$79,000 -129,690	\$251,337		

Q. What if my household size is too large or too small?

A. Only applicants with household sizes of 1,2,3,4 or 5 will be considered. Your application **must** list all members of the household who will live with you in the unit.

Q. Does income refer to gross or net income of the household?

A. Income qualification is based on the household’s gross annual income. For self-employment applicants, the net income will be considered.

Q. After I purchase shares in the cooperative, what happens if my income falls outside the income bracket?

A. The shareholder must income-qualify at the time of purchase only. The shareholder’s income is not reassessed after purchase. As a shareholder, you are required to pay your monthly maintenance and monthly mortgage.

Q. What is considered income? What about savings?

A. Income and assets are regarded separately. In order to qualify, you must have income within the ranges outlined on the advertisement and noted above. The total value of your assets may not exceed \$248,355 (1 bedroom asset limit) or \$ 251,337 (2-bedroom asset limit) , as noted in the chart above. Income includes employment income, self-employment income, and other sources including but not limited to child support, unemployment benefits, supplemental security income (SSI), social security, and pensions. Assets include financial assets such as savings accounts, checking accounts, trusts, investment assets (stocks, bonds, etc.), cash savings, miscellaneous investment holdings, etc. Balances in specifically designated retirement funds and college savings accounts are not subject to the asset limit, but are counted when calculating income from assets. The entire market value of any interest in real property is subject to the asset limit. **Households with any member who has ever owned interest in real residential property are ineligible.** For other capital investments, only the applicant’s equity in the investment is subject to the asset limit.

Q. What if I have sufficient income to meet the monthly maintenance, but my income does not fall within the income bracket?

A. In order to qualify, an applicant’s income must fall within the income brackets outlined in the advertisement, attached.

Q. What income will be considered to evaluate my application?

A. The sponsor expects to finalize the processing of all applications by the Summer of 2022. However, an applicant’s employment income is determined based on the applicant’s pay stubs, previous year’s tax returns, and third-party employment verification. The highest amount of the three is considered the applicant’s employment income. Self-employment income is determined using the average of the three preceding years’ tax returns and projected income for the current year.

Q. Is this opportunity on a first come, first processed basis, without regard for the usual preferences (municipal employees, community residents, disabilities)?

A. No, applications will be collected and randomized to create a lottery log. A general preference will be given to New York City residents.

First-Time Homebuyer

Q. Is this for first time home buyers only?

A. Yes.

Q. What if I own property outside of NYC and/or NYS?

A. No member of the applicant's household may own, or have previously purchased, any interest in residential real property both in NYC and Outside of NYC.

Q. What if my spouse owns a property in NYC prior to marriage? Would I be eligible?

A. No. No member of the applicant's household may own, or have previously purchased, any interest in residential real property.

Q. What if I own property outside the US?

A. No member of the applicant's household may own, or have previously purchased, any interest in residential real property either in the US or outside of the US.

Financing

Q. Do I have to pay a down payment and closing costs?

A. Yes, **eligible purchasers are required to cover at least a 10% down payment** (\$3,017 for this project). This must be covered by the purchasers own funds (i.e., not a grant, loan or gift) and must be "seasoned," meaning that you must show evidence of having these funds in your bank account for at least 3 months. **The purchaser is also responsible for paying closing costs, which are estimated to be approximately 6% of the purchase price** (approximately \$6,034).

Maintenance Payments

Q. What is the maintenance amount and what does it cover?

A. The initial maintenance is set at \$879.17 (1-bedroom) and \$1,315.85(2-bedroom) per month and is subject to an annual increase of at least 2% per year. The maintenance covers building expenses including common utility charges, repairs and replacement, heating, insurance, property management, legal and accounting costs, capital repair reserve contributions and underlying mortgage payments, etc.

Selling the Unit

Q. If I am found qualified and purchase shares in the cooperative, when can I sell the shares?

A. If you are found to be qualified and choose to purchase shares in the cooperative, you may sell the unit whenever you choose. **However, the purchase price will be restricted to a price affordable to families at 90% AMI or below.** Additionally, the sale of shares will be subject to a profit sharing schedule (flip tax) for the term of the regulatory agreement whereby a portion of the sale profit will be retained by the Apartment Corporation to be deposited into the co-op's reserve account and used to pay down the underlying mortgage. The profit-sharing schedule for Resales is outlined below.

Year (annual anniversary of cooperative conversion)	Percentage of Profits to Shareholder	Percentage of Collected Flip Tax to Operating Reserve Account	Percentage of Collected Flip Tax to pay down HPD Loan
1 through 3	0%	10%	
4	25%		
5	50%		
6	75%		
7-Expiration Date	90%		

Subleasing

Q. Can I rent out the unit?

A. A unit may be subleased, subject to the approval of the Board and the Monitor. Any subtenant must meet the income guidelines of the HDFC, and the sublease rent may not exceed the maximum sublease rent. No shareholder may sublease their unit for more than a cumulative total of eighteen (18) months in any five (5) year period