

Customized NSP Technical Assistance for Preserving Affordability

Preserve Homeownership Affordability Using NSP Funds

Congress mandated that NSP recipients should preserve the long-term affordability of assisted homes “to the greatest extent practicable”. However, given the time and organizational pressures of the NSP framework, many recipients are finding that incorporating mechanisms to preserve affordability is difficult and cumbersome.

NCB Capital Impact provides direct technical assistance and develops resources to help local NSP recipients and sub-recipients create programs that meet or exceed HUD’s requirements for preservation of affordability through the use of affordability mechanisms including shared appreciation loans, deed restrictions/covenants and Community Land Trusts. *Technical Assistance to CLTs offered in partnership with the National CLT network.*

NCB Capital Impact walked us through key policy choices. We were able to quickly decide things that would have taken years to come to by trial and error.

Anne Griffith, Oakland Community Land Trust

Design Your Program Based on Proven Affordability Models Customized for NSP:

NCB Capital Impact provides technical assistance and expertise based on proven models already demonstrated in the field. Our technical assistance services cover a spectrum of program components, from strategizing business plans to developing capacity necessary for ensuring the sustainable, long-term affordability of NSP assisted units. We customize our services according to the needs of each community.

NCB Capital Impact Customized Technical Assistance

- Selecting Preservation Mechanisms** We work with local stakeholders to identify the affordability preservation mechanism that best meets each community’s specific needs. We evaluate the pros and cons of relevant models including homebuyer loans, resale price restrictions (deed restrictions/ covenants), and community land trusts, tailoring a specific mechanism to meet HUD’s NSP requirements while remaining responsive to local market dynamics and other community standards.
- Assessing and Integrating Preservation Mechanisms** We provide assessments for communities working to incorporate NSP requirements for long-term affordability into their existing affordable homeownership programs. We conduct our assessments drawing from long-term affordability proven practices in the field which we have catalogued in our comprehensive database of practices. After reviewing a community’s existing programs and interviewing relevant staff, we provide detailed recommendations for improvements to program systems, policies, and procedures.
- Developing Homebuyer Regulatory Agreements** We assist NSP recipients and their local legal counsel in developing homebuyer regulatory documents that build on proven practices of established programs while meeting NSP program requirements and preserving long-term affordability. Homebuyer regulatory documents include loan agreements, deed restrictions, covenants, Community Land Trust Land leases, and Limited Equity Cooperative leases.
- Strategizing Program and Business Planning** We work with NSP recipients and nonprofit sub-recipients to create long range business plans that identify the staffing and systems necessary to monitor and support affordable homeownership units with long-term affordability requirements. Our technical assistance includes creating financial projections and developing the necessary fee structure to build and sustain program capacity over time.

***Designing
Financing
Systems***

We work with NSP recipients to outline specific financing needs for acquisition, construction, rehabilitation, and resale of affordable homeownership units. We help develop affordable unit pricing within a community's market environment and available resources, and work to structure financing that supports long-term affordability mechanisms. Our technical assistance includes working with program sponsors both to educate local mortgage lenders about long-term affordability mechanisms and to make sure that eligible buyers have access to mortgage loans compatible with affordability restrictions.

***Strategizing
Marketing,
Selection, and
Buyer
Education***

We work with NSP recipients and nonprofit sub-recipients to develop detailed plans for marketing below-market-rate homes with long-term affordability controls. In addition we help develop fair and transparent procedures for screening and selecting eligible homebuyers. Our technical assistance includes creating homebuyer education materials to ensure that homebuyers fully understand regulatory agreements and the corresponding resale restrictions.

***Establishing
Post Purchase
Monitoring
and Support
Systems***

We help program sponsors establish comprehensive monitoring systems that ensure ongoing affordability, encourage quality maintenance, and avoid future foreclosures. Our technical assistance includes but is not limited to developing database systems for tracking units, procedures for certifying owner occupancy, policies for subleasing, refinancing, and other owner compliance related issues, and programs for building a maintenance reserve.

NCB Capital Impact Toolkit

***Customizable
Model
Documents***

We have developed a suite of sample and model documents that includes homeowner loan documents/regulatory agreements, business plans, marketing plans, selection procedures, and post purchase monitoring procedures.

NSP Guidebook

We have developed a concise handbook that outlines a range of options for meeting the NSP affordability preservation requirements and outlines several specific affordability preservation mechanisms that can achieve long-term affordability.

***Workshops
and Webinars***

We have a series of webinars on topics designed to assist local program administrators in developing programs that meet NSP requirements and preserve affordability for the longest term practical. Upcoming topics include: FHA financing for price restricted homes, planning for long-term affordability, ensuring quality maintenance of affordable homes, and educating buyers about affordability controls.

For more information, visit www.homesthatlast.org or contact us:

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