

Housing Authority Acquisition Examples

7/18/22

Initial Example	
Available Funding	\$1,000,000
Renovation to HUD Standards	\$205,000
Available for Acquisition Costs	\$795,000
Purchase Down Payment Proportion	30%
Purchase Value of Total Acquisitions	\$2,650,000
Current Market Value of Purchasing	
3 bedroom rental units cost per unit	\$53,000
Total Units Acquired	50

Alternative Funding Strategy:
The initial outright purchase will create a rental revenue stream that can be used as a development fund to cover any remodel costs or fund down payment costs, thereby further increasing the potential total acquisition value.

Initial Purchase 100% ARPA Examples			
	Example 1	Example 2	
Initial Acquisition Costs Through ARPA	\$1,000,000	\$1,000,000	
Post-Purchase Mortgage Ratio	70%	70%	
Available Cash For Additional Acquisition	\$700,000	\$700,000	
Purchase Down Payment Proportion	50%	30%	
Secondary Acquisition by Housing Authority	\$1,400,000	\$2,333,333	
Purchase Value of Total Acquisitions	\$2,400,000	\$3,333,333	
	Example 3	Example 4	
Initial Acquisition Costs Through ARPA	\$1,000,000	\$1,000,000	
Post-Purchase Mortgage Ratio	70%	70%	
Available Cash	\$700,000	\$700,000	
Renovation to HUD Standards	\$200,000	\$200,000	
Remainder Available For Additional Acquisitions	\$500,000	\$500,000	
Purchase Down Payment Proportion	50%	30%	
Secondary Acquisition by Housing Authority	\$1,000,000	\$1,666,667	
Purchase Value of Total Acquisitions	\$2,000,000	\$2,666,667	

The number of units acquired will depend upon housing mix ratio.

1, 2, 3 Beds Per Units

20-40 Unit Buildings, 5-20 Unit Buildings, 2-4 Unit Buildings

Examples of Units Acquired

	Totals
Purchase Value of Total Acquisitions	\$2,400,000
Cost per Unit	\$48,000
Units	50

	Housing Mix				
	3-Bedroom	2-Bedroom	1-Bedroom		
Purchase Value of Total Acquisitions	\$2,312,000	\$212,000	\$1,200,000	\$900,000	
Average Cost per Unit	\$36,125	\$53,000	\$40,000	\$30,000	
Units	64	4	30	30	
	Duplex	3-Bedroom	2-Bedroom	1-Bedroom	
Purchase Value of Total Acquisitions	\$2,410,000	\$400,000	\$212,000	\$1,050,000	\$748,000
Average Cost per Unit	\$34,429	\$200,000	\$53,000	\$35,000	\$22,000
Units	70	2	4	30	34

* Note: These are just a few of the possibilities that could happen. The open market will determine what the Housing Authority will be able to do.