King County Home Ownership Programs for 2017 Action Plan

Program details are listed in the recapture and resale guidelines matrix at the end of this document.

**New HOME funds awards**

**Homestead Community Land Trust**

Homestead Community Land Trust will use up to $500,000 in 2016 HOME funds to provide development assistance for 11 homes to be made available for sale to homebuyers whose incomes are at or below eighty percent of the area median income. The homebuyers will be purchasing homes in Tukwila.
Recapture is used in ownership programs that provide down payment assistance to buyers. Recapture means that at any point during the period of affordability, the original homebuyer may sell (voluntarily or involuntarily) the property, and the PJ will recapture any or all of the HOME assistance provided to the owner. The homeowner may sell the property to any willing buyer at any price.

**Down payment assistance**
Recapture provisions apply to down payment assistance programs

**New Home Funds or Program Income**
Loans are made with program income from recaptured HOME funds.

**Administration**
Washington State Housing Finance Commission - sub recipient

**Sale during period of affordability**
Period of Affordability
Homeownership programs that are used to acquire land or to construct homes which will remain affordable over the long term. Resale means that if at any time during the period of affordability, the original homebuyer sells his/her property (either voluntarily or involuntarily), the property must be sold to another low-income homebuyer who will use the property as his/her principal residence and the original homebuyer will receive a fair return on his/her investment.

**Resale programs**
Resale programs are funded with new HOME funds.

**Resale requirements limit homebuyers during HOME period of affordability**

**Period of affordability**
15 year affordability period

**Definition of Fair return**
Fair return is defined as a fair and reasonable method through the resale price formula.

**Resale Formula**
Original purchase price increased by 1.5% annually plus capital improvements.

**Valuing Capital Improvements**

**Range of low income buyers**
In all cases, in the event sales prices are not such that a fair return can be provided to the original homeowner, the County may provide additional HOME funds if available.

**Non-Compliance**
If the original homebuyer no longer occupies the unit as his/her principal residence, the home buyer was sold during the period of affordability and the applicable resale and recapture provisions were not enforced, the HOME Fund must be repaid.