



City Homebuyer Guidelines - Revisions



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Background and Purpose

The City is a recipient of HOME Investment Partnerships and CalHome funding

- HOME and CalHome funding allow the City to operate the **First-Time Homebuyer Loan Program (FTHB)** in partnership with Regional Housing Authority (RHA)
 - FTHB is a loan program that provides low-interest loans to help low-, mod-income City residents purchase a home that will be used as their permanent residence



Purpose of Revisions

- City Staff and RHA are seeking to make revisions to the Homebuyer Guidelines to meet:
 - current market conditions and;
 - California Department of Housing and Community Development (HCD) requirements
- The last revisions of the Guidelines took place in 2018, since then the housing market has changed greatly

Approving and adopting the revisions will allow for a greater number of City residents to qualify for and utilize the FTHB program



Proposed Changes

Current HOME
Subsidy Limit for a
3 bedroom -
\$276,482

- **Increase maximum loan amount** to the current HOME subsidy limits (no longer restricted to \$75,000). Amount changes with HOME updates and cannot exceed 1st mortgage.
- **Reduce interest rate** on City loan from 3% to **2%**. 3% is higher than some current mortgage rates and is not currently competitive
- **Reduce down payment** requirement from 3% to **1%**
- **Specify health and safety repairs** agreed to by seller (required by HCD)
- **Remove “modest” housing requirement** (recommended by HCD)



Recommendation

Adopt a Resolution Approving revisions to and adopting the City of Yuba City Homebuyer Program Guidelines





Questions?

