HHOC Housing and Land Trust (HHLT)
Sales Packet for Plantation Town Apartments 807
Revised 10-21-26

The following information is provided for prospective buyers and their real estate agents to understand the purpose of this program and the special requirements for buyers of our homes.

Program Purpose:

HHOC Housing and Land Trust (HHLT) is a non-profit organization that was created for the purpose of preserving the inventory of affordable homes. HHLT believes that since the resources required to create an affordable unit are significant, preservation of existing inventory in addition to creating new units are a good use of funds designated for affordable housing.

How we are preserving affordable homes:

HHLT intends to acquire homes that are under the resale or buy-back restriction period with a government agency. The buy-back restriction refers to the requirement of a homeowner to allow the government agency associated with the affordable unit they purchased or a qualified non-profit agency to have the first option to buy-back or repurchase the unit. The price the government agency or qualified non-profit agency will purchase the unit during this time is not based on the market value of the home; it is based on a calculated formula that will allow resale to another income-qualified buyer to purchase the home at an affordable price.

HHLT also acquires homes listed on the open market and subsidizes the resale cost to create an affordable unit.

HHLT will keep the homes affordable over time through sale and buy-back restrictions. The section in this packet regarding the sale and buy-back restrictions should be read carefully by those who are considering purchasing a home through HHLT for details.

When HHLT resells the unit, it is intended to sell at a below-market price with the restrictions noted in the Sale and Buy-Back Restrictions section of this packet to keep the home at an affordable price for as long as possible.

General Eligibility Requirements:

1. Applicants must be a first-time homebuyer defined as an individual who has not owned a majority interest in real property improved for residential use for at least three (3) years prior to the closing date of the proposed purchase from the HHLT.

2. Applicants must be at least 18 years old and a citizen of the U.S. or a permanent resident alien living in the State of Hawaii with a bona fide intent to reside in the unit purchased.

3. Units will be offered for sale to eligible purchasers with a household income up to one hundred twenty percent (120%) of the median household income based on the U.S. Department of Housing and Urban Development standards adjusted for family size in the corresponding County.

    a. The household income includes income of all members who will live in the home who are 18+ years of age regardless of whether they will be borrowers for the home financing. A notarized statement regarding the household members in the home may be required.

    b. The most recent federal tax returns will be the primary basis for income verification. 3 years of tax returns must be submitted within 5 days after a buyer's offer is accepted.

    c. HHLT may consider pay stubs or statements (i.e. Social Security, pension) in lieu or in addition to tax returns for this purpose.

    HONOLULU COUNTY:

	1-PERSON	2-PERSON	3-PERSON	4-PERSON	5-PERSON
Maximum income per family size based on 120% AMI*	$129,360	$147,840	$166,320	$184,800	$199,680

    *AMI = Area Median Income established by the U.S. Department of Housing and Urban Development (HUD). The income limits followed by HHLT will change when HUD updates their limits.

4. Applicants must abide by the sale and buy-back restrictions attached hereto.

5. Applicants must have the ability to finance or fund the purchase.

6. You may have a family member as a co-mortgagor, but that person's interest in the home must be no more than one percent (1%) and the co-mortgagor must certify that s/he will not reside in the home. This person's income will not be included in the Annual Gross Household Income calculation.

7. Completion of homebuyer education and an individual session with a homeownership counselor or coach from Hawaii HomeOwnership Center is required. The homebuyer education completion certificate and a form certifying the homeownership counseling content has been addressed must be provided no later than 12 days prior to closing.

a. Counseling content during the individual counseling session will include a review of the deed restriction document including the buy-back restriction, resale price calculation, and shared appreciation.

8. Buyer Selection Process: The home will be listed on the Multiple Listing Service (MLS) and HHLT will negotiate offers for the property. Note: The commission for real estate agents representing buyers of the property is limited to 2% to ensure that HHLT can offer the home at a below-market price.

9. HHLT will request permission from its homebuyers to publicize the purchase of their home.

SALE AND BUY-BACK RESTRICTIONS

The following is a sample of the restrictions associated with a home purchased from HHLT. The Mortgagee is the lender and the Mortgagor is the borrower. The Owner is the buyer/future owner of the HHLT property.

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("Declaration"), dated _____, 202___, by HHOC HOUSING AND LAND TRUST, a Hawaii nonprofit corporation ("HHLT").

R E C I T A L S

WHEREAS, HHLT is the owner of that certain Apartment No. INSERT of the "INSERT" Condominium Project, together with the undivided percentage interest in the common elements appurtenant thereto, being the property more particularly described in Exhibit "A" attached hereto and made a part hereof ("Property"); and

WHEREAS, HHLT has agreed to sell the Property to INSERT ("Buyer"), and Buyer has agreed to purchase the Property from HHLT, subject to certain covenants, conditions and restrictions as set forth herein.

NOW, THEREFORE, the acceptance of a deed or other conveyance by Buyer or any person thereafter shall constitute acceptance of this Declaration and the covenants, conditions and restrictions herein, regardless of whether or not said instrument is expressly made subject hereto. This Declaration shall be binding upon and enforceable against Buyer and each owner, purchaser, tenant and occupant of the Property and their respective successors in interest (collectively, "Owner"); shall be deemed incorporated in each deed or other instrument by which any right, title or interest in the Property is granted, devised or conveyed, whether or not expressly referred to herein; and shall benefit HHLT and its successors and assigns.

1. **Use**. (a) Owner shall occupy the Property as Owner's primary residence for a 5-year period after the date of the transaction closing ("reside on the Property"), except in hardship circumstances where Owner has notified HHLT of Owner's inability to reside on the Property arising out of an unforeseeable job or military transfer, serious illness, or other hardship as approved by HHLT on a case-by-case basis.

   (b) From time-to-time HHLT may ask Owner to verify that Owner resides on the Property ("HHLT's Request for Verification").

   (c) If Owner does not reside on the Property or fails to respond to HHLT's Request for Verification within sixty (60) days after the Request is made, then HHLT may presumptively assume that Owner does not reside on the Property and the provisions of Section 4 will apply.

2. **Transfer**. (a) Owner shall not sell, offer to sell, dispose of, transfer, further mortgage, or encumber (each being referred to as a "Transfer") the Property or any interest therein without first notifying HHLT and HHLT providing written consent to any document effectuating a Transfer, provided that Owner's notice and HHLT's consent shall not be required for a transfer by devise, descent, or by operation of law upon the death of a joint tenant.

(b) If HHLT does not consent to a Transfer or becomes aware of a Transfer by Owner that HHLT did not consent to, then the provisions of Section 4 will apply.

3. **Default on Mortgage.** If the Property is subject to a mortgage and (a) Owner is in default under such mortgage for thirty (30) days or more, or (b) an action to foreclose such mortgage has been commenced, then the provisions of Section 4 will apply.

4. **HHLT's Purchase Option.** (a) HHLT shall have an option to purchase the Property from Owner ("HHLT's Purchase Option") upon occurrence of any of the events described in Sections 1, 2 and 3 above (each being referred to as an "Owner Default").

(b) HHLT's Purchase Option will arise upon HHLT's discovery that an Owner Default has occurred and shall continue for ninety (90) days thereafter ("Option Period"); provided, however, that if Owner cures the Owner Default within the Option Period, HHLT's Purchase Option will lapse but remain effective for any subsequent Owner Default.

(c) HHLT may exercise HHLT's Purchase Option by providing written notice to Owner within the Option Period.

(d) Until _____, _____ [5 years from the date of transaction closing] the purchase price by which HHLT may purchase the Property shall be the lesser of:

(1) The original cost to Buyer (inclusive of any credits provided by HHLT and excluding closing costs) (i.e., $_____) and the cost of any Capital Improvements, plus simple interest on the foregoing at the rate of one percent (1%) per annum ("Capital Improvements" means any legal improvements to the Property made by Owner that have a useful life of at least 20 years at installation and are pre-approved by HHLT); or

(2) The current fair market value of the Property as agreed upon by HHLT and Owner, or if they do not agree, then such value shall be determined by a written appraisal prepared by a Hawaii-licensed real estate appraiser selected by HHLT ("Current FMV"). The cost for such appraisal shall be paid for by Owner.

(e) After _____, _____[5 years from the date of transaction closing], the purchase price by which HHLT may purchase the Property shall be the difference between the Current FMV (and the cost for any appraisal shall be paid for by Owner) and the sum of any Subsidy and any Proportionate Shared Appreciation (as such terms are defined below).

(f) If HHLT does not exercise HHLT's Purchase Option within the Option Period, Owner may sell the Property to a third party and shall be entitled to retain the proceeds from the sale; provided, however, if Buyer received the benefit of a Subsidy when it acquired the Property, then upon the sale of the Property, Owner shall repay HHLT the Subsidy and pay HHLT any Proportionate Shared Appreciation, as such terms are set forth as follows:

(1) "Subsidy" means $_____, which is the difference between the original fair market value of the Property as determined by a written appraisal prepared by a Hawaii-licensed real estate appraiser at the time of the original purchase obtained by Owner (i.e., $_____) ("Original FMV") and the original cost to Buyer (inclusive of any credits provided by HHLT and excluding closing costs) (i.e., $_____).

(2) "Proportionate Shared Appreciation" means the Subsidy divided by the Original FMV the product of which is then multiplied by the difference between the Current FMV and the Original FMV.

(g) If HHLT shall not have exercised its Purchase Option and Owner shall have sold the Property to a third party and paid to HHLT the amount required in (f) above, (1) HHLT's Purchase Option will be cancelled; and (2) this Declaration will be cancelled, so that they will no longer affect the Property.

5. **Lender Protection**. (a) This Declaration shall be automatically extinguished and shall not attach in subsequent transfers of title to the Property when a mortgage holder or other party becomes the owner of the Property pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced; provided that the mortgage is the initial purchase money mortgage, or that HHLT consented to and agreed to subordinate the restrictions to the mortgage when originated, if the mortgage is not the initial purchase money mortgage; or when a mortgage is assigned to a federal housing agency.

(a) Any law to the contrary notwithstanding, a mortgagee, prior to commencing mortgage foreclosure proceedings, shall notify HHLT in writing of:

(1) Any default of the mortgagor under the mortgage within ninety (90) days after the occurrence of the default, and

(2) Any intention of the mortgagee to foreclose the mortgage under chapter 667 forty-five (45) days prior to commencing mortgage foreclosure proceedings; provided that the mortgagee's failure to provide written notice to HHLT shall not affect the holder's rights under the mortgage. HHLT shall be a party to any foreclosure action, and shall be entitled to its Subsidy and Shared Appreciation in lien priority when the payment is applicable.

6. **Duration; Amendment or Termination**. This Declaration shall be binding in perpetuity and may be amended or terminated solely by HHLT by executing and recording in the Bureau of Conveyances of the State of Hawaii or in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as applicable, an instrument setting forth such amendment or termination, except as otherwise provided by applicable law.

7. **No Waiver**. No failure to enforce the provisions of any limitation, restriction, covenant or condition of this Declaration shall constitute a waiver of any right by the HHLT to enforce any provisions of this Declaration.

8. **Severability**. The invalidity of one or more provisions of these covenants by judgment or court order shall not affect any of the other provisions hereof.

EXAMPLE OF THE REPURCHASE PRICE CALCULATION

WHEN HHLT REPURCHASES A PROPERTY

HHLT's mission is to preserve the inventory of affordable homes and has the intention of repurchasing all of the homes sold under the HHLT program if/when they become available.

Repurchase price by HHLT within the first 5 years of the owner purchasing the property - EXAMPLE

Assumptions for the example:

Ownership Period	3 years
Original Fair Market Value when the Owner purchased property from HHLT:	$400,000
Purchase Price (Original Cost to Owner):	$340,000
Credit provided by HHLT to Owner at time Purchase:	$0
Legal Capital Improvements Preapproved by HHLT	$10,000
Current Fair Market Value at the time of HHLT Repurchase	$448,000

The purchase price shall be the lesser of:

(1) The original cost to Buyer (inclusive of any credits provided by HHLT and excluding closing costs) (i.e., $685,000 - $2,500.00) and the cost of any Capital Improvements, plus simple interest on the foregoing at the rate of one percent (1%) per annum ("Capital Improvements" means any legal improvements to the Property made by Owner that have a useful life of at least 20 years at installation and are pre-approved by HHLT); or

(2) The current fair market value of the Property as agreed upon by HHLT and Owner, or if they do not agree, then such value shall be determined by a written appraisal prepared by a Hawaii-licensed real estate appraiser selected by HHLT ("Current FMV"). The cost for such appraisal shall be paid for by Owner.

EXAMPLE OF (1):

Purchase Price	$ 340,000.00
Minus Seller Credit to Owner at time of purchase	$ -
Plus Capital Improvements	$ 10,000.00
COMBINED OWNER COST	$ 350,000.00
1% PER ANNUM ($572,500 X .01)	$ 3,500.00
Equity to Owner at 3 years	$ 10,500.00
CALCULATED REPURCHASE PRICE: $350,000 + 10,500	$ 360,500.00

OR

EXAMPLE OF (2):

APPRAISED VALUE OF THE PROPERTY AT TIME OF REPURCHASE BY HHLT	**$ 448,000.00**
REPURCHASE PRICE BY HHLT: THE LESSER OF 1 OR 2 CALCLUATIONS BY HHLT:	$ 360,500.00

EXAMPLE IF HHLT WAIVES ITS OPTION TO REPURCHASE THE PROPERTY OR HHLT REPURCHASES THE PROPERTY AFTER 5 YEARS OF THE OWNER PURCHASING THE PROPERTY

SHARED APPRECIATION AND SUBSIDY OWED TO HHLT

HHLT's mission is to preserve the inventory of affordable homes and has the intention of repurchasing all of the homes sold under the HHLT program if/when they become available. In the unlikely situation when HHLT waives its option to repurchase the unit, a calculated subsidy and shared appreciation amount will be due to HHLT and the owner can sell the unit on the open market. This same calculation will be used if the property is repurchased by HHLT after 5 years of ownership.

Shared appreciation EXAMPLE (applicable only if HHLT does not repurchase the home and it is sold to a third party OR if HHLT repurchases the home after 5 years of ownership):

If HHLT waives its option to repurchase the Property, Owner may sell the Property on the open market. However, Owner shall reimburse HHLT for the Subsidy and pay HHLT any Proportionate Shared Appreciation.

If HHLT repurchases the property after a 5 year period of the Owner purchasing the property from HHLT, the repurchase price calculation will ensure the Owner reimburses HHLT for the Subsidy and pay HHLT any Proportionate Shared Appreciation.

Assumptions for the example:

Ownership Period	5 Years, 1 Day
Original Fair Market Value when the Owner purchased property from HHLT:	$400,000
Purchase Price (Original Cost to Owner):	$340,000
Credit provided by HHLT to Owner at time Purchase:	$0
Legal Capital Improvements Preapproved by HHLT	$10,000
Current Fair Market Value at the time of HHLT Repurchase	$480,000

The example below relates to this section of the deed restriction document:

(e) After _____, _____[for a 5-year period after the date of transaction closing], the purchase price by which HHLT may purchase the Property shall be the difference between the Current FMV (and the cost for any appraisal shall be paid for by Owner) and the sum of any Subsidy and Proportionate Shared Appreciation (as such terms are defined below).

(f) If HHLT does not exercise HHLT's Purchase Option within the Option Period, Owner may sell the Property to a third party and shall be entitled to retain the proceeds from the sale; provided, however, if Buyer received the benefit of a Subsidy when it acquired the Property, then upon the sale of the Property, Owner shall repay HHLT the Subsidy and pay HHLT any Proportionate Shared Appreciation, as such terms are set forth as follows:

(1) "Subsidy" means ($60,000), which is the difference between the original fair market value of the Property as determined by a written appraisal prepared by a Hawaii-licensed real estate appraiser at the time of the original purchase obtained by Owner (i.e., $400,000) ("Original FMV") and the original cost to Buyer (inclusive of any credits provided by HHLT and excluding closing costs) (i.e., $340,000).

(2) "Proportionate Shared Appreciation" means the Subsidy divided by the Original FMV the product of which is then multiplied by the difference between the Current FMV and the Original FMV.

EXAMPLE:

SUBSIDY CALCULATION:

Original FMV	$ 400,000.00
Minus Owners Original Purchase Price	$ (340,000.00)
Plus Credit	$ -
Subsidy	$ 60,000.00

PROPORTIONATE SHARED APPRECIATION CALCULATION:

Subsidy	$ 60,000.00
Divided by Original FMV	$ 400,000.00
	15.0%
Current FMV at Resale by HHLT Owner	$ 480,000.00
Less Original FMV	$ (400,000.00)
Difference between Original FMV and Current FMV	$ 80,000.00
Multiplied by Proportionate Share	15.0%
Proportionate Shared Appreciation	$ 12,000.00
Subsidy	$ 60,000.00
Proportionate Shared Appreciation	$ 12,000.00
Amount due to HHLT for subsidy & proportionate shared appreciation reimbursement:	**$ 72,000.00**

AMOUNT DUE TO THE OWNER IF HHLT REPURCHASES THE HOME AFTER 5 YEARS OF OWNERSHIP

Current FMV at Resale by HHLT Owner	$ 480,000.00
Less Amount due to HHLT	$ (72,000.00)
Amount due to Owner /Repurchase price	**$ 408,000.00**