Hibiscus Commons Financial Requirements

Finances

Pre-Purchase Phase

Hibiscus Commons seeks to provide affordable housing for elders 55 years and older. We expect to apply for public grants to help fund our project. We know that public funders will impose certain income requirements on residents to ensure that our project serves low income elders, although we cannot anticipate the specific restrictions until we identify a funding source. To facilitate our planning, each finalist during the pre-purchase phase of our project will be asked to disclose their income using the Tenant Income Certification Form of the California Tax Credit Allocation Committee or an equivalent form as specified by Hibiscus Commons.

During the pre-purchase phase, aspiring and full members pay $5 to $10 in dues per month as described in the “Hibiscus Commons Orientation Materials” and contribute to larger expenses as needed. All expenses are approved by the entire membership prior to committing to expenses.

Once we Acquire a Property

Once we acquire a property, the total income of individuals applying for residency will be weighed against their debt or financial obligations. Most housing experts consider it extremely difficult for anyone to pay more than one-third of their income in rent. Therefore, applicants whose monthly financial obligations (excluding rent) exceed two-thirds of their total household income are unlikely to be an ideal candidate, as they could fall behind in their payments. Hibiscus Commons will give priority to candidates whose monthly income is at least three times the rent at the time of occupancy. We will also give the potential resident the opportunity to explain any problems that may show up on the credit report, such as an unpaid debt, garnished wages, a bankruptcy, an eviction, tax liens, etc. These problems will be assessed on a case by case basis and would not be automatic reasons for rejection.

Preference will be given to potential residents with a total household income of less than 80% of Alameda County Area Median Income (AMI) at the time of acceptance as a member. For 2016, 80% of AMI for a one person household is $52,650, for a two person household it is $60,150, and for a three person household it is $67,650. Savings and investments are considered in addition to direct income sources in accordance with the formula of the Tenant Income Certification Form.
Maximum Income

Because of the Bay Area Community Land Trust’s non-profit status and the mission of Hibiscus Commons to provide affordable housing, we seek to include low income households per the above income categories. During the pre-purchase phase of our project, we will not impose a maximum income. However, once we acquire a property and select residents, preference will be given to members who meet the requirements of our funders. Income level is no guarantee of being accepted as a resident member. After someone moves in, an increase in their income will not affect their right to continue living at Hibiscus Commons.

Financial Capability

Applicants for residency in Hibiscus Commons must demonstrate the ability to submit the designated payments in accordance with the Occupancy Agreement. Those candidates who are invited to be interviewed for residency will be asked to bring their tax return for the previous year, and disclose their predicted income for the current year.

New residents must:

- Be financially stable (show ability to pay fees and rents) and responsible.
- Have a stable rental or homeowner history. A recommendation from prior landlord or appropriate contact will be requested.
- Have a good credit history. A credit check will be completed on the accepted member(s). Prospective members will be expected to pay the fee for the credit check.