



**COUNTY OF HENRICO, VIRGINIA
BOARD OF SUPERVISORS
MINUTE**

Agenda Item No. _____

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Agenda Title: ORDINANCE — To Amend and Reordain an Ordinance Approved on June 13, 2023, Establishing the Henrico County Home Purchase Assistance Program to Assist Employees with the Purchase of Homes in the County

For Clerk's Use Only:	BOARD OF SUPERVISORS ACTION	YES NO OTHER
Date: _____	Moved by (1) _____ Seconded by (1) _____ (2) _____ (2) _____	Cooper, R. _____
() Approved	REMARKS: _____ _____ _____	Nelson, T. _____
() Denied		Rogish, J. _____
() Amended		Schmitt, D. _____
() Deferred to: _____		Whitehead, M. _____

WHEREAS, by ordinance effective June 13, 2023, the Board of Supervisors established the Henrico County Home Purchase Assistance Program, subject to appropriations for the purposes set out in said ordinance; and,

WHEREAS, to ensure the integrity of the program and advance its purposes, the Board of Supervisors desires to update the provisions of said ordinance to align the forgiveness schedule with income tax withholdings on a 24-pay period per year basis and provide a limited exception from the requirement to continue employment with the County, the County School Board, or County constitutional officers; and,

WHEREAS, this Ordinance was advertised pursuant to Va. Code § 15.2-1427, and the Board of Supervisors held a public hearing on April 23, 2024.

NOW, THEREFORE, BE IT ORDAINED by the Board of Supervisors of Henrico County, Virginia that the ordinance approved June 13, 2023, establishing the program known as the “Henrico County Home Purchase Assistance Program” is amended and reordained as follows:

1. A program, to be known as the “Henrico County Home Purchase Assistance Program,” and to be administered by the Director of Community Revitalization (the “Director”), is established for the purpose of providing homeownership grants in the form of forgivable loans to eligible employees of the County of Henrico, Virginia, the County School Board of Henrico County, Virginia (the “School Board”), and County constitutional officers (collectively, “County Employees”) subject to appropriations for such purposes and the terms and conditions in the following paragraphs.

By Agency Head _____ By County Manager _____

Copy to: _____

Certified:
A Copy Teste: _____

Clerk, Board of Supervisors

Date: _____

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2. The grants will be in the form of forgivable loans with terms summarized below:

Interest Rate: 0.00% (yearly)

Amount: Up to \$25,000 per employee household

Fees: No origination or application fees, and no
prepayment penalty

Term: 60 months

Other Terms: Payments are deferred and ~~one-fifth (1/5)~~ **one-one hundred twentieth (1/120)** of the original principal amount will be forgiven ~~annually (on each anniversary of the date of disbursement)~~ **each pay period (on a 24-pay period per year basis) during the term** provided that the conditions in sections 6 and 7 below continue to be satisfied. Upon the failure of either condition, the unforgiven principal balance will be due and payable to the County, and the County may enforce all remedies under the agreement, note, deed of trust, and at law or equity.

3. To be eligible, the following criteria must be met:

- A. The employee must be a full-time permanent County Employee with at least 12 months of service and a performance appraisal rating of acceptable or better (performance appraisal must cover at least 12 months of employment by the County, School Board, or County constitutional officer).
- B. The sales price and the County Employee's household must meet the Virginia Housing and Development Authority regional sales price and household income limitations in effect at the time of application. Further, the County Employee's household may not hold assets totaling more than 15% of the sales price or \$30,000, whichever is lower.
- C. The County Employee must not have any outstanding judgments, liens, or collections, any bankruptcies must have been discharged for at least two years, and any foreclosures must be at least three years old.

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- D. The County Employee must be a first-time homebuyer purchasing a qualifying home in the County to own and occupy as his or her principal residence. A County Employee is a “first-time homebuyer” only if neither the County Employee nor anyone in his or her household has owned a home within five years of the date of application. A “qualifying home” is a single-family attached or detached dwelling or condominium unit.
 - E. Proceeds may be used only to purchase a qualifying home in fee simple.
 - F. Only one application for a grant in the form of a forgivable loan per household will be considered, regardless of the eligibility of other members of the household.
 - G. Program funds may be used only in conjunction with Conventional, FHA, VA, or Virginia Housing first mortgage products. A loan may not be used in conjunction with any subprime or adjustable rate mortgage loans, or any seller financing or mortgage assumption. The County Employee must use a lender on the Virginia Housing Development Authority’s approved lenders listing. No individual not part of the County Employee’s household may be a co-borrower on the first mortgage product.
 - H. Proceeds may not be used in any transaction where the total sales commission exceeds six percent of the sales price or where there are loans with more than three points, including the loan origination fee.
- 4. The amount of a grant in the form of a forgivable loan may not exceed the limit set forth in Va. Code § 15.2-958.2, as the same may be amended or reenacted, or such lesser prorated amount established by the Director in the event eligible applications exceed available funds. The total amount of grants in the form of forgivable loans will not exceed the funds lawfully appropriated for purposes of the Program by the Henrico County Board of Supervisors.
 - 5. Grants in the form of forgivable loans will be available only on a first come, first served basis to eligible County Employees.
 - 6. Assisted County Employees must continue employment with the County, the School Board, or County constitutional officers as a full-time permanent County Employee for five years from the date of disbursement of proceeds. **Notwithstanding the immediately preceding sentence, an assisted County Employee who transfers full-time permanent employment with the County, the School Board, or a County constitutional officer directly to full-time permanent employment with an authority created by the Henrico County Board of Supervisors pursuant to state law will be deemed to be continuing qualified employment under this ordinance.**

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7. An assisted County Employee must own and occupy the home purchased with Program funds as his or her principal residence for five years starting from the date of disbursement of proceeds.
8. As a precondition to disbursement of proceeds, the assisted County Employee must give to the County a promissory note secured by a deed of trust on the property the assisted County Employee intends to purchase with Program funds.
9. The Director is authorized to administer the Program, including development of necessary forms, agreements, deeds of trust, promissory notes, and other documents, and to engage consultants and contractors as needed to assist with the administration of the Program.
10. The Director, in consultation with the Directors of Finance and Human Resources and the Henrico County Public Schools' Chief Financial Officer and Chief Human Resources Officer, is authorized to develop an application to collect the information necessary to determine eligibility and procedures for determining eligibility and compliance with Program requirements, in accordance with this Ordinance.
11. The Director is authorized to establish procedures consistent with this Ordinance and appropriate to ensure the competitiveness of the County as an employer and the integrity of the Program.
12. This Ordinance will be effective immediately upon adoption as provided by law, subject to appropriations for the purposes set out above.

Comment: The Director of Community Revitalization recommends approval of this Board paper, and the County Manager concurs.

ORDINANCE — To Amend and Reordain an Ordinance Approved on June 13, 2023, Establishing the Henrico County Home Purchase Assistance Program to Assist Employees with the Purchase of Homes in the County

This Board paper amends and reordains the ordinance that established the Henrico County Home Purchase Assistance Program.

The Program assists eligible employees of the County, the School Board, and County constitutional officers with the purchase of their primary residences in the County. The proposed ordinance amends the Program so that (1) the forgiveness schedule aligns with income tax withholdings on a 24-pay period per year basis and (2) assisted employees can transfer full-time permanent employment with the County, the School Board, or a County constitutional officer to full-time permanent employment with an authority created by the Board of Supervisors without causing the unforgiven principal balance to become due and payable.

The Director of Community Revitalization recommends approval of this Board paper, and the County Manager concurs.