

## **Carrboro Affordable Housing Fund: Buyer Identified Homeownership Program**

**Description:** The Buyer Identified Homeownership Program (BIHP) is designed to provide subsidy to applicants to purchase market-rate homes for the purpose of incorporation into the permanently affordable housing stock in Carrboro. This program is a tool for residents, nonprofits, and the Town to create additional affordable homeownership opportunities within Carrboro.

**Subsidy:** The Town will provide a grant of no more than 25% of the final cost of the home, with a maximum grant of no more than \$25,000. Final cost of the home includes the purchase price and any necessary work conducted to bring the home to a viable condition.

BIHP subsidy may only be used in cases where other relevant funding sources, such as HOME funds or North Carolina Housing Finance Agency funds, are unavailable or insufficient to complete the purchase of the home.

**Applicant Eligibility:** An applicant must be an approved nonprofit affordable homeownership provider.

### **Homebuyer Eligibility:**

1. Must have a gross household income of 115% of the Area Median Income (AMI) or less, with priority given to households at 80% of AMI and below.
2. Have completed a homebuyer education course and financial counseling through a qualified agency, and have been deemed mortgage ready in the appropriate price range, by the agency.
3. Home must be the beneficiary's primary residence.
4. Meet all other guidelines of the approved nonprofit.

### **Unit Eligibility:**

1. The unit must be deemed viable by the Town and the nonprofit for inclusion into the permanent affordable housing stock.
  - a. Factors to be considered in this determination include:
    - i. Purchase price of the home and amount of subsidy required
    - ii. Licensed home inspector report
    - iii. Estimation of needed repairs
    - iv. Future sustainability of the home
    - v. Future marketability of the home
2. The unit must remain in the permanently affordable housing stock, or the grant recipient will repay the full amount of the grant to the Town of Carrboro.
3. The unit must be located within Carrboro town limits.

**Application Process:** Applicants must turn in the following information to the Town before funding will be considered:

1. A complete description of the project, including the location and explanation of how this project meets the program criteria.
2. Documented income data for the beneficiary.
3. Documentation for final cost of the home.
4. Licensed home inspector report.
5. Other relevant information as requested.