



City of Greensboro

Melvin Municipal
Office Building
300 W. Washington Street
Greensboro, NC 27401

Agenda Report

File Number: 2022-1236

Agenda Item# I. 1.

Agenda Date: 12/20/2022. **Department:** Housing and Neighborhood Development
Meeting Type: Council Meeting **Category:** General Business Agenda

Title: 2022 – 1236 Resolution Establishing a Public Service Heroes Homebuyer Program

Council Priority: Place an 'x' in the box.

- ☐ Create an Environment to Promote Economic Development Opportunities and Job Creation
- ☒ Maintain Infrastructure and Provide Sustainable Growth Opportunities
- ☐ Promote Public Safety & Reduce Crime
- ☐ Exceptional Customer Service and a Diverse City Government Workforce
- ☐ Ensure Fiscal Stewardship, Transparency, & Accountability

Council District: All

Public Hearing: No

Advertising Date/By: N/A

Contact 1 and Phone: Michelle Kennedy, Ext 2509

Contact 2 and Phone: Cynthia Blue, Ext 7376

PURPOSE:

City Council consideration is requested for the establishment of a Public Service Heroes Homebuyer program for moderate-income public service workers purchasing a home in Greensboro city limits.

BACKGROUND:

The Housing GSO 10-year affordable housing plan identified a need for modifying existing homebuyer assistance programs to better serve low- and moderate-income homeowners and encourage homebuying in areas of reinvestment. The City has had an established down payment assistance program which provided down payment and closing cost assistance for a forgivable five-year loan term to households 80.01-140% Area Median Income (AMI). For buyers purchasing in a Redevelopment Area, there was a monetary bonus for down payment and closing cost assistance. The loan forgiveness was prorated annually.

In order to provide more targeted assistance to moderate-income homebuyers as recommended in Housing GSO, the proposed Public Service Heroes Homebuyer Program would limit funding to households with public service workers employed by the City of Greensboro, Guilford County, Guilford County public school teachers and administration, and Military and Military Veterans earning 80.01-120% AMI. The assistance amount will be increased from the previous maximum of up to \$15,000 to a new maximum up to \$25,000. All Reinvestment Areas will be added to the area bonus in addition to established choice Redevelopment Areas. Loan forgiveness will continue to be prorated annually.

Eligible Participants

City/County employees, Guilford County public school teachers and administration, and Military – with proof of employment or status.

80.01%-120% AMI – follow HUD Part 5 definition of income.

First-time homebuyer purchasing a home for principal residence in Greensboro city limits.

Funding Limit

Down payment and closing cost assistance up to \$15,000; \$10,000 bonus if purchasing a home in a Reinvestment or Redevelopment Area for a program maximum of up to \$25,000.

Funds are limited to up to \$500,000 per year on a first come, first served basis.

Loan Requirements

0% interest second mortgage for a period of up to 10 years. At the end of the loan term, the note will be considered satisfied and the City of Greensboro will release the lien securing the note.

The forgiveness schedule is prorated – 20% annually for five-year terms; 10% annually for 10-year terms.

Funding terms and conditions for external partners are outlined in a request for proposals and the contracts are brought for City Council approval.

BUDGET IMPACT:

Housing bond funds are allocated for this use.

ACCOUNT NUMBER:

N/A

RECOMMENDATION / ACTION REQUESTED:

It is recommended that City Council authorize the establishment of a Public Service Heroes Homebuyer Program to address the first-time homebuying needs of moderate-income public service workers purchasing a principal residence in Greensboro city limits.