

RESOLUTION NO. ~~2000-034~~

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

MAY 30 2000

CREATION AND FUNDING OF THE
NORTH SACRAMENTO HOMEBUYER PROGRAM
AND FUNDING OF THE NORTH SACRAMENTO
FLEXIBLE HOME IMPROVEMENT PROGRAM

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF
SACRAMENTO:

Section 1. The Executive Director is authorized to create the North Sacramento Homebuyer Program as described in Attachment I.

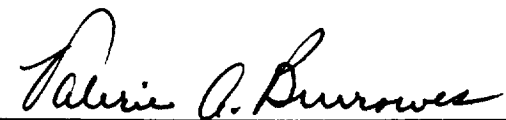
Section 2. The Executive Director is authorized to amend the Agency budget by transferring \$100,000 from North Sacramento Housing Development Project (99 Master Lease Bonds) to the North Sacramento Homebuyer Program.

Section 3. The Executive Director is authorized to amend the Agency budget by transferring \$100,000 from North Sacramento Housing Development Project (99 Master Lease Bonds) to the North Sacramento Flexible Home Improvement Program.

Section 4. The Executive Director is authorized make changes to both programs as necessary to fully implement them as intended.


CHAIR

ATTEST:


SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: 2000-034
DATE ADOPTED: MAY 30 2000 (18)



**Sacramento
Housing &
Redevelopment
Agency**

Fact Sheet

1013-7th STREET • Suite 200 • SACRAMENTO, CA 95814 (916) 264-1500

North Sacramento Home Buyer Program PROGRAM GUIDELINES

- Program Description:** The North Sacramento Home Buyer Program helps home buyers purchase homes by providing financial assistance toward down payment and closing costs.
- Program Goals:** The goal of the North Sacramento Home Buyer program is to help low-income home buyers purchase homes which they can afford with a minimal amount of Agency assistance in order to promote home ownership.
- Form of Assistance:** A forgivable promissory note in favor of the Agency.
- Calculation of Assistance:** Five percent (5%) of the value of the property as defined herein and subject to the limitations below.
- Maximum Amount:** \$5,000
- Interest Rate:** Five percent (5%) per annum, simple.
- Loan Term:** Ten (10) years or due upon sale or refinancing of the property. (Sale prior to year 10 may be subject to recapture provisions.)
- Loan-To-Value:** The total of all loans secured by the property shall not exceed 102% of value. "Value" shall mean the lesser of the appraised value of the property or the unsubsidized sales price. Waivers may be granted for non-Agency subordinate financing.
- However, on FHA financing, the second mortgage when combined with the first may not exceed the estimated value of the property including all closing costs.
- Use of Funds:** Funds may be used to pay for a portion of the buyer's down payment and closing costs.
- Borrower Contribution:** The applicant/borrower must contribute a minimum cash amount toward the purchase price to be determined by the first mortgage lender. The minimum applicant cash contribution required by the North Sacramento Home Buyer Program is \$500. Payment of appraisal, credit report, escrow set-up, and SHLCC Maintenance course fee is presumed to meet this requirement.

**ELIGIBILITY
Applicant:**

The qualifying income* of a borrower/applicant must not exceed 120% of the area median income, adjusted for family size as determined by HUD. As of February 18, 1999, the 120% of median income figures are as follows:

Household Size	120% of Median
1	\$44,450
2	\$50,800
3	\$57,150
4	\$63,500
5	\$68,600
6	\$73,650

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* Qualifying income is calculated by totaling current gross income for all person 18 years of age or older who will occupy the residence. The income is annualized forward over a twelve-month period. Income includes all salaries, wages, overtime, and bonuses before payroll deductions. It also includes earnings from interest on savings and checking accounts, dividend payments, unemployment, disability, public assistance, alimony, child support or regular gifts.

- Property:
- The property must meet minimum housing quality standards. A home inspection will be required.
 - The property must be occupied by the applicant/borrower as his/her principal residence for the term of the Agency loan. The home may not be rented without the prior approval of the Agency.
 - The appraised value may not exceed the HUD 203(b) mortgage limit for the area, which currently is \$177,650.

- Other Terms:
- Loans may be secured by a subordinated deed of trust on the property.
 - The principal amount of the promissory note and proportionate share of accrued interest shall be forgiven for properties located:1) in the North Sacramento Redevelopment Project Area of Sacramento at the rate of 12.5%, beginning in the third year of the loan.
 - Borrowers must maximize their use of funds provided by the first mortgage lender. This may be evidenced by either 1) a housing ratio of greater than or equal to 30% or 2) a loan-to-value ratio of the first loan of greater than or equal to 95%.
 - Agency loans are assumable by qualified purchasers, subject to Agency approval.
 - Funding is contingent upon the applicant/borrower obtaining a first mortgage loan.
 - All applicants must attend home buyer education classes and receive community home buyer certification. Such classes will include training stressing proper property maintenance and "good neighbor" practices.
 - Loan funds may be used in conjunction with Mortgage Credit Certificates.
 - The property must be located in the North Sacramento Redevelopment Project Area. Please refer to attached map.

Application Procedures: To apply for the program please contact any of the lenders on the attached list. For additional information or questions call (916) 264-1500.

Governing Regulations: California Health and Safety Code



Equal Housing Opportunity

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