




EMPOWER HOMEBUYERS
COUNTY OF SANTA CLARA
2016 MEASURE A FIRST-TIME HOMEBUYER PROGRAM

**EMPOWER HOMEBUYERS SCC:
COUNTY OF SANTA CLARA
FIRST TIME HOMEBUYER
PROGRAM**

January 30, 2019 Office of Supportive Housing and Housing Trust Silicon Valley

2016 Measure A Affordable Housing Bond

Funding Allocations for Voter Approved 2016 Measure A Housing Bond Total of \$950 million



YEAR 2 IMPLEMENTATION

\$234,180,000 IN MULTI-FAMILY HOUSING DEVELOPMENT APPROVED

6 CITIES

1,437 NEW APARTMENTS

484 UNITS RENOVATED


19 HOUSING DEVELOPMENTS

\$25 MILLION FIRST-TIME HOMEBUYER PROGRAM

As of December 18, 2018

2016 Measure A Affordable Housing Bond

- \$150 m has been allocated for Multifamily Rental & Homebuyer programs for moderate income households
- On June 19, 2018, the Board of Supervisors approved \$25 million for a first-time homebuyer program.



Empower Homebuyers SCC Program

- The County of Santa Clara and the Housing Trust Silicon Valley have launched Empower Homebuyers SCC
- Empower Homebuyers SCC is expected to assist approximately 250 households over the first five years.
- Empower Homebuyers is intended to put homeownership within reach for low to moderate income households



Housing Trust Homebuyer Programs

- A nonprofit community lender formed in 2000 as a 501(c)(3) public benefit corporation
- Housing Trust has assisted over 2,500 homebuyers
- We offer to all applicants for our loan programs
 - ▣ Pre-purchase counseling
 - ▣ Homebuyer Counseling
- Funds are available for:
 - ▣ Empower Homebuyers SCC –County of Santa Clara 2016 Measure A First-time Homebuyer Program administered by HTSV
 - ▣ Homebuyer Empowerment Loan Program (HELP)
- BMP Administrator for the City of Santa Clara



Purchase without Down Payment Assistance

Purchase Price	\$700,000
First Loan, 90% LTV 30 year fixed at 5.25% interest rate	\$630,000
Down Payment, 10% Cash from buyer 10%	\$70,000
Monthly Payment (PITI & PMI/MI)	\$4,551

Breakdown of monthly payment

Principal & Interest for the 1 st mortgage	\$3,479
Property Taxes	\$729
Home Insurance	\$75
Mortgage Insurance (MI/PMI)	\$268
Monthly Payment	\$4,551

How do our Down Payment Assistance program works?

Purchase Price	\$700,000
First Loan, 80% LTV 30 year fixed, 5.25% interest rate	\$560,000
Down Payment, 20%=\$140,000	
EMPOWER loan 17%	\$119,000
Cash from buyer 3%	\$21,000
Monthly Payment (PITI, PMI/MI & HOA)	\$3,896

Breakdown of monthly payment

Principal & Interest for the 1 st mortgage	\$3,092
EMPOWER loan (deferred payment)	\$0.00
Property Taxes	\$729
Home Insurance	\$75
Mortgage Insurance (MI/PMI)	\$0
Monthly Payment	\$3,896

**Empower Homebuyers SCC-County of Santa Clara
County 2016 Measure A First-Time Homebuyer Program**

Maximum Gross Household Income cannot exceed:


Household Size	1	2	3	4	5	6	7	8
Income	\$105,200	\$120,200	\$135,250	\$150,250	\$162,250	\$174,300	\$186,300	\$198,350

Household Income must not exceed the income limit according to the household size

Down payment assistance up to 17% of the purchase price

Maximum purchase price \$800,000

Subject Property must be located in Santa Clara County



Borrower Eligibility

First-time homebuyer has not owned or had an ownership interest in a home for the past three years

Minimum Credit score of 680

Program requires a minimum 3% Down Payment from the borrower

Attendance of the HUD certified 8 Hour Homebuyer Education class from designated agency by borrowers (including non-borrowing spouses)

Owner Occupancy required-Annual Monitoring & required Homeowner Compliance

Empower Homebuyers SCC

Term of the loan is 30 years

No payments until expiration of the term, sale, or cash-out refinance. No prepayment penalty

Principal and a Share of Appreciation will be due

Share of Appreciation = % of Empower loan amount

- Allows for deduction of Borrower Contribution - Qualifying Capital Improvements and Acquisition Closing Costs (non-recurring closing costs)

Share of Appreciation is capped for the first ten (10) years of the loan

- Cannot exceed the original Empower principal loan amount

Example of Capped Equity Share

- Home Purchased for \$300,000 and sold in Year 5 of loan:
 - EMPOWER loan: \$30,000 (10% of purchase price)
 - Home resale price: \$1,000,000
 - Appreciation is \$700,000
 - Borrower contributions: \$10,150
- Equity Share calculation: \$700,000 less \$10,150 (Borrower Contributions) = \$689,850 (net appreciation) x 10% = **\$68,985**
- Actual Payment to County = \$30,000 (EMPOWER Principal loan) + **\$30,000** (Share of Appreciation capped at the Original Empower Principal loan amount) = **\$60,000**

Example of Uncapped Equity Share

- Home Purchased for \$300,000 and sold in Year 15 of loan:
 - EMPOWER loan: \$30,000 (10% of purchase price)
 - Home resale price: \$1,000,000
 - Appreciation is \$700,000
 - Borrower contributions: \$10,150
- Equity Share calculation: \$700,000 less \$10,150 (Borrower Contributions) = \$689,850 (net appreciation) x 10% of net = **\$68,985**
- Total payment to County: = \$30,000 (original Empower Principal loan) + \$68,985 (Uncapped Share of Appreciation) = **\$98,985**

How do buyers apply?



Buyers must attend an 8 Hour HUD certified Homebuyer Education Class
Project Sentinel, www.housing.org, 408-470-3732

For More Info

- Website: bit.ly/EmpowerHomebuyersSCC
- Phone: 408-436-3450 ext. 301
- Email: empowerhomebuyersccc@housingtrustsv.org