

**Guttenberg Housing Authority Board of Commissioners**

**Open Public Meeting Agenda**

**March 4, 2024 at 5:00 p.m.  
Virtual Meeting**

**Dial in: 1-571-748-4021 PIN: 321-280-405#**

1. Call to Order
2. Reading of the Open Public Meetings Act Notice
3. Roll Call
4. Pledge of Allegiance
5. Executive Director's Report
6. Financial Report and Bill List
7. Approval of Minutes
  
8. Old Business
  - Resolution adopting the approved FY24-25 annual budget.
  
9. New Business
  
10. Resolutions
  
11. Public Comment
  
12. Adjournment

**(THE BOARD MAY CONVENE TO CLOSED SESSION DURING THE MEETING)**

**Guttenberg Housing Authority Board of Commissioners**

**Open Public Meeting Agenda**

**March 4, 2024 at 5:00 p.m.  
Virtual Meeting**

**Dial in: 1-571-748-4021 PIN: 950-709-245#**

1. Call to Order
2. Reading of the Open Public Meetings Act Notice
3. Roll Call
4. Pledge of Allegiance
5. Executive Director's Report
6. Financial Report and Bill List
7. Approval of Minutes

February 5, 2024 Board Meeting

8. Old Business
  
9. New Business
  
10. Resolutions
  
11. Public Comment
  
12. Adjournment

- Resolution 2024-07 Approval of Execution of a Memorandum of Understanding with Neighborhood Assistance Corporation of America

**(THE BOARD MAY CONVENE TO CLOSED SESSION DURING THE MEETING)**

**HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG  
MEETING MINUTES**

This regular meeting of the Board of Commissioners was held on February 5, 2024, at 7005 Boulevard East, Guttenberg, New Jersey. The meeting was opened at 5:03 p.m. and the Open Public Meetings Act Notice was recited.

Adequate notice of this Meeting of the Board of Commissioners of the Housing Authority of the Town of Guttenberg was given in accordance with Chapter 231 of the Laws of New Jersey by publishing the meeting date in the El Especialito and the Bergen Record, by posting the meeting date at the Guttenberg Town Hall, by posting the meeting date on the Bulletin Board at the main office of the Housing Authority at 6900 Broadway, Guttenberg, New Jersey 07093 and by posting the meeting date on the official website of the Housing Authority of the Town of Guttenberg.

A roll call of the Commissioners was taken.

<b>COMMISSIONER</b>	<b>PRESENT</b>	<b>ABSENT</b>
LINDA HABERMANN-WARD, CHAIR	X	
MARISOL MONTANEZ, VICE CHAIR	X	
DR. GONZALO PEREZ	X	
JOLENE MANTINEO	X	
BLANCA POPIEL	X	
LUZ TORRES	X	
NANCY RIVERA	X	

Also attending the meeting were Executive Director Ruddys E. Andrade and General Counsel, Francis J. Borin, Esq. of DeCotiis, FitzPatrick, Cole & Giblin, LLP.

**PLEDGE OF ALLEGIANCE**

**EXECUTIVE DIRECTOR’S REPORT:**

1. The Executive Director reported that the new elevator at 136 69<sup>th</sup> Street is operational. The Executive Director had been holding payment pending completion of the work. One elevator at 6900 Broadway is almost complete. The elevator at 7005 Boulevard East needs the smoke detection system to be programmed. The Executive Director will hold 10% back pending receipt of all certifications.

The Executive Director reported on the next steps on the elevator work at 400 68<sup>th</sup> Street. The work will require approximately one week per floor and the elevator will be down. The authority will provide assistance to people carrying items up and down the stairs. The Authority also has the electric chair lift available for residents requiring additional assistance. The Authority will also offer senior residents the opportunity to move to a different building if they want.

2. The Executive Director discussed with the Board the possibility of renting out the community rooms to Section 8 tenants and town residents. The Authority currently rents the community rooms to Authority residents. The Board was receptive of the idea.

As part of this process, the Authority is working to update the community room at 136 68<sup>th</sup> Street.

3. The Executive Director reported that the DCA has approved the budget with no revisions. Other public entities have a much lengthier approval process.
4. The Executive Director reported that HUD’s inspection program, previously known as REAC, has changed to new standards, now known as NSPIRE. All maintenance staff have been trained on new standards. The Executive Director will be bringing trainers in to do mock inspections. The Authority is due to be re-inspected in October.

**FINANCIAL REPORT / PAYMENT OF BILLS:**

A motion was made to approve the Financial Report and to accept and pay all bills. The following vote ensued:

COMMISSIONER	MOTION/ SECOND	YES	NO	ABSTAIN	ABSENT
LINDA HABERMANN-WARD, CHAIR	1	X			
MARISOL MONTANEZ, VICE CHAIR	2	X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES		X			
NANCY RIVERA		X			

The motion is adopted.

**APPROVAL OF MINUTES:**

A motion was made to approve the minutes of the January 8, 2024, meeting of the Board of Commissioners. The following vote ensued:

COMMISSIONER	MOTION/ SECOND	YES	NO	ABSTAIN	ABSENT
LINDA HABERMANN-WARD, CHAIR		X			
MARISOL MONTANEZ, VICE CHAIR	1	X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES		X			
NANCY RIVERA	2	X			

The motion is adopted.

**OLD BUSINESS:**

None.

**NEW BUSINESS:**

None.

**RESOLUTIONS**

**Resolution 2024-02 Awarding Legal Services contract**

COMMISSIO NER	MO TION/ SECO ND	YES	NO	ABSTAIN	ABSENT
LINDA HABERMANN-W ARD, CHAIR	2	X			
MARISOL MONTANEZ, VICE CHAIR		X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES	1	X			
NANCY RIVERA		X			

The resolution is adopted.

**- Resolution 2024-03 Awarding Auditing Services Contract.**

COMM ISSIONER	MO TION/ SE CO ND	YES	NO	ABSTAIN	ABSENT
LINDA HABERMANN-W ARD, CHAIR	1	X			
MARISOL MONTANEZ, VICE CHAIR	2	X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES		X			
NANCY RIVERA		X			

The resolution is adopted.

**Resolution 2024-04 Awarding Accounting Services Contract.**

COMMISSIONER	MOTION/ SECTION	YES	NO	ABSTAIN	ABSENT
LINDA HABERMANN-WARD, CHAIR	1	X			
MARISOL MONTANEZ, VICE CHAIR		X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES		X			
NANCY RIVERA	2	X			

The resolution is adopted.

**Resolution 2024-05 Awarding Risk Management Services Contract**

COMMISSIONER	MOTION/ SECTION	YES	NO	ABSTAIN	ABSENT
LINDA HABERMANN-WARD, CHAIR		X			
MARISOL MONTANEZ, VICE CHAIR	1	X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES	2	X			
NANCY RIVERA		X			

The resolution is adopted.

**Resolution 2024-06 Amending Procurement Policy**

COMMISSIONER	MOTION/ SECTION	YES	NO	ABSTAIN	ABSENT
LINDA HABERMANN-WARD, CHAIR	1	X			
MARISOL MONTANEZ, VICE CHAIR	2	X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES		X			
NANCY RIVERA		X			

The resolution is adopted.

**PUBLIC COMMENT:**

None.

**ADJOURNMENT:**

A motion was made to adjourn the meeting. The following vote ensued:

<b>COMMISSIONER</b>	<b>MOTION SECOND</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
LINDA HABERMANN-WARD, CHAIR	2	X			
MARISOL MONTANEZ, VICE CHAIR	1	X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL		X			
LUZ TORRES		X			
NANCY RIVERA		X			

The meeting was adjourned at 5:25 p.m.

\_\_\_\_\_  
Ruddys E. Andrade, Executive Director/Secretary

\_\_\_\_\_  
Linda Habermann-Ward, Chairperson

**RESOLUTION**

**HOUSING AUTHORITY OF THE TOWN OF  
GUTTENBERG  
RESOLUTION NO. 2024-07**

**RESOLUTION AUTHORIZING AND APPROVING EXECUTION OF A  
MEMORANDUM OF UNDERSTANDING WITH NEIGHBORHOOD ASSISTANCE  
CORPORATION OF AMERICA**

**MOTIONED BY:**

**SECONDED BY:**

**WHEREAS**, the Housing Authority of the Town of Guttenberg (the “Authority”) is a public body corporate and politic, constituting an agency and instrumentality of the State of New Jersey (the “State”), created by the Town of Guttenberg in the County of Hudson, within the State pursuant to the provisions of the Housing Authorities Law, Chapter 67 of the Pamphlet Laws of 1950, codified at N.J.S.A. 55:14A-1 *et seq.*, repealed and replaced by the Local Redevelopment and Housing Law, under Chapter 79 of the Pamphlet Laws of 1992, as amended and supplemented, and codified at N.J.S.A. 40A:12A-1 *et seq.*; and

**WHEREAS**, the Neighborhood Assistance Corporation of America (“NACA”) provides housing counseling, financial management counseling, mortgage financing and affordable homeownership opportunities to low and moderate-income individuals; and

**WHEREAS**, the Housing Authority desires to enter into a Memorandum of Understanding (“MOU”) with NACA whereby Authority Housing Choice Voucher (“HCV”) recipients will be able to utilize HCV subsidies to purchase a home; and

**WHEREAS**, the MOU will not result in any additional expenditure of funds by the Authority; and

**WHEREAS**, the MOU will be terminable by either party, with or without cause, upon thirty (30) days written notice to the other party.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE TOWN OF GUTTENBERG**, that the Memorandum of Understanding with the Neighborhood Assistance Corporation of America (the “MOU”) is hereby approved in a form similar to that attached as Exhibit “A” hereto, with such revisions as shall be recommended by General Counsel; and

**BE IT FURTHER RESOLVED**, that the Executive Director is hereby authorized and directed to execute the MOU and to take all necessary administrative actions to implement the terms of the MOU.

**BE IT FURTHER RESOLVED**, that no further action shall be necessary.

\_\_\_\_\_  
Linda Habermann-Ward, Chairperson

\_\_\_\_\_  
Ruddys E. Andrade, Secretary

<b>COMMISSIONER</b>	<b>MOTION/ SECOND</b>	<b>YES</b>	<b>NO</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
LINDA HABERMANN-WARD, CHAIR	1	X			
MARISOL MONTANEZ, VICE CHAIR		X			
DR. GONZALO PEREZ		X			
JOLENE MANTINEO		X			
BLANCA POPIEL	2	X			
LUZ TORRES		X			
NANCY RIVERA		X			

# **EXHIBIT A**

# NACA'S HOMEOWNERSHIP OPPORTUNITY PROGRAM ("HOP")

## MEMORANDUM OF UNDERSTANDING BETWEEN CITY AND NEIGHBORHOOD ASSISTANCE CORPORATION OF AMERICA (NACA)

This Memorandum of Understanding (MOU) is entered between the City of \_\_\_\_\_, the City's Public Housing Authority (PHA) and the Neighborhood Assistance Corporation of America, (NACA).

The City owns residential properties and lots that are available for affordable owner-occupied homeownership.

The PHA provides low-income residents with housing assistance through the management of Low Rent Public Housing and Housing Choice Voucher (HCV) programs.

NACA its subsidiaries and affiliates provide housing counseling, financial management counseling, mortgage financing, and affordable homeownership to NACA clients.

**The purpose of this agreement is** to formalize a partnership between the City and NACA in creating permanent affordable homeownership utilizing NACA's Best in America Mortgage focusing on City residents. NACA's Homeownership Opportunity Program includes its primary NACA Purchase Program, Homeownership Through Public Housing Assistance ("HOT-PHA"), Dollar Purchase Program and Housing Development. NACA and the City will work together to develop new construction and existing homes rehabilitation programs to increase the availability of affordable housing in the City.

## NACA PURCHASE PROGRAM

NACA will provide comprehensive housing services and access to NACA's Best in America Mortgage. NACA's comprehensive counseling qualifies a participant for a fixed rate fully amortizing mortgage.

### NACA Mortgage

NACA provides the best mortgage in America with these extraordinary terms and character-based criteria:

- Down-payment - None
- Closing costs – Lender Paid
- Fees - None
- Mortgage Insurance - None
- Loan-to-value -100% for purchase and 110% for purchases with a rehab
- Credit Score - No consideration

- Interest Rate - Below market fixed rate
- Term – 15, 20 or 30-years fully amortizing
- Interest-rate buy-down:
  - 15-year – each one percent permanently reduces the interest rate by 0.25%.
  - 30 or 20-year – each one-and-a-half percent permanently reduces rate by 0.25%.
- Property Types: Single family, condos, co-ops, multi-family (two, three, or four units), mixed-use, new construction or existing.
- Renovation: Finance the cost of repairs to be completed after mortgage closing.
- Credit Score – No consideration of the credit score.
- Payment History – Reasonable on-time payment history for payments Participant has reasonable control over the past 24 months with a focus on the past 12 months.
- Mortgage Payment – Equal to the Payment Standard approved by the PHA based on the Participants required number of bedrooms and other factors.
- Participants' Payment – Participant's 30% of their gross income less allowable deductions.
- HAP Payment - Mortgage payment minus the Participants' Payment.
- Debt Ratio - Participant's Payment plus Participant's monthly liabilities divided by the Participant's gross monthly income not exceeding 43%.
- Minimum Required Funds – Participant funds for the home inspection, reserves and property pre-paid expenses paid at closing.
- Employment - Steady employment for at least the past 24 months (unless retired or disabled).
- Income - Income for at least the past 24 months with likelihood of continuation.
- Charge-offs – Do not need to be addressed.
- Collections – Resolved or in an approved payment plan if within past 24-months.
- Inspection – Must pass HUD inspection requirements with a licensed inspector.
- Purchase & Renovation: Properties requiring all levels of repair and renovations. The mortgage amount would cover the cost of the purchase and renovation. Participants finance the cost of significant repairs to be completed after closing. Funds are held in a separate rehab escrow account and disbursed after completion and inspection of the required repairs with no required mortgage payment during the renovation period of up to six months after closing.

### **NACA'S COUNS ELNG**

NACA provides comprehensive housing counseling by a HUD certified housing counselor. NACA is the largest HUD Intermediary counseling organization providing over 30% of the nation's HUD housing counseling. NACA's comprehensive counseling is required for the Participant to qualified for NACA's Best in America Mortgage ("NACA Qualified). NACA's counseling includes the following:

- NACA homebuyers Workshop
- Counseling must qualify the Participant for a mortgage by addressing the following:
  - Determine eligibility for the Program
  - Determine readiness for homeownership based on the Participant's payment history and not their credit score. NACA Counselor must access the resident's tri-merge credit report to determine the Participant's payment history the Participant controls (i.e., exclude

unaffordable medical bills). The Participant's credit score is not to be utilized since this disproportionately negatively impacts lower income and minority residents.

- Determine an affordable mortgage payment based on the Participant's rental payment and documented savings if requesting a mortgage payment greater than their current rent.
- Documented minimum required funds necessary to obtain an affordable mortgage.
- Participant receives budget counseling to access and improve their financial management.
- Post-purchase housing counseling support for homeowners including budgeting and foreclosure prevention assistance.
- Provide full documentation to support their mortgage qualification.

## **REQUIREMENTS**

### **NACA**

- **Mortgage** - Provide access to NACA's Best in America Mortgage. This includes both the extraordinary terms and character-based underwriting.
- **Homebuyer Education** - Provide free Homebuyer Workshop
- **Pre-Purchase Counseling** - NACA Housing Counselor provides comprehensive budget and housing counseling preparing Participants for homeownership.
- **Post-Purchase Counseling** – NACA post-purchase counselor provides ongoing support for homeowners including budgeting and foreclosure prevention assistance
- **Renovation/Repair Assistance** - NACA dedicate staff through it's HAND department for the renovation of City properties

### **CITY:**

- Provide location for NACA's housing counseling
- Provide access to grants for homebuyers

## **HOMEOWNERSHIP THROUGH PUBLIC HOUSING ASSISTANCE (HOT-PHA)**

The Homeownership Through Public Housing Assistance ("HOT-PHA") is a transformative program developed by NACA for public housing authority Housing Choice Voucher ("HCV") recipients ("Participants"). This innovative initiative allows Participants who seek to become first-time homeowners to combine their HCV with all the benefits of the NACA Mortgage and local government assistance to purchase a home. Participants can own their home – free and clear – without a mortgage in 20 years or less, resulting in a significant wealth gain for the homeowner and long-term financial independence for the homeowner. It is a truly groundbreaking program that housing authorities nationwide are now starting to use, and at no additional cost to them, to permanently transition families from housing assistance. The existing homeownership program has had very limited success and the few successful homebuyers had higher incomes.

The HOT-PHA program overcomes the existing program obstacles providing Participants with

the opportunity to become homeowners on a large scale. Participants receive NACA's comprehensive pre- and post-purchase counseling ensuring their readiness for homeownership. They also can access NACA's Best in America Mortgage with these extraordinary terms without consideration of their credit score: no down payment, no closing costs, no fees, no mortgage insurance at a below market fixed rate. The NACA Mortgage is the perfect mortgage product to overcome the existing obstacles particularly with NACA's below market fixed rate 20-year mortgage and character-based underwriting criteria.

This is the ideal program for families to permanently transition out of public assistance for housing and begin to build generational wealth. The approved Payment Standard that currently is paid to the lender now goes to the lender paying the Participant's monthly mortgage payment. The lender receives a monthly payment each month from the PHA and Participant. The lender applies the combined payment first to the mortgage payment (i.e., PITI) for a 20-year term and then the remaining amount (i.e., the Accelerated Principal Payment) to the outstanding principal to reduce the mortgage term. In addition, the PHA may increase the Payment Standard to account for increase costs of living and changes in the housing market.

The Payment Standard is a virtually guaranteed payment of the Participant's mortgage payment for 15 years. The Housing Choice Voucher pays the difference between thirty percent of the recipient's income and the mortgage payment (i.e., PITI) plus any Accelerated Principal Payment to reduce the mortgage term. If the Member's income goes down, the Housing Choice Payment from the PHA increases thereby virtually eliminating risk. The Participant's portion is the same whether the Payment Standard is used to pay rent to a landlord or a mortgage payment to the lender. Elderly or disabled Participants would receive the Payment Standard up to 30 years to pay off the mortgage since they would receive the Standard Payment for the life of the mortgage (i.e., 30-years).

The Payment Standard is based on the number of bedrooms required by the Participant depending on family size, composition, and the neighborhood (e.g., zip code) where it is applied. NACA will pre-approve the Participant for their maximum purchase price based on the PHA approved Payment Standard and a 20-year or 30-year loan term. The HCV payments will pay for 15 years or up to 30 years for elderly or disabled Participants. If the Participant purchases a home with a mortgage payment (e.g., principal, interest, taxes, insurance) less than the Payment Standard, the remaining amount is applied to the principal which accelerates the loan amortization reducing the mortgage term. Since the HCV pays for 15 years, except of elderly or disabled Participants, the accelerated principal reduction would decrease this gap. If there is no additional principal reduction, after 15 years the Participant would have over 75% equity with the 20-year amortization and a conservative two percent increase in annual property value. The Participant is well positioned to own their property with no mortgage payment in less than 20 years.

### **NACA PURCHASE PROGRAM & MORTGAGE**

The HOT-PHA is the most effective use of NACA's Best in America Mortgage for low-income individuals and families (see the Purchase Program Section for the NACA Mortgage terms). Major lenders have committed \$20 billion to the NACA Mortgage with \$15 billion in commitments coming from Bank of America. NACA uses character-based, full documented underwriting

guidelines. Over more than twenty years, NACA has originated over 75,000 mortgages through its Purchase Program with an exceptionally low foreclosure rate currently at 0.012% (i.e., about one-hundredth of one percent). This demonstrates the effectiveness of providing an affordable mortgage and comprehensive counseling to low- and moderate-income borrowers.

Participants must adhere to NACA's requirements for homebuyers, which includes comprehensive counseling and full-documentation underwriting. The Participant's mortgage payment is supplemented with the HCV. Participants who are not disabled must work full-time as defined as defined in the HUD Guidelines. While the NACA mortgage does not require down payment, closing costs, mortgage insurance or other fees, Participants need minimum required funds for pre-pays (i.e., property insurance, taxes and mortgage interest) and reserves. This can come from the Participant directly, from the Participant's personal savings through the Family Self-Sufficiency ("FSS") program, or from other government programs. In addition, HOT-PHA can be combined with grants and assistance by government and other entities to increase the Participant's access to available properties in the local real estate market. This can be used to permanently buy-down the interest rate or reduce the mortgage principal allowing the Participant to purchase a higher priced home or reduce the mortgage term with a lower monthly mortgage payment.

## **REQUIREMENTS**

Below are the requirements for all the parties participating in the HOT-PHA.

### **Participant:**

- HCV Recipient – Must have met and continue to meet the requirements.
- Payment History - Cannot be in default on the rental/ housing payments. Must have a minimum of 12 months on time rental/ housing payments.
- Family Stability – Participants must have steady rental occupancy without frequent changes demonstrating responsibility and readiness for long-term homeownership.
- Minimum income - minimum hourly wage multiplied by 2,000 hours.
- Employment – minimum average of 30 hours per week for at least a year.
- Homebuyer Workshop - Attend a NACA homebuyer workshop.

### **PHA:**

- Payment Standard – Applied to mortgage payment for principal, interest, taxes, insurance, and HOA fees regardless of mortgage amount.
- Mortgage Payment - Payment Standard divided into two mortgage payments with the PHA and Participant sending their payment shares separately to the lender.
- Accelerated Principal Payment - If Payment Standard is greater than the mortgage payment, the remainder is applied to the principal which reduces the 20-year term.
- Eligibility includes all recipients of HCV - FSS Participation is encouraged but not required.
- Outreach – Communicate to HCV Recipient including emails, texts, flyers and other outreach to learn about the program by attending a NACA Homebuyer Workshop.
- Grants - Access to grants funds to benefit Participants in permanently reducing the interest rate and/or reducing mortgage principal.

## **NACA:**

- Mortgage - Provide access to NACA's Best in America Mortgage.
- Homebuyer Education - Provide free Homebuyer Workshop.
- Pre-Purchase Counseling - NACA Housing Counselor provides comprehensive budget and housing counseling preparing Participants for homeownership.
- Post-Purchase Counseling – NACA post-purchase counselor provides ongoing support for homeowners including budgeting, foreclosure prevention and other assistance.
- Renovation/Repair Assistance - NACA dedicate staff through the HAND department to assist the homeowner with repairs or renovation of their property.

## **DOLLAR PURCHASE PROGRAM**

The City provides unprecedented opportunities for its residents to purchase a City owned residential building or lot for one dollar. Properties as defined herein include both one to four-unit residential properties and lots to build a residential unit. This will revitalize communities throughout the city while increasing the tax base allowing for additional services to these communities and neighborhoods. It provides unprecedented opportunities for residents who should have access to affordable homeownership but have historically been systematically blocked and denied such opportunities.

Properties must be inspected with an estimate of the renovation cost prior to being put on the list of available properties. City or subcontractor shall maintain a public list of the available properties. Each Property listing will include the Property inspection and estimated renovation cost ("Property"). The City shall provide Participants with first right of refusal for these properties all of which would be sold for one dollar to owner-occupants. There would be a deed restriction for ten years to prevent flipping the property.

## **DOLLAR PROGRAM OPERATIONS**

The process for the participant is described below with the requirements.

### **Step 1: Eligibility:**

Participant eligibility:

- A. No ownership interest in another property within the past three years at time of closing;
- B. Established residency in the city for:
  - a. a period of 3 continuous years; or
  - b. resided in the City for at least 5 continuous years before moving out.
- C. Have a household income at or below 100 percent of area median income with priority given to Participants using the following criteria:
  - a. Household income at or below 60 percent of area median income.
  - b. Continuously lived in the City for ten or more years.
  - c. Resided in a designated Impact Investment Neighborhood for a period of 5 continuous years.
  - d. Lived in the City but moved out due to a foreclosure, short sale, or deed in lieu of foreclosure.

### **Step 2: Counseling**

Participant cannot request a Property without first receiving NACA's free comprehensive counseling to be ready for homeownership. Through this counseling the Participant becomes ready for homeownership with an affordable mortgage payment. The NACA Counselor will determine eligibility for the One Dollar Program. Once the Participant has become NACA Qualified and determined eligible, she/he becomes a qualified for the Property.

### **Step 3: Purchasing Properties**

A Participant can put a Purchase & Sale offer on an available Property. The NACA Qualified Participant would access NACA's Best in America Mortgage. The accepted offer by the Participant is contingent on the following:

- Obtaining mortgage financing within 90 days
- Beginning renovations within 90 days of closing on the property
- Completing the renovation within one year of the accepted offer

### **Step 4: Support with Renovations or New Construction**

NACA provides support for the Participant during their renovation or new construction build. This includes the following:

- Complete the renovation scope of work
- Identify contractors
- Assist with contractor negotiations
- Assist with overseeing contractor work
- Review change orders
- Provide inspections for contractor disbursements
- Request contractor disbursements.
- Final inspection and obtaining Certificate of Occupancy.

## **PROGRAM REQUIREMENTS:**

### **NACA**

- **Mortgage** - Provide access to NACA's Best in America Mortgage.
- **Housing Counseling** - Provide comprehensive pre-purchase and post-purchase counseling
- **Renovation/Repair Assistance/New Construction** - Dedicated staff through it's HAND department

### **City:**

- Properties shall be available to Participants for a minimum six months.
- Properties must be sold to owner-occupants
- Must live in the Property for at least ten years (i.e. deed restricted)
- Provide first right of refusal for Residents to purchase Properties
- Provide access to grants for Residents to access for renovations not covered by the maximum available mortgage.

# **AFFORDABLE HOUSING DEVELOPMENT**

NACA will partner with the City to develop affordable housing by working with developers and/or with NACA as the developer. The objective is to provide the added value in the creation of affordable housing.

## **Working with Existing Affordable Housing Developers:**

NACA would work with a wide spectrum of developers including the City, for-profit and non-profit. The developers must provide well designed affordable units for sale. NACA involvements will focus on reducing the costs and providing access for low-to-moderate income buyers and those individuals subjected to discrimination. The buyers would be prioritized for existing renters in the City, buyers 50% and less of the median income, buyers 80% of the median income and then other criteria as established.

To achieve these affordable units and have a broader impact both NACA and the developer would participate as below. The units could be pre-sold and subsequently developed or developed and then sold.

## **REQUIREMENTS:**

### **NACA working with a Developer**

- Developer would make a reasonable return of approximately 5% but not to exceed 10% to keep the units affordable.
- Hire contractors and workers from the community.

### **NACA**

1. Support for the developer in accessing grants and assistance
2. Selling of the units:
  - a. Outreach
  - b. Comprehensive housing counseling
  - c. Access to the NACA Mortgage
  - d. Pre-approval

### **City**

- Provide infrastructure support
- Provide additional City services for development and community

### **NACA as Developer**

NACA would be the developer of affordable housing working with the City. NACA as the developer would limit the development fee to 5% or less to keep the units affordable.

### **City:**

- Land at a minimal or no cost
- Infrastructure development
- Grants for the homebuyers
- Support through the permitting and development process
- Additional assistance as appropriate

### **NACA:**

- Construction financing
- Design
- Selling of the units:
  - Outreach
  - Comprehensive housing counseling
  - Access to the NACA Mortgage
  - Pre-approval
- Hire contractors and workers from the community

**ADDITIONAL TERMS**

The Parties agree to provide and support the following selected programs.

- \_\_\_ NACA Purchase Program
- \_\_\_ HOT-PHA
- \_\_\_ Dollar Purchase Program
- \_\_\_ Housing Development

**Duration of Agreement**

The time for this Agreement shall begin upon execution by both parties shall automatically roll over continuously on an annual basis thereafter, unless or until one of the partners terminates the Agreement.

**Amendment or Cancellation of Agreement**

The Agreement may be amended at any time in writing and by mutual consent of the parties. Each party may cancel its participation in the Agreement upon thirty (30) days written notice to the other party.

**Approved**

The undersigned parties bind themselves to the faithful performance of this Agreement. It is mutually understood that this Agreement shall not become effective until approved by both Partners involved.

**City / PHA**

\_\_\_\_\_  
Name: Title

\_\_\_\_\_  
Signature Date

**Neighborhood Assistance Cooperation of America**

\_\_\_\_\_  
Name: Title

\_\_\_\_\_  
Title Date