

# Growing Greene



News from Greene County Economic Development, Tourism & Planning

## Press Release

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## Greene County Launches First-Time Homeownership Program To Help Income-Eligible Workers Buy Homes at Reduced Cost

CATSKILL, New York (May 15, 2009) – Greene County has launched a new Workforce Homeownership Program to help income-eligible people who either live or work in the county to purchase their first homes at a significantly reduced cost. The program will award as many as 15 low- to moderate-income households deferred-payment loans of up to \$30,000 that will be forgiven after 15 years if the home buyer is still living in the house. The deferred-payment loan may include up to \$3,750 in closing costs as well as down payment assistance.

The Greene County Workforce Homeownership Program is being funded by a \$450,000 grant from the New York State Office of Community Renewal through the U.S. Department of Housing and Urban Development (HUD) Community Development Block Grant (CDBG) program. The Catskill Mountain Housing Development Corporation (CMHDC) is partnering with the county to provide application-related services and offer homeownership counseling classes beginning in May and June that are required in order for applicants to receive the loans.

“Many workers in Greene County find it difficult to save enough money to make a down-payment on their first home and then meet monthly mortgage payments,” said Karen Deyo, Greene County Legislature Government Operations Chairperson. “By requiring very little money up front and reducing the size of the mortgage and monthly payments, the Greene County Workforce Homeownership Program should help people with steady jobs make that all-important leap into buying their first homes.”

“The Housing Action Plan adopted by the Greene County Legislature last summer identified the lack of affordable housing for our workforce as a key economic development issue facing Greene County,” said Warren Hart, Director of Greene County Economic Development, Tourism and Planning. “We applied for and were awarded this New York State grant to jump-start the effort to help people with steady jobs be able to buy their first homes and benefit from the stability that it brings. A healthy

regional economy depends not only on jobs, but also on places for the workforce to live and contribute to the community,” he added.

“The cost of housing in Greene County has nearly doubled in recent years and income levels have not kept pace,” noted Larry Krajieski, Executive Director of CMHDC. “That has resulted in an affordability gap that this program helps to address,” he said. “Whether you’re just out of high school or college, a veteran, a single parent or someone who has been living in an apartment or with your parents for too long, you should take a hard look at this program as long as you have a steady job.”

### **Up to \$30,000 in Loans Forgiven After 15 Years in First Home**

The Greene County Workforce Homeownership Program provides assistance to households that are purchasing an existing home in Greene County in the form of a 15-year diminishing-lien, deferred-payment loan at 0% interest. The lien diminishes 10% for every 18 months the new owner occupies the property. If the homeowner continues to own and occupy the property for the entire period, the entire loan converts to a grant and does not need to be paid back. If the homeowner should move from and/or sell the property, he or she will be required to repay the grant funds on a pro-rated basis based on the lien.

The Homeownership program provides basic assistance of up to 20% of the purchase price of the house, plus up to \$3,750 in closing costs. Program participants must provide a minimum of \$1,500 or 2% of the purchase price – whichever is greater – of their own funds as a down payment. In addition, participants must pay a minimum of 23% of their income to housing in the first year. The maximum financial assistance Greene County can provide to participants is \$30,000, including closing cost assistance. All participants must be able to obtain a mortgage for the remainder of the purchase price from a bank or other private financial institution and be responsible for taxes, insurance and other expenses.

To qualify for the Greene County Workforce Homeownership Program, the applicant must be income-eligible based on the HUD low-income limits for Greene County. The 2009 income limit for a four-person household, for example, is \$46,000. A two-person household cannot exceed \$36,800 and a single worker cannot make more than \$32,200 in order to qualify for the program.

All homes purchased with funds from the program must exist on a permanent foundation and cost no more than the State of New York Mortgage Agency (SONYMA) single-family maximum for Greene County, which is currently \$258,690. New construction and mobile homes do not qualify for the program.

### **Classes Required to Receive Loans Start May 19**

Participants in the Greene County Workforce Homeownership Program are also required to receive counseling and education about homeownership. Two different eight-hour classes are being offered by Catskill Mountain Housing Development Corporation in May and June at its Autumn Grove Apartments on Embought Road in Catskill, across from the elementary school.

The first is a four-week course that will be held on Tuesday evenings from 7 to 9 p.m. from May 19 through June 9. The second is a two-Saturday course, with classes held from 9 a.m. to 1 p.m. on June 20 and 27. There is a \$15 materials fee, and those interested must register for the course. The class is open to all Greene County residents or workers, regardless of income.

Each class instructs potential homebuyers on the complete home-buying process, including budget and finance, potential sources of grant and loan assistance for home-buying, working with financial institutions and real estate agents, determining “how much house” you need and can afford, and other issues that are critical for people to make a successful transition from renting to owning.

People interested in registering for the classes and learning more about the Greene County Workforce Homeownership Program should call CMHDC at 943-6700, e-mail Larry Krajeski at [larry@cmhdc.org](mailto:larry@cmhdc.org) or stop by the agency offices, located at 448 Main Street in Catskill. More information on the program is also available on the Greene County Economic Development, Tourism and Planning website at [www.greenebusiness.com](http://www.greenebusiness.com).

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### **An Example of How the Greene County Homeownership Program Works**

If a family of four with a combined income of \$40,000 wants to buy an existing home in Greene County for \$130,000 they will need to come up with a down payment of 2% or \$2,600. Greene County will pay the closing costs up to \$3,750 and provide a no-interest, payment-deferred loan, totaling up to \$30,000. The family will need to obtain a regular mortgage for the balance, which is now less than \$100,000. If the family lives in the house for 15 years, it does not have to pay back the loan from Greene County. In addition, the family would benefit from an \$8,000 tax credit for first-time homebuyers being offered through the Federal Stimulus Package.