

# RRHA Property Disposition/Sales



***BUILDING VIBRANT COMMUNITIES***



# HOMEOWNERSHIP

*Richmond Redevelopment and Housing Authority (RRHA) has a successful record of providing homeownership opportunities for residents of the Richmond area. Over the past 30 years, through HUD approved programs, RRHA has collaborated with the City of Richmond, various non-profits, private investors, the Virginia Housing Development Authority (VHDA), and other local lenders, to build more than 500 new housing units and rehabilitate more than 1,000 deteriorated structures throughout various neighborhoods within the City of Richmond.*

*Two of the more notable programs were the Urban Homestead Homeownership Program, providing homeownership opportunities for more than 300 families, from the mid 1980's through 2002; and the Section 5(h) Homeownership program, which made homeownership available to RRHA residents and other low-income families.*



# HOMEOWNERSHIP PROGRAMS

*The more recent Homeownership Programs are similar but differ in policies based on the applicable HUD regulations; and approved program plan.*

1. **HOPE VI Program** - RRHA completed the construction of 116 high quality single-family homes for first time homebuyers in the Blackwell, Swansboro and Fulton communities. The single family homes were primarily targeted to families making between 50% and 80 % of the Area Median Income (AMI), however a few were purchased by buyers making between 80% and 115% AMI. All homes were developed partnering with local developers, Southside Community Development & Housing Corp., Better Housing Coalition, and Health-E Homes. Homes were made affordable by providing a combination of down payment assistance and forgivable second mortgages to buyers, and providing construction subsidy to builders.
  
2. **Greenwalk Section 32 Homeownership Program** – The construction of 20 Greenwalk Homes were completed in 2008 and 2009; and initially occupied with potential purchasers, first having the opportunity to lease the home. Although once occupied, plans are in place to renovate the now vacant Greenwalk Homes located in the Blackwell and Randolph communities. The homes will be sold to qualified first time homebuyers with incomes that are 80% or below the AMI. The homes will be listed with local Real Estate Brokers.
  
3. **NHI Homeownership – HUD Section 18 Disposition** – In 2017, the HUD Special Application Center (SAC) approved RRHA's application for the disposition of 66 scattered site properties. As the result of a Request For Proposal (RFP) solicitation, 38 properties were transferred to non-profit developers to rehab and sell for homeownership to families 80% or below the AMI. The remaining 28 homes were sold at auction to private investors under restricted guidelines to rehab the homes within 2 years.  
*There are an additional 35 homes included in this program that will also be rehabbed and sold to low-to-moderate income families. Ultimately, under the NHI Program, 73 homes will be restored back into the communities, increasing affordable housing for first time homebuyers.*





# HOMEOWNERSHIP

***Purchasing A Home From RRHA*** – As homes become available for sale, they are typically listed with a local Real Estate Broker and are posted in the Richmond Multiple Listing Services (MLS), allowing interested buyers an opportunity to submit offers to purchase.

*Although the purchase restrictions may vary depending upon the applicable HUD Approved Program, the following typically apply:*

- 1. Purchaser must be a first time homebuyer, in that they have not owned a home within the past thirty-six (36) months.*
- 2. Purchaser's annual household income must be 80% or below the Area Median Income (AMI). Purchaser may be required to complete a Pre-Qualification Assessment to determine income eligibility.*
- 3. Purchaser must obtain loan pre-approval, evidenced by a letter from a reputable lender.*
- 4. Purchaser must contribute a minimum of 1% of purchase price of the home toward the down payment and/or closing cost.*
- 5. Purchaser must occupy the home as purchaser's primary residence.*
- 6. Purchaser must participate in a pre-homeownership counseling program, evidenced by a certificate of completion.*

*Interested purchasers may have their Real Estate Agent refer to the MLS or contact RRHA to obtain the Listing Agent's contact information. The Listing Agent will provide purchase restrictions pertaining to the property sale.*



# SURPLUS PROPERTIES

**Purchasing Surplus Properties from RRHA** – RRHA's surplus properties may consist of vacant lots and vacant structures. The method of disposition is primarily determined by the property's acquisition funding source and the applicable HUD program guidelines.

*As surplus properties become available for sale, they may be listed with a local Real Estate Broker and are subject to be posted in the MLS, allowing interested buyers an opportunity to submit offers to purchase. Occasionally, the properties are available to purchase through an auction sale, facilitated by RRHA's contracted auctioneer.*

*For properties that are located in future development areas, RRHA may solicit developers through a Request For Qualifications (RFQ) or Request For Proposals (RFP). RRHA may consider unsolicited proposals if it is determined that proposal would benefit its efforts in redeveloping affordable housing. Interested purchasers may contact RRHA's Real Estate and Community Development department for more information regarding the disposition of surplus properties*



## HOW RRHA EVALUATES OFFERS TO BUY

- Depending on market interest and any HUD homeownership program rules which may apply, RRHA may evaluate and accept offers for purchase using a number of methods:
  - **Asking price only.** To best ensure HUD affordability rules are met, only offers matching the asking price are considered. Offers are accepted on a first-come, first-serve basis.
  - **Price within range.** RRHA may accept competitive offers within a range of the asking price, as long as the offer is for an “affordable” price supported by comparable home sales within the area.
  - **Competitive offers.** RRHA may consider and accept offers at any asking price. Used only when HUD affordability rules do not apply.
  - **Auction.** Prospective buyers may make competitive offers and counteroffers in real time.
- RRHA may change is offer evaluation criteria based on comparables, market demand, and HUD program rules. Any change in offer criteria is communicated to all interested buyers, and prospective buyers may revise their offers to reflect the new criteria.



# BUYER'S TIMELINE – FROM OFFER TO CLOSING

## 1. Offer Negotiation/Ratification 1-3 Days

- *RRHA receives and reviews offer*
- *Request additional information/documents*
- *Submit counter offer (if necessary)*
- *Ratify Contract (contingent upon buyer's income eligibility and final loan approval)*

## 2. Eligibility Verification 5-7 Days

- *Buyer completes eligibility questionnaire, submits paystubs, bank statements and other income verification documents to determine program eligibility*
- *Buyer completes homeownership education program (normally facilitated by VHDA or H.O.M.E)*

## 3. Loan Application 3-5 Days

- *Buyer works with lender to complete loan application process to secure funding to purchase home.*





# BUYER'S TIMELINE – FROM OFFER TO CLOSING

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## 4. Inspection and Appraisal 14-21 Days

- Buyer hires their preferred home inspector to perform a whole house inspection
- Buyer may request RRHA to make certain repairs
- Buyer's lender orders appraisal by their preferred appraiser to determine property value (value must be equal to or greater than property sales price)

## 5. Loan Approval and Closing 30-45 Days

- Buyer coordinates with lender to finalize loan approval
- Buyer's closing agent orders title search to issue title policy
- Buyer's closing agent prepares/coordinates closing documents; and schedules date