

[POLICY][COMMUNITY PLAN]- Discussion and possible action on requesting that the City Council re-fund the Housing and Community Investment Department’s (HCID) Moderate income Purchase Assistance fund:

<http://hcidladev.lacity.org/help-moderate-income-first-home-buyers>

Background:

HCID has 2 programs to assist first time home buyers. The above, for Moderate income first-time buyer, applicants, and another for Low Income first -time buyer applicants:

<http://hcidladev.lacity.org/help-low-income-first-home-buyers>

The program for Low Income First Time buyers appears to still be funded.

FINANCIAL ASSISTANCE FOR LOW INCOME HOMEBUYERS

The Low Income Purchase Assistance Program helps first-time, low income homebuyers purchase homes by providing loans to cover the down payment, acquisition, and closing costs.

Who’s eligible

- First-time homebuyers who have not had an ownership interest in any real property at any time during the last three years
- U.S. Citizens, lawful permanent residents, or other qualified aliens
- Applicants whose total household income of all of the adults, 18 years of age or older who will be living in the home, is at or below the income limits shown on the table below

2018 Income Limits								
Number of persons in household	1	2	3	4	5	6	7	8
Combined income limit	\$54,250	\$62,000	\$69,750	\$77,500	\$83,700	\$89,900	\$96,100	\$102,300

Other Program Requirements

- Applicants must attend an 8-hour Homebuyer Education Class given by one of our approved [providers](#)
- Applicants must contribute a minimum of 1% of the home price from their own funds as down payment. Some homebuyers may be required to contribute more than 1% toward the down payment
- Homebuyers must occupy the home as their principal residence
- If eligible, applicants who apply for this program may also be required to apply for the [Mortgage Credit Certificate Program \(MCC\)](#).

Loan Amount

We provide a loan of up to \$60,000 for down payment, closing costs, and acquisition.

Home purchase price limit

- Single Family Homes: \$498,750
- Condominiums & Townhomes: \$404,700

Loan terms

- Deferred, requiring no monthly payments
- Loans have a Shared Appreciation component in which the City will share a certain percentage of the appreciation in the value of the property. For an example of Shared Appreciation, click [here](#)
- Repayment is due on sale, title transfer, first mortgage repayment, or in 30 years
- Refinancing of first mortgage is allowed under certain conditions

Eligible properties

- One unit properties, i.e. single family residences including townhomes and condominiums
- Properties must be located in [Los Angeles](#)
- Properties cannot be occupied by tenants
- Approved short sales/pays, foreclosed and REO properties and regular sales
- All properties are inspected by the City to ensure they meet all applicable state and local housing standards and code requirements. We also conduct a Lead Based Paint Visual Assessment on the property to identify deteriorated paint in the homes. All properties must pass the City inspection. Any required corrections or repairs on the property should be done at the cost of the owner or homebuyer and must be completed before the application for financial assistance is submitted.

However the program for Moderate-Income First Time Buyers is listed as being out of funds:

FINANCIAL ASSISTANCE FOR MODERATE INCOME HOMEBUYERS

The Moderate Income Purchase Assistance Program helps first-time, moderate income homebuyers purchase homes by providing loans to cover the down payment, acquisition, and closing costs.

Who's eligible

- First-time homebuyers who have not had an ownership interest in any real property at any time during the last three years
- U.S. Citizens, lawful permanent residents, or other qualified aliens

- Applicants whose total household income of all of the adults, 18 years of age or older who will be living in the home, is at or below the income limits shown on the table below

2018 Income Limits

Number of persons in household	1	2	3	4	5	6	7	8
Combined income limit up to 120% Area Median Income	\$54,251-	\$62,001-	\$69,751-	\$77,501-	\$83,701-	\$89,901-	\$96,101-	\$102,301-
	\$81,400	\$93,000	\$104,650	\$116,300	\$125,600	\$134,900	\$144,200	\$153,500
Combined income limit up to 150% Area Median Income	\$81,401-	\$93,001-	\$104,651-	\$116,301-	\$125,601-	\$134,901-	\$144,201-	\$153,501-
	\$101,750	\$116,300	\$130,800	\$145,350	\$157,000	\$168,600	\$180,250	\$191,850

Other Program Requirements

- Applicants must attend an 8-hour Homebuyer Education Class given by one of our approved [providers](#)
- Applicants must contribute a minimum of 1% of the home price from their own funds as down payment. Some homebuyers may be required to contribute more than 1% toward the down payment
- Homebuyers must occupy the home as their principal residence
- If eligible, applicants who apply for this program may also be required to apply for the [Mortgage Credit Certificate Program \(MCC\)](#).

Loan Amount

We provide a loan of up to \$60,000 for down payment, closing costs, and acquisition. Up to \$60,000 will be available for homebuyers earning between 81-120% Area Median Income (AMI) and up to \$35,000 will be available for homebuyers earning between 121%-150% AMI.

Loan terms

- Deferred, requiring no monthly payments
- Loans have a Shared Appreciation component in which the City will share a certain percentage of the appreciation in the value of the property. For an example of Shared Appreciation, click [here](#)
- Repayment is due on sale, title transfer, first mortgage repayment, or in 30 years
- Refinancing of first mortgage is allowed under certain conditions

Eligible properties

- One unit properties, i.e. single family residences including townhomes and condominiums
- Properties must be located in [Los Angeles](#)
- No maximum purchase price limits
- Properties cannot be occupied by tenants
- Approved short sales/pays, foreclosed and REO properties and regular sales
- All properties are inspected by the City to ensure they meet all applicable state and local housing standards and code requirements. We also conduct a Lead Based Paint Visual Assessment on the property to identify deteriorated paint in the homes. All properties must pass the City inspection. Any required corrections or repairs on the property should be done at the cost of the owner or homebuyer and must be completed before the application for financial assistance is submitted.

