

## Appendix D

### Homeownership Opportunities Full Program Guidelines

#### Article I. Homeownership Opportunities

The city of Los Angeles and the state of California as a whole have substantial homeownership gaps with BIPOC families as compared to White families. As an effort to increase housing stability across all parts of the housing continuum, downpayment assistance for single-family home purchases shall (can) be set aside for BIPOC prospective homebuyers as an effort to maintain or grow diversity in the city of Los Angeles. All prospective homebuyers seeking to access these funds will be required to attend a HUD-certified homebuyer education course with an agency located in the city of Los Angeles. Considering the cost of single-family homes and condominiums in the city of Los Angeles, families seeking downpayment assistance from this source of funding will be allowed to have an income of up to 80% of the Area Median Income. Prospective homebuyers that are interested in purchasing 2-4 unit properties, will be required to occupy at least one of the units and complete landlord training to access funding through this source. Prospective buyers that purchase small multifamily properties will be required to attend HUD-approved training by a HUD-approved housing counseling agency, comply with tenant protections, and provide their tenants or non-profit organizations the opportunity to purchase if and when the properties are put up for sale.

As a result of increased activity in homeownership education and counseling, the City of Los Angeles shall pursue a contracted partnership with a HUD-approved homeownership counseling agency that is a Community Development Financial Institution (CDFIs) with an extensive background in neighborhood revitalization that is located in the City of Los Angeles that also offers construction management services to administer and distribute downpayment assistance funding. Funding from this source shall be used for downpayment assistance, and closing costs. Prospective buyers can apply for loans up to 20% of the purchase price and receive a grant for up to 10% of the purchase price based upon income eligibility. Prospective buyers are required to contribute a minimum of 1% of the purchase price for single units and a minimum of 3% of the purchase price for multifamily properties from their own funds. An example of a proposed financing structure for single units is as follows:

Purchase price: \$700,000

Buyer Downpayment: \$7,000

Loan: \$140,000 (deferred)

Grant: \$70,000

Mortgage Amount: \$490,000

Monthly Payment: \$3,426 with 30 year fixed @ 7.5% (does not include taxes & insurance)