



DOWN PAYMENT ASSISTANCE LOAN PROGRAM - AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO EXECUTE LOAN AND PROGRAM- RELATED DOCUMENTS

Housing Authority Meeting
September 25, 2023

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Housing and Community Services Manager

BACKGROUND

- July 2020
 - \$95M settlement to City of Santa Rosa from PG&E resulting from 2017 wildfire lawsuit
- February 2022
 - \$2M appropriated by City Council to establish a downpayment assistance program



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DPAL Program Overview

BORROWER:

First-Time Homebuyer

120% Area Median Income or less

Santa Rosa residents for the past 3 years

Homebuyer Education Course completion

Minimum downpayment contribution – 1% of sales price

DPAL Program Overview

PROPERTY:

Maximum price established by C.A.R. data

Within Santa Rosa city limits

Must pass inspection

Requires appraisal

Eligible home types: Single Family Residence, Condominium, Cooperative Unit, Duplex, Townhouse, Manufactured Home if borrower owns the land.

DPAL Program Overview

LOAN:

Up to 10% of purchase price or \$75,000

3% Simple Interest

Deferred payment, 30-year term

Due upon sale, refinance with cash-out, default, or end of 30-yr term

Owner-Occupancy requirement

DPAL

- Loan and Program Documents include:
 - Owner Occupancy Agreement
 - Promissory Note
 - Rider to Deed of Trust
 - Subordination Agreement
 - Program Guidelines



DPAL Timeline

- Educational webinars held on 8/29 and 8/30 for Real Estate/Lending Community
- Public Marketing and Outreach began 9/5
- Upcoming potential buyer meetings to be held on 9/27
- Applications Accepted Starting 10/2
- First-Come, First-Served until funds expended

CalHOME Compatibility

- Burbank Housing Development Corporation CalHOME program
- Joint outreach to lending and buyer communities
- Compatibility with DPAL for eligible buyers to use both – up to \$175k downpayment assistance if used together



RECOMMENDATION

- It is recommended by the Housing and Community Services Department that the Housing Authority, by resolution, authorize the Executive Director to execute loan and program-related documents for the Down Payment Assistance Loan Program.
- Questions?