



Buncombe County Board of Commissioners

Request for Board Action

Meeting Date: 8/1/2023

New Business

Department: Planning Department

Presenter(s): Matt Card

Contact(s): Matt Card, Matthew Cable

Subject: Downpayment Assistance (DPA) Notes and Deeds of Trust Assignment to Mountain Housing Opportunities (MHO)

Brief Summary: Downpayment Assistance is a loan that helps qualified borrowers fund a downpayment for purchasing a home. Loans are fully deferred with no required monthly payments. Loans are repaid once the home sells or is refinanced. At present, Buncombe County holds \$1,150,751 in DPA loans (in the form of notes and deeds of trust). This request seeks to transfer \$300,000 of County DPA loans to MHO.

In 2012 Buncombe County assigned \$676,505 in DPA loans to MHO and established the Buncombe County Capital Fund (BCCF). The County assigned an additional \$102,636 to MHO and its BCCF in 2017. A 2012 agreement by and between Buncombe County and MHO requires MHO hold these funds (\$779,141) with a 10% loan loss reserve.

MHO's management of the BCCF allows it to: (1) collect repayment based on note terms; (2) redeploy repaid funds to other income-qualified borrowers needing DPA; and (3) leverage outstanding notes and deeds of trust debt obligations to acquire additional US Treasury funds for DPA.

The Affordable Housing Committee, at its June 6, 2023 meeting, recommended the Board of Commissioners assign County notes and deeds of trust to MHO to expand the Buncombe County Capital Fund.

Recommended Motion & Requested Action: Assign \$300,000 in Buncombe County held downpayment assistance notes and deeds of trust to Mountain Housing Opportunities in order to expand the Buncombe County Capital Fund and allow for Mountain Housing Opportunities acquisition of additional US Treasury funds for downpayment assistance.

County Manager's Comments and Recommendation: County Manager recommends as presented.