

FY 24 AHSP Application Staff Summary: MHO Downpayment Assistance Loan

10 Households Assisted	\$31,500 AHSP Request Per Household	\$1.00 : \$0 Leverage Ratio AHSP \$: Other \$	<80% AMI Target	4.8% % Admin Cost
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Project Description: Mountain Housing Opportunities, Inc. (MHO) submitted a **Downpayment Assistance Loan** application in the amount of **\$315,000** to support ten (10) income eligible homebuyers with downpayment assistance.

AHSP Goal: Increase the supply of Affordable Housing for homeownership, especially for BIPOC households

AHSP Objective: 400 ownership units for households at <80% AMI

Summary: MHO’s request (\$315,000) is intended to support ten (10) income eligible homebuyers bridge the gap between the price of homes and amount of capital available to the homebuyer. Downpayment assistance loans effectively help homebuyers reduce and secure first mortgages.

MHO is requesting \$300,000 in program delivery (downpayment assistance loans) and \$15,000 in administrative support. The downpayment assistance loans will be available to 10 or more income eligible homebuyers as downpayment assistance (up to \$30,000 per unit).

The AHSP requires downpayment assistance loans be repaid to Buncombe County upon the future sale of the home.

County Funding Source Options: Buncombe County General Fund and AHSP Program Income.

Finance Department Assessment of Audits and Financial Position: MHO’s Financial Statements are from FY 21. FY 22 statements are preferred; however, MHO’s fiscal year ends December 31 so its FY 22 audit is not yet complete. MHO’s most recent audit (FY 21) includes a finding between MHO and the City of Asheville related to MHO’s HOME funded Downpayment Assistance program, but MHO appears to be addressing the finding. As of December 31, 2021, MHO’s financials show a reasonably healthy financial position.

Recommendation: Community Development Division staff reviewed the project and find that the project design does not directly adhere to program requirements. The project appears ready for implementation on July 1, 2023. Consideration of full or partial award may be reasonable. Community Development Division staff are considering possible alternative avenues to provide the program with support that may better align with the project design.

PROJECT SUMMARY SHEET		Y/N
Project Description/Narrative		
Clearly affordable housing focused		Y
Aligns with all components of the application		Y
Aligns with all guidelines of the AHSP program		Y
Aligns with the selected strategic goal		Y
Designed to Serve Households with AMI		
<80%		Y
<50%		N
<30%		N
Designed to Serve		
General populous eligible for the program		Y
Individuals who are age 55 or older		Y
Individuals with a disability		Y
Individuals who are hard to house		Y
Individuals who are homeless		N
Individuals who are BIPOC		Y
Individuals who are justice involved		N
Individuals who have vouchers		Y
Project Expenses		
Complete		Y
Reasonable		Y
Project Sources		
Complete		Y
Reasonable		Y
Includes leveraging additional investment (non-AHSP funds)		N
Project Team		
Relevant experience and qualifications to complete the project		Y
Project History		
Indicates success in completing projects in the program category		Y
Applicant		
Has timely audits free of qualifications and findings which would adversely indicate ability to manage an AHSP allocation		Y
Shows a healthy financial position		Y
Is a non-profit applicant		Y