

Employee Homeownership Incentive Program (EHIP)

Buying a home in the City of Alexandria can be challenging, particularly for first-time homebuyers. The City recognizes many benefits of assisting City employees to live closer to their work sites, including improved work-life balance due to shorter commutes. Living near work also reduces traffic congestion, improves air quality, and increases options for use of local public transit options.



About

The EHIP program provides an interest-free, deferred payment loan of \$7,500 - \$15,000 to full-time eligible employees who purchase homes located in the City. EHIP funds may be used for down payment, closing costs, or any other costs incurred in the purchase of your new home that are paid at settlement. In order not to trigger a repayment, the employee must occupy the home purchased using EHIP assistance as their primary residence. Funding is available for the EHIP program during this fiscal year, and applications will be reviewed on a first come, first served basis, until the available funding is exhausted.

Employees may use EHIP assistance to purchase any type of property, including condominiums, cooperative housing, townhouses, and detached homes. The maximum allowable Sales Price is \$550,000. EHIP loans are secured (recorded) against the subject property.

Over time, the monetary value of an EHIP loan will often be exceeded by the savings in interest on the loan amount. For example, an employee who receives a \$15,000 EHIP loan, along with a 30-year mortgage at a rate of 4.0%, will find the true value of the EHIP assistance over 30 years to be approximately \$25,000 (\$15,000 in principal plus \$10,000 in interest savings).

Eligibility

Employees of the City of Alexandria, the Alexandria City Public Schools, the Alexandria Commonwealth Attorney, the Alexandria Clerk of Court, the Alexandria Sheriff, the 18th Circuit Court, the 18th General District Court, the 18th Juvenile and Domestic Relations District Court, the Alexandria Court Services Unit, the Alexandria Law Library, the Alexandria Registrar of Voters, the Alexandria Public Library and the Alexandria Health Department who regularly work 20 or more hours per week are eligible. The amount of EHIP assistance will be prorated for part-time employees who work for the above entities.

If eligible, employees may combine EHIP program funds with the City's existing Flexible Homeownership Assistance Program (FHAP). EHIP funds may also be used in combination with the Virginia Housing Sponsoring Partnerships and Revitalizing Communities (SPARC) program, if available.

Household income tiers will determine the amount of EHIP assistance available at three levels of Area Median Income (AMI):

| Amount of EHIP Assistance Available based on % of Area Median Income (AMI) | 2023 Annual Income Limits by Household Size | | | | |
|--|---|-----------|-----------|-----------|------------|
| | 1-person | 2-person | 3-person | 4-person | 5-person * |
| \$15,000 for households with income up to 80% of AMI | \$84,400 | \$96,480 | \$108,560 | \$120,560 | \$130,240 |
| \$11,500 for households with incomes ranging from 80% - 120% AMI | < > | < > | < > | < > | < > |
| \$7,500 for households with incomes greater than 120% AMI | \$126,600 | \$144,720 | \$162,840 | \$182,520 | \$195,360 |

Source: HUD; Office of Housing *Income limits are also available for 6+ person households.

Applying

To participate in the EHIP program, eligible employees should submit their **application package** to the Office of Housing with the following documentation:

- Proof of City employment and verification of household income (pay stubs, verification of employment letter, W-2's, etc.).
- Fully executed purchase agreement for a home with an allowable sales price located within the City.
- Closing Disclosure with contact information for settlement company.
- Loan Application (Form 1003) and Loan Approval Summary (Form 1008) from Lender.
- Virginia Housing Homebuyer education certificate (can be completed online).

Once your information is received, reviewed, and approved (please allow 2-3 weeks), the Office of Housing will request a check made payable to the employee and the settlement company jointly. *If combining EHIP assistance with a FHAP loan, you must complete the City's homebuyer education curriculum before submitting an offer to purchase.*



For FHAP and EHIP inquiries or applications

Vicente.Espinoza@alexandriava.gov

703.746.3087