

# Newton Homebuyer Assistance Program (NHAP)

## Request for Additional CPA Funding

### Background

- NHAP is a collaborative funding effort used in conjunction with Federal CDBG and HOME funding programs
- Since 2002 we have created a total of 19 low/moderate income homeowner units using over \$1 million in Federal funding and \$321,000 in CPA funding
- Over \$4 million in private funds leveraged

## Background

NHAP went "on line" July 2004 with total funding of \$500,000 and a goal of creating 5 affordable homebuyer units in a 2 1/2 year program

## NHAP Homebuyer Activity to date

- A total of 4 low/moderate income homebuyer units created with over one year of program operation remaining
- Of the four NHAP homebuyer units created - two households are Caucasian, one household is Asian and one household is African-American

## Case Study-NHAP/FTHP Unit

- Purchase Price \$199,800
- CPA funds \$90,000
- HOME funds \$5,000
- Conventional financing \$104,800



## Case Study-NHAP/FTHP Unit

- To be affordable in Newton many potential homebuyer units require substantial levels of rehabilitation, lead hazard or other hazard abatement
- Rehabilitation funding for these activities is provided through NHRF

## Case Study-NHAP/FTHP Unit

- Rehab funding provided through NHRF
  - \$10,000 Grant
  - \$45,000 Def. Loan



## Case Study-NHAP/FTHP Unit



## NHAP Homebuyer Funding to date

■ <u>Phase I - (Budget)</u>		■ <u>Phase I -Expended)</u>	
■ NX	\$325,000	■ NX	\$231,000
■ FTHP	\$160,000	■ FTHP	\$90,000
Total	\$485,000	Total	\$321,000

## Need for Continued CPA Funding

- The balance of \$164,000 in remaining NHAP funding is only sufficient to create 1 or 2 new homebuyer units

## Need for Continued NHAP Funding

- Funding for Newton's CD program has been cut by Congress the last three years – a total of approx. 20%
- With the need for relief to the South, HUD and/or Congress may soon make even more drastic cuts to Newton's CD Program
- The continued ability to substantially fund homebuyer programs with CPA funds will help us to continue funding our Housing Development and rehabilitation programs as well as provide ownership opportunity to low- and moderate-income families

## Request for Phase II Funding

■ Total Request	\$1,052,000
– NX Program	\$700,000
– FTHP	\$300,000
– Admin	\$52,000

Would provide a total of 12 to 16 homeownership opportunities in a 3 to 4 year Program

## Requested Change to Funding Ceiling and Admin.

We are also proposing to increase the maximum per case funding limit from \$90,000 to \$100,000 and an increase for administration.

These changes are detailed in our application and will be further discussed at the Working session