



CITY OF COLUMBIA

Neighborhood Development Homeownership Assistance Program



Who is Eligible? For-Profit and Not-for-Profit Affordable Housing Development Organizations.
Must be incorporated as such.

Types of Properties: New Construction and Rehabilitation of Existing Housing

Location: CDBG Eligibility Area, although subsidies are generally greater in the NRT Area

Amount of Assistance to Homebuyer: Negotiable, depending upon the gap in financing between the proposed project cost and the ability of a low to moderate income homebuyer to afford to purchase the home.

Qualifying Homebuyers: Homebuyers must have verifiable incomes below the following income limits, with total debt of not more than 45% of gross income and housing costs not more than 35% of gross income.

1 person household	\$35,700	5 person household	\$55,050
2 person household	\$40,800	6 person household	\$59,150
3 person household	\$45,900	7 person household	\$63,200
4 person household	\$50,950		

Process:

1. Application Submission:
 - ✓ Request for assistance including proposed location of homes to be addressed;
 - ✓ Statement of Proposed Sources and Uses of Financing;
 - ✓ Breakdown of Proposed Construction Costs for a Typical Home;
 - ✓ Articles of Incorporation showing organization has one of its purposes as an affordable housing development.
2. City reviews application, and staff consults with developer for a proposed subsidy amount. For rehab projects, this will include a checklist indicating items that must be addressed to bring properties up to the City's property maintenance code and address hazardous materials on the site, including lead-based paint.
3. Staff prepares agreement and submits to Council for approval.
4. After approval of the agreement by the City Council, the organization takes agreement to bank to obtain construction financing and completes the project with bank funding.
5. After obtaining a Certificate of Occupancy from the City's Division of Protective Inspection, the organization sells the house.
6. The City will write a check to the homebuyer and present it at the closing for the home in the amount indicated in the agreement between the City and developer.

Terms of Loan to Homebuyer: Two loans, including one for \$5,000 repayable on sale; with the remainder, generally not to exceed \$30,000, forgivable over 10 years. Homes outside of the Neighborhood Response Team Area will receive a lower amount of subsidy. In the case of housing rehabilitation, the amount will not exceed the proposed rehab cost. In the case of new construction, an additional monetary allowance can be made for demolition of the structure. The total sale price of a house is limited to the appraised value of the home plus \$10,000. Amounts over appraised value will be provided to the homeowner in the form of a grant.

**The program is subject to available funds on a first-come, first serve basis.
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