



Harwich Housing Authority

12.7.17
CH-8

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12/5/2017

To the members of the CPC,

I am writing to clarify the Administrative costs for the Buy-Down program. The first two rounds of the program had administrative costs of \$14,704.00 and \$13,600.00 per house. This included the cost to hire Housing Assistance Corporation and a consultant to put together a new "Affirmative Fair Housing Marketing Plan". HAC was also responsible for marketing the program, running the lottery and working with the buyers to find a house. The Harwich Housing Authority acted as the "Monitoring Agent" to insure that the buyers were qualified and that the program was run properly. In this round of the Buy-Down we are seeking \$25,000.00 to cover the Administrative Fees, which works out to \$8333.33 per house for three houses. The reduction in the administrative costs per house is due to the fact a consultant will not be needed this round and the Housing Authority will be putting up its own funds to help cover the administrative fees.

We will be requesting a "Local Preference" for the program, but because we will require that the homes bought must be in Harwich we are not sure if DHCD will grant it. I have attached HAC's cost break down for the program. Based on the formula used by DHCD to determine affordability, the final sale price needs to be around \$225,000.00. Given the current market, the \$125,000.00 Buy-down per house is needed.

Thank You,
John Stewart
Harwich Housing Authority

Program Implementation Costs

Fee for Services 3 HOMES in Harwich

Housing Assistance Corporation \$30,000 for 12 to 24 month project*
(*based on the level of time and expenses necessary on previous program which was for 2 homes.)

- Oversee LIP/LAU application preparation and assist until DHCD has issued approval
- Create marketing and Lottery Plan in accordance with DHCD guidelines and submit for approval
- Prepare and distribute marketing materials in accordance with the Affirmative Fair Housing Marketing Plan and DHCD guidelines.
 - newspaper advertising and public service announcements
 - flyers for display
 - e-mails to households and agencies on the AFHM list
- Outreach and implementation of AFHMP
 - Publicize lottery and information session in regional and local papers
 - Send notifications to our approved affirmative marketing list of over 400 agencies
 - Send direct notice to over 800 households who have expressed interest in being notified of upcoming lotteries
- Conduct the lottery information session in Harwich
- Field and respond to phone calls and emails from all interested parties.
- Certify and create Eligibility Files for each applicant to see if they are eligible for the lottery. ALL APPLICANTS REQUIRE COMPLETE ELIGIBILITY ANALYSIS to determine eligibility
- Work with applicants and lenders in the pre-approval process prior to lottery
- Conduct the lottery
- Assist each homebuyer showing properties, preparing offers etc.
- Home inspection attendance, consultation and review for each homebuyer to help determine that the home is appropriate for the Harwich Buydown Project
- Work with closing attorneys and state agencies to ensure the deed restriction is prepared and recorded at closing
- Work with DHCD to make sure the units are counted in the SHI

\$10,000.00 due at implementation
\$10,000 at Lottery
\$10,000 at the time of each closing

Contingency for Home Inspection and/or Legal expenses

\$2500.00