



Homeownership

Housing 2040 Master Plan

Purpose

Evaluate the City's approach to homeowner programs based on community input and regional and national best practices and models

Timeline

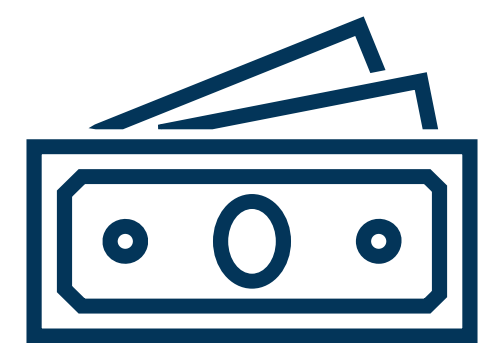
Winter 2024 - Fall 2025

Current Approach

Funding for homeowner programs comes primarily from federal **HOME funds** and the **Housing Trust Fund**. These programs operate as a **revolving fund**, meaning loans are repaid when units are resold or are no longer the primary residence.

70-100% AMI

The majority of households served by our homeownership programs fall in this Area Median Income (AMI) range



Flexible Homeownership Assistance Program (FHAP)

Second trust loan of up to \$50,000 with 0% interest financing and equity share in project for City. Eligible for first time homebuyers making up to 100% AMI who live or work in the City. Only properties that Office of Housing markets for sale are eligible. Assistance is targeted at households with incomes below 80% AMI based on current funding availability.



Set-Aside Units

Units acquired through the development process that are sold at below-market prices to households between 70 to 100% of AMI. These units remain affordable through resale restrictions.



SPARC (Sponsoring Partnerships & Revitalizing Communities)

This program reduces the interest rate of Virginia Housing mortgage loans by 1%. In FY2025, the City received \$7.1 million in SPARC funding. Eligible homebuyers must purchase a home in the City of Alexandria, live or work in the City limits, and earn up to 100% of AMI.



Employee Homeownership Incentive Program (EHIP)

This program provides up to \$15,000 in homebuyer assistance paid at settlement for City employees who work more than 20 hours per week. The home may cost up to \$725,000.



Home Rehabilitation Loan Program (HRLP)

This program provides loans to homeowners to fund repairs and improvements for the health, safety, or accessibility needs of the owner. The construction loan is capped at \$135,000 for single-family homes and \$75,000 for condos. Eligible households must earn below 80% AMI.

Community Feedback

1. Cost of buying a home
2. Lack of housing options (condo, townhome, single-family) at a variety of price points
3. Increases in condominium and HOA fees
4. Cost of special assessments

Housing 2040 Ideas



Consider increasing down payment and closing cost assistance to support lower-income homebuyers and ensure affordability of resale restricted units.



Explore options to provide reduce interest financing to help expand funding for first-time homebuyer programs.



Review alternative homeownership models

We want to hear from you!

Do you have feedback on our current homeownership programs?

If you are considering buying a home, what challenges are you facing?

Are there other ideas that you want us to consider under Housing 2040?