



Community Development

Homebuyer Program Statement

PURPOSE

Homebuyer assistance is used to expand homeownership opportunities for income-eligible homebuyers through the acquisition, rehabilitation or new construction of single-family units. Funds may be used to help buyers qualify for conventional financing or to rehabilitate existing units offered for sale in the local market.

- **Homebuyer Purchase with Rehabilitation (HPR):** Qualified homebuyers to purchase affordable housing units and receive moderate rehabilitation.
- **HOME-funded Acquisition Development and Resale (ADR):** Acquisition of real estate with rehabilitation or new construction for resale promotes housing development, acquisition and rehabilitation or new construction of affordable units for resale. A housing development program includes revitalization projects in underserved target areas and/or plans to increase affordable housing stock in the community.

ELIGIBLE APPLICANTS

- Non-Entitlement Local Units of Government
- Nonprofits and Nonprofit Community Housing Development Organizations (CHDO)

ELIGIBLE ACTIVITIES

- Acquisition
- New construction
- Rehabilitation
- Down Payment Assistance (DPA)

ELIGIBLE COSTS

- The HPR program provides MSHDA funding of up to \$40,000 including a maximum of up to \$10,000 for DPA and closing costs. The maximum investment of \$40,000 is inclusive of all project costs including DPA and closing costs, rehabilitation costs, costs specifically attributable to lead-based paint hazard reduction or abatement and eligible developer fees.
- The ADR program provides funding to finance the full amount of the project cost up to the HOME Maximum Per Unit Subsidy limit. The maximum net subsidy (subsidy in the project at completion) is \$75,000, inclusive of all project costs, including a maximum of \$30,000 in homebuyer subsidy and costs associated with acquisition, construction, lead-based paint hazard reduction or abatement and eligible developer fees. Net subsidy shall be defined as the project setup minus the program income returned to MSHDA at resale.

PROJECT CONDITION

- A successful place-based project must result in an eligible beneficiary.