

The City of Alexandria, Virginia

Homeownership Assistance Program (HAP)



Office of Housing
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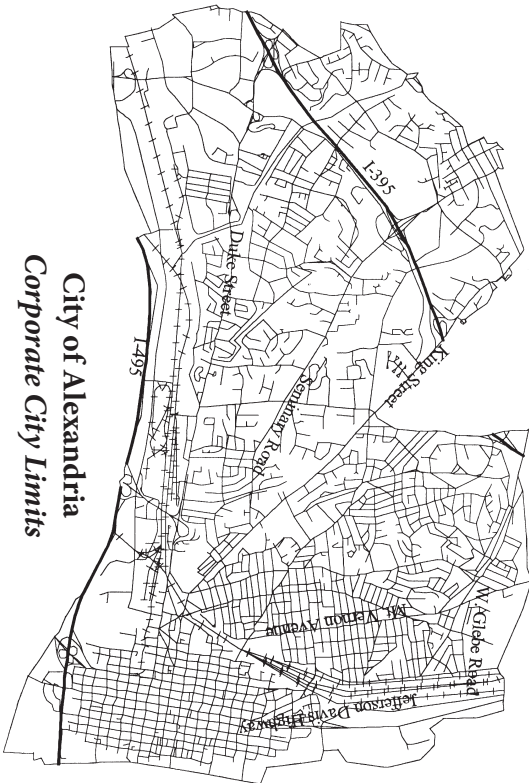
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Equal Housing Opportunity

City of Alexandria, Office of Housing
Program Implementation Division
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City of Alexandria
Corporate City Limits

CITY OF ALEXANDRIA HOMEOWNERSHIP ASSISTANCE PROGRAM (HAP)

The City of Alexandria's Homeownership Assistance Program (HAP) provides a source of home purchase financing that can help make homeownership an affordable housing option for low and moderate income City residents and workers. HAP loans may be used for down payment, closing costs, and/or principal reduction.

HAP assistance may be used to purchase any type of ownership housing, including condominiums, located within the corporate limits of the City of Alexandria. Participants must be first-time homebuyers, meaning they may not have owned a home during the past three years.

HOW DOES THE HAP MAKE HOMEOWNERSHIP MORE AFFORDABLE?

HAP provides no-interest, 99-year deferred payment financing of up to \$50,000, thereby reducing both:

1. the amount of money the first-time homebuyer must borrow, and
2. the amount of savings typically required to qualify for home purchase.

HAP loans are subject to equity sharing, which means that the participant must share a portion of the increase in value of their property over time through a price discount to the next income-eligible buyer when the property is sold. For example, if a participant purchases a home for \$250,000, and receives a HAP loan of \$50,000, then the equity share equals 20%. If the buyer decides to sell the home five years later and the home is now valued at \$300,000, then the homeowner would share 20% of the \$50,000 in appreciation, in this case \$10,000, as a price discount to the next buyer (in addition to repaying the original \$50,000 HAP loan).

BASIC PROGRAM REQUIREMENTS

All program participants must complete the City's training program for first-time homebuyers. This program includes 6.5 hours of classroom training, homework assignments, and a two-hour individual financial counseling session. The program is developed and approved by the Virginia Housing Development Authority (VHDA).

Other requirements include, but are not limited to, the following:

- Applicants must not currently own a home or have an ownership interest in other real property.
- Applicants must have lived or worked within the corporate limits of the City of Alexandria for at least the most recent six months prior to application. This requirement is waived for employees of the Alexandria City Public Schools and the City of Alexandria government.
- Applicants must be U.S. citizens, permanent resident aliens, or possess a valid work permit and a Social Security card.
- Applicants' net worth must be within VHDA limits.

While the City does not require the use of any specific first-trust mortgage loan program, applicants are encouraged to use VHDA financing when possible as it generally offers the most favorable loan rates.

The HAP Program provides only as much assistance as is needed to make the home purchase affordable to the individual applicant. Buyers must contribute at least \$2,000 toward the purchase, although higher contribution amounts are sometimes necessary. The maximum home purchase price under the HAP program is \$362,790.

INCOME LIMITS

Two income tiers are used in determining the amount of assistance available to participants in the HAP Program.

For Tier I, which provides up to \$50,000 in assistance, the total annual gross household income for HAP participants must not exceed:

1 person.....\$47,350	4 person.....\$67,600
2 person\$54,100	5 person.....\$73,050
3 person.....\$60,850	6 person.....\$78,450

For Tier II, which provides up to \$40,000 in assistance, the gross household income must not exceed:

1 person.....\$47,351 – \$59,360
2 person.....\$54,101 – \$67,840
3 person.....\$60,851 – \$76,320
4 person.....\$67,601 – \$84,800
5 person.....\$73,051 – \$93,280
6 person.....\$78,451 – \$101,760

“Being a renter cost me almost \$250 a month more than being a homeowner. Not to mention I now own a condo that is one and a half times the size of the apartment I lived in for over 25 years. Every day I look at my home in wide-eyed amazement and think just how fortunate I was to qualify for the City HAP Program.”

– 2009 HAP Participant

To receive more information and to begin the HAP application process, please call the City of Alexandria Office of Housing at 703.746.4990. Alternatively, you may email homeownership@alexandriava.gov and provide the following information:

1. your name
2. address
3. telephone number(s)
4. household size, and
5. total gross annual income.

You will receive a prescreening package with further instructions on the HAP application process.
