

CITY OF OAKLAND
AGENDA REPORT

2010 SEP -1 PM 12: 27

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: September 14, 2010

RE: **Resolution Amending Resolution No. 79132 C.M.S. to Modify the Mortgage Assistance Program Guidelines for First-Time Homebuyers to set the Maximum Allowable Purchase Price Limit from the Current 95 Percent of the Median Sales Price of Single Family Homes in Oakland to an Amount Equal to a Sales Price that is Affordable for Households Earning 100 Percent of Area Median Income**

SUMMARY

A resolution has been prepared to amend Resolution No. 79132 C.M.S. to modify the Mortgage Assistance Program (MAP) guidelines for first-time homebuyers to change the maximum allowable purchase price limit from the current 95percent of the median sales price of single family homes in Oakland to an amount equal to a sales price that is affordable for households earning 100 percent of area median income. The current guideline was approved in 2005 for a program that targeted homebuyers at 80 percent of the area median income. In 2009 the income limit was increased to 100 percent area median income, and the median sales price has decreased. Based on the most recent data available to us, the median sales price would decrease to \$209,000. Since the program only provides gap financing, this would exclude higher income buyers from using the City program, because they would have to purchase properties well below their means.

In order to provide for flexibility in establishing a new maximum today and into the future, staff is requesting the maximum sales price limit be tied to an amount that a household of four (4) at 100 percent area median income could qualify for. The proposed modification will allow the program to provide assistance to a larger number of households and the income levels covered under the program guidelines.

This resolution authorizes staff to:

- Modify the method to determine the maximum allowable purchase price limit from the current 95 percent of the median sales price of single-family homes in Oakland to an amount that is affordable to a household of four (4) earning up to 100 percent of the area median income; and

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- Adjust the maximum allowable purchase price in the future based on affordability of the current income limits.

FISCAL IMPACT

This program change does not impact the budget; no change is being proposed to the maximum loan amount or the annual allocation.

Staff will continue to fund loans within the amounts allocated for the program. The program is currently funded by annual allocations from the Redevelopment Agency Low and Moderate Income Housing funds.

BACKGROUND

The First-Time Homebuyer Mortgage Assistance Program was established July 27, 1993 by Resolution No. 70274 C.M.S. The purpose of the program was to promote neighborhood stabilization and revitalization through homeownership opportunities for low- to moderate-income citizens who historically had been underserved by major commercial lenders and the real estate community.

The Mortgage Assistance Program operates jointly with participating lenders to assist lower-income, first-time homebuyers with purchasing homes in the City of Oakland. The Program provides a secured loan of up to \$75,000 for qualifying homebuyers. Repayment is deferred while the homebuyer lives in the home. The loan becomes due when the borrower sells, transfers, refinances the property, or converts the home to rental property. Three percent (3 percent) simple interest plus principal is due upon sale, transfer or refinance of the home.

The Council approved Resolution No. 76302 C.M.S. February 27, 2001, authorizing modifications to the program guidelines for the First-time Homebuyer Mortgage Assistance Program that, with other changes, increased the purchase price limit to \$320,000.

The Council approved Resolution No. 79132 C.M.S. April 5, 2005, authorizing modifying the program to increase the maximum allowable purchase price limit from \$320,000 to 95 percent of the median sales price of single-family homes in Oakland. That resolution authorized future increases to be determined periodically by the City Administrator or his or her designee.

The HOME Program

HOME Program guidelines require that the purchase price of HOME-assisted ownership housing (homebuyer assistance and development of owner-occupied housing), and the estimated after-

rehabilitation value of HOME-assisted owner-occupied homes, not exceed 95 percent of the median sales price for the area.

HUD has allowed the City to use higher limits based on an approved calculation of 95 percent of median purchase prices in Oakland. The most recent local survey, completed in 2007, established our current limit of \$503,500.

Staff used data obtained from the Alameda County Assessor records using the Win2Data software system to analyze sales prices in Oakland for three-month periods. The median sales price was multiplied by 0.95 to determine the proposed sales limit. Staff would submit this data to the U.S. Department of Housing and Urban Development, Community Planning and Development Division and request to adjust the HOME single-family purchase price limit to 95 percent of the median sales price for Oakland. The last request was approved March 23, 2007. The median price of a home at that time was \$530,000; \$503,500 was 95 percent of that amount.

Effective April 15, 2010, the maximum purchase price for HOME-assisted units (including units assisted with ADDI funds, units developed with HOME funds, and the after-rehab value for owner-occupied units rehabilitated with HOME funds) may not exceed **\$362,790**.

Since that time, housing prices have fallen substantially, and that 2007 survey data is no longer appropriate for use for the HOME limits.

KEY ISSUES AND IMPACTS

The MAP is designed to provide gap financing to cover the difference between what is needed as a down payment and what the buyer has saved. The Program extends the buyers' purchasing power and makes the buyers more competitive in the housing market. Lowering the purchase price limit based on current formula would make the program ineffective in this current housing market. With the number of vacant properties, foreclosed properties, and properties facing foreclosure, it is important that the program prepare and encourage as many buyers as possible.

Staff used data obtained from the Alameda County Assessor records using the Win2Data software system to analyze sales prices in Oakland for the most recent three-month period available. Since sales data from May 2010 to the present was incomplete, median sales price was based on data from February 2010 through April 2010. Current available data reflects a median sales price of \$220,000. Ninety five percent (95 percent) of this median would produce a purchase price limit of \$209,000.

One of the criteria to qualify for the MAP is that a buyer would not otherwise be able to qualify to purchase the home without the City's assistance. The attached charts, included as *Attachment A*, indicate that potential low-income (80 percent AMI) and moderate-income (100 percent AMI) buyers would have the ability to purchase a home above this limit. The low purchase price limit

would eliminate most low-income and moderate-income buyers from the program as they could potentially purchase a home at this price range without assistance. Last fiscal year 78 out of 97 transactions were above the purchase price limit required by this formula.

Most homes are selling at prices considerably lower than they were two years ago. This opportune time to purchase property has increased the number of buyers that can afford to purchase now. Increased home sales assist in removing foreclosed, vacant, abandoned and blighted properties from the market and stabilize neighborhoods. Per realtor.com there are currently 1185 properties listed for sale in the City of Oakland.

The buyers are facing two main challenges. They are having trouble obtaining financing from the first mortgage lenders because lending criteria has become more stringent. The other challenge is that buyers are having trouble getting their offers accepted. Buyers are competing with cash offers by investors. A lower cash offer is more appealing than an offer based on financing since the buyer's loan may be denied. Adding FHA requirements and City program requirements makes an offer even less appealing. Cash buyers now make up a quarter of the market and investors are crowding out first time buyers. Staff has found that the buyers' potential for having their offer accepted increases as their purchase price increases.

The chart below shows the maximum income limit, maximum loan amount and purchase price limit for most neighboring cities. The purchase price limits range from "no limit" to \$637,645. Some cities use the maximum limit that is allowed for the funding source, some vary by development projects, and most base the limit on what the buyer can afford which may be based on a percentage of gross income.

City	Income Limit (percent of Median)	Maximum Loan Amount	Purchase Price Limit
Alameda	120 percent	\$35,000-\$50,000	N/A
Berkeley	No Program	N/A	N/A
Dublin	120 percent	10 percent of price for market rate 15 percent for Below Market Rate	\$602,500
Emeryville (several programs)	80 percent N/A for employees	Varies up to \$220,000	\$597,100 market rate \$385,000 CalHome
Fremont	120 percent	\$40,000	None
Hayward	80 percent & 120 percent	\$30,000 & \$40,000	None
Livermore	120 percent	\$40,000	None
Pleasanton	120 percent	\$60,000	None
Richmond – City (no program)			
San Francisco (tiered)	120 percent	\$100,000	\$637,645 (follows CalHFA)
San Jose (program limits based on funding)	80 percent 120 percent	\$25,000 20 percent of sales price	\$481,000 CALHome \$608,400 BEGIN
San Leandro	120 percent	\$30,000	
Tracy	120 percent	30 percent up to \$75,000	None

A maximum purchase price limit of \$209,000 would make our program less competitive with other cities, and our maximum purchase price would be the lowest of all the other cities.

With or without a subsidy, first-mortgage lenders base their loan approval on what the buyer can afford without regard to a maximum purchase price. Based on conventional mortgage products and assuming that the City of Oakland would provide a \$50,000 loan toward down payment and the buyer could make up the difference to provide the 20 percent down payment, a household of four (4) would be able to afford a home priced at \$495,997. A homebuyer with a four person-household obtaining FHA financing would invest 3.5 percent of the purchase price into the transaction and could afford to purchase a home for \$446,975. (*Attachment A*)

Staff relies on our lenders and realtors to help market and promote our program. A low maximum purchase price would make the City's program less attractive to realtors and lenders, especially when buyers want and can afford more expensive properties.

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Homes priced at and below \$209,000 are likely concentrated in lower-income neighborhoods. Purchasers who can afford more will buy where they can afford. The MAP is intended to assist homes purchases throughout the City. Some first-time homebuyers with low- or moderate-incomes have received or saved funds for a down payment that will allow them to purchase homes costing more than \$209,000, and the City's program should not discourage their investment in Oakland. The Program increased the maximum income limit effective July 1, 2009 from 80 percent to 100 percent AMI. Providing assistance to these two groups helps to provide a balance of income levels that purchase and reside in moderate-income neighborhoods.

The attached map of properties that have been foreclosed January 2007 to July 2010 (*Attachment B*) shows highly concentrated areas, but also shows that many foreclosures have occurred throughout the city including above the 580 and Highway 13 freeways. A low purchase price limit means that the program cannot assist in home sales that may be foreclosed homes throughout the city. Additionally, the low purchase price will mean limited or no access for some properties in West Oakland such as the Wood Street development, several of the downtown condominium projects, and similar properties.

PROGRAM DESCRIPTION

The Mortgage Assistance Program operates jointly with participating lenders to assist first-time homebuyers with purchasing single-family homes in the City of Oakland. The program does not provide assistance to people buying multi-unit properties. Eligible units are any single-family residence in the City of Oakland, including detached homes, condominiums, townhouses, live/work units and manufactured housing. The Program provides low-interest loans of up to \$75,000 to lower-income households (a maximum of 100 percent of the Area Median Income (AMI)). The City's loan is deferred for the life of the loan as long as eligibility requirements are maintained. As no payments are required on the City's loan, the program extends the borrower's ability to buy without increasing the monthly principal and interest payment.

HUD's ruling applies to the use of HOME funds. The American Dream Downpayment Initiative ADDI was signed into law on December 16, 2003. The Act authorized funding for fiscal years 2004 – 2007 and the program was not renewed. ADDI was administered as a part of the **HOME Investment Partnerships Program**, a formula grant program. The City received funds from the (ADDI) during the program years.

The Mortgage Assistance Program receives \$2.5 million each fiscal year from Low-Mod funds. The allocation was reduced by \$900,000 in FY 2009-10 and will be reduced \$1,000,000 in FY 2010-11 because the Redevelopment Agency was required to transfer revenue funds to SERAF (AB 26 4x, State legislation enacted this past session to shift \$2.05 billion from redevelopment

agencies to county Supplemental Revenue Augmentation Funds (SERAF)). Additional funds are available for loans in the Central City East and West Oakland Redevelopment Project Areas.

The Mortgage Assistance Program provides loans with the following terms and requirements:

Loan Description

The City will lend qualifying homebuyers the amount needed (as determined by a participating lender) at 20 percent of the purchase price up to a maximum of \$75,000 to purchase a home.

- Loan amount: 20 percent of purchase price, 80 percent of median not to exceed \$75,000; 100 percent of median not to exceed \$50,000.
- 3 percent simple interest.
- The total of the City loan, the first mortgage and all other loans cannot exceed **100 percent** of the purchase price or the appraised value of the property.
- Loan can be combined with other approved assistance programs.
- No monthly payments.
- Due in 30 years or when the borrower sells, transfers, refinances the property (under certain conditions), or the borrower no longer lives in the home.
- No prepayment penalty.
- Secured by a deed of trust.
- \$200 application fee.

Loan Requirements

- Must be a first-time homebuyer (can not have owned their principal residence in the last three years).
Exceptions include:
 - Individuals who worked primarily in the home, owned a principal residence with a previous spouse, and are currently unemployed.
 - Single parents who owned a principal residence with a previous spouse.
 - Homebuyers who own or owned a mobile home or trailer, or house which requires repairs that exceed the cost of constructing a new home.
- Annual household income (income of all household members 18 and older) cannot exceed **100 percent** of the Area Median Income (listed on ***Attachment A***).
- Must contribute at least 3 percent of the purchase price from their own funds to pay down payment or closing costs.
Exceptions:
 - Borrower is extremely low income (at or below 50 percent AMI)
 - Borrower receives Supplemental Social Security Income (SSI) which limits the amount of savings a recipient can have in order to remain eligible for the program.
 - Borrower is participating in the Oakland Housing Authority Section 8 Homeownership program or a comparable program.

- Maximum purchase price changes periodically.
- Property must be:
 - located in Oakland.
 - a single family dwelling, including condos, townhouses, live/work units, and manufactured housing.
 - used as primary residence.

The City's goal remains to assist buyers with obtaining, maintaining and retaining their homes. Tying the purchase price limit to an amount equal to a sales price that is affordable for 100 percent area median income household buyers would allow the City to adapt its program to changes in market conditions such as home prices, interest rates and other factors and assist additional families. All borrowers must attend an education class for first-time homebuyers. The City offers classes monthly and also accepts certificates of completion from HUD and NeighborWorks approved counseling agencies.

SUSTAINABLE OPPORTUNITIES

Economic: The City's homeownership programs provide opportunities for low- to moderate-income families to build equity.

Environmental: The program provides assistance with purchasing existing homes. There are no direct environmental opportunities or consequences as a result of these proposed program changes. Homeownership improves the climate of the neighborhood by providing a sense of pride that may also result in fewer blighted properties.

Social Equity: The proposed changes will provide additional homeownership opportunities for low- to moderate-income families that can assist homeowners with building equity. Homeowners tend to participate in the community and contribute to the stability and well-being of those neighborhoods.

DISABILITY AND SENIOR CITIZEN ACCESS

There is no direct impact on persons with disabilities or senior citizens since these programs are for first-time homebuyers. Persons with disabilities and senior citizens are eligible to apply for these programs. The City offers other programs that provide rehabilitation and modifications to make properties accessible.

RECOMMENDATION(S) AND RATIONALE

Staff recommends that the City Council approve the resolution modifying the Mortgage Assistance Program guidelines for first-time homebuyers, to set the maximum allowable purchase price of single family homes in Oakland to an amount equal to an affordable sales price for households at 100 percent of area median income.

This change will further implement the City's goal of providing homeownership opportunities to the citizens of Oakland and make the program more consistent with similar programs in other cities.

ACTION REQUESTED OF THE CITY COUNCIL


Staff recommends that the City Council approve the resolution setting the maximum purchase price at an amount that is affordable to households earning up to 100 percent of the area median income.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

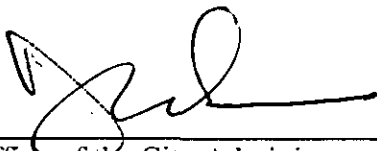
Reviewed by:

 Michele Byrd, Deputy Director
Housing and Community Development

Prepared by:

Jackie Campbell, Manager, Homeownership Programs, and
Christina Morales, Home Management Counselor

APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC
DEVELOPMENT COMMITTEE:



Office of the City Administrator

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Attachment A

**Projected Affordable Purchase Prices at 80% and 100% AMI by
Household Size for Market Rate & FHA Financing**

Projected Purchase Prices at 80% AMI

# OF PERSONS 80% AMI	1	2	3	4	5	6	7	8
	45,100.00	\$ 51,550.00	\$ 58,000.00	\$ 64,400.00	\$ 69,600.00	\$ 74,750.00	\$ 79,900.00	\$ 85,050.00

Conventional Financing

MONTHLY INCOME	\$ 3,758.33	\$ 4,295.83	\$ 4,833.33	\$ 5,366.67	\$ 5,800.00	\$ 6,229.17	\$ 6,658.33	\$ 7,087.50
40% for PITI (Total Payment)	\$ 1,503.33	\$ 1,718.33	\$ 1,933.33	\$ 2,146.67	\$ 2,320.00	\$ 2,491.67	\$ 2,663.33	\$ 2,835.00
less taxes	\$ 288.43	\$ 329.68	\$ 370.93	\$ 411.86	\$ 440.16	\$ 467.56	\$ 494.96	\$ 522.36
less insurance	\$ 75.90	\$ 86.76	\$ 97.61	\$ 108.38	\$ 115.83	\$ 123.04	\$ 130.25	\$ 137.46
Principal and Interest Payment	\$ 1,139.00	\$ 1,301.90	\$ 1,464.79	\$ 1,626.42	\$ 1,764.01	\$ 1,901.07	\$ 2,038.12	\$ 2,175.18
1st Mortgage 5.75%	\$195,177.38	\$223,090.78	\$251,004.17	\$278,701.18	\$302,277.86	\$325,763.56	\$349,249.26	\$372,734.96
5% Downpayment	\$ 13,011.83	\$ 14,872.72	\$ 16,733.61	\$ 18,580.08	\$ 19,856.73	\$ 21,092.82	\$ 22,328.91	\$ 23,565.00
MAP	\$ 52,047.30	\$ 59,490.87	\$ 66,934.45	\$ 74,320.32	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
Purchase Price	\$260,236.51	\$297,454.37	\$334,672.23	\$371,601.58	\$397,134.59	\$421,856.38	\$446,578.17	\$471,299.96

FHA Financing

MONTHLY INCOME	\$ 3,758.33	\$ 4,295.83	\$ 4,833.33	\$ 5,366.67	\$ 5,800.00	\$ 6,229.17	\$ 6,658.33	\$ 7,087.50
40% for PITI (Total Payment)	\$ 1,503.33	\$ 1,718.33	\$ 1,933.33	\$ 2,146.67	\$ 2,320.00	\$ 2,491.67	\$ 2,663.33	\$ 2,835.00
less taxes	\$ 269.48	\$ 308.02	\$ 346.55	\$ 384.80	\$ 415.83	\$ 441.42	\$ 467.02	\$ 492.61
less insurance	\$ 70.91	\$ 81.06	\$ 91.20	\$ 101.26	\$ 109.43	\$ 116.16	\$ 122.90	\$ 129.63
Mortgage Insurance	\$ 77.50	\$ 88.58	\$ 99.67	\$ 110.66	\$ 119.60	\$ 128.89	\$ 138.17	\$ 147.46
Principal and Interest Payment	\$ 1,085.44	\$ 1,240.68	\$ 1,395.91	\$ 1,549.94	\$ 1,675.14	\$ 1,805.19	\$ 1,935.24	\$ 2,065.29
1st Mortgage 5.75%	\$185,999.46	\$212,600.27	\$239,201.08	\$265,595.69	\$287,049.49	\$309,334.68	\$331,619.87	\$353,905.06
3.5% Downpayment	\$ 8,509.78	\$ 9,726.81	\$ 10,943.84	\$ 12,151.44	\$ 13,131.33	\$ 13,939.60	\$ 14,747.87	\$ 15,556.14
MAP	\$ 48,627.31	\$ 55,581.77	\$ 62,536.23	\$ 69,436.78	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00	\$ 75,000.00
Purchase Price	\$243,136.55	\$277,908.85	\$312,681.16	\$347,183.90	\$375,180.82	\$398,274.28	\$421,367.74	\$444,461.20

Projected Purchase Prices at 100% AMI

# OF PERSONS	1	2	3	4	5	6	7	8
100% AMI	63,200.00	\$ 72,250.00	\$ 81,250.00	\$ 90,300.00	\$ 97,500.00	\$ 104,750.00	\$ 111,950.00	\$ 119,200.00

Conventional Financing to Avoid Mortgage Insurance

MONTHLY INCOME	\$ 5,266.67	\$ 6,020.83	\$ 6,770.83	\$ 7,525.00	\$ 8,125.00	\$ 8,729.17	\$ 9,329.17	\$ 9,933.33
40% for PITI (Total Payment)	\$ 2,106.67	\$ 2,408.33	\$ 2,708.33	\$ 3,010.00	\$ 3,250.00	\$ 3,491.67	\$ 3,731.67	\$ 3,973.33
less taxes	\$ 384.75	\$ 439.85	\$ 494.64	\$ 549.73	\$ 593.56	\$ 637.70	\$ 681.53	\$ 725.67
less insurance	\$ 101.25	\$ 115.75	\$ 130.17	\$ 144.67	\$ 156.20	\$ 167.82	\$ 179.35	\$ 190.97
Principal and Interest Payment	\$ 1,620.67	\$ 1,852.74	\$ 2,083.53	\$ 2,315.60	\$ 2,500.24	\$ 2,686.15	\$ 2,870.78	\$ 3,056.70
1st Mortgage 5.75%	\$277,714.48	\$317,482.14	\$357,030.09	\$396,797.75	\$428,436.11	\$460,294.17	\$491,932.53	\$523,790.60
Downpayment (20%-\$50K MAP)	\$ 19,428.62	\$ 29,370.53	\$ 39,257.52	\$ 49,199.44	\$ 57,109.03	\$ 65,073.54	\$ 72,983.13	\$ 80,947.65
MAP	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Purchase Price	\$347,143.10	\$396,852.67	\$446,287.61	\$495,997.18	\$535,545.13	\$575,367.72	\$614,915.67	\$654,738.25

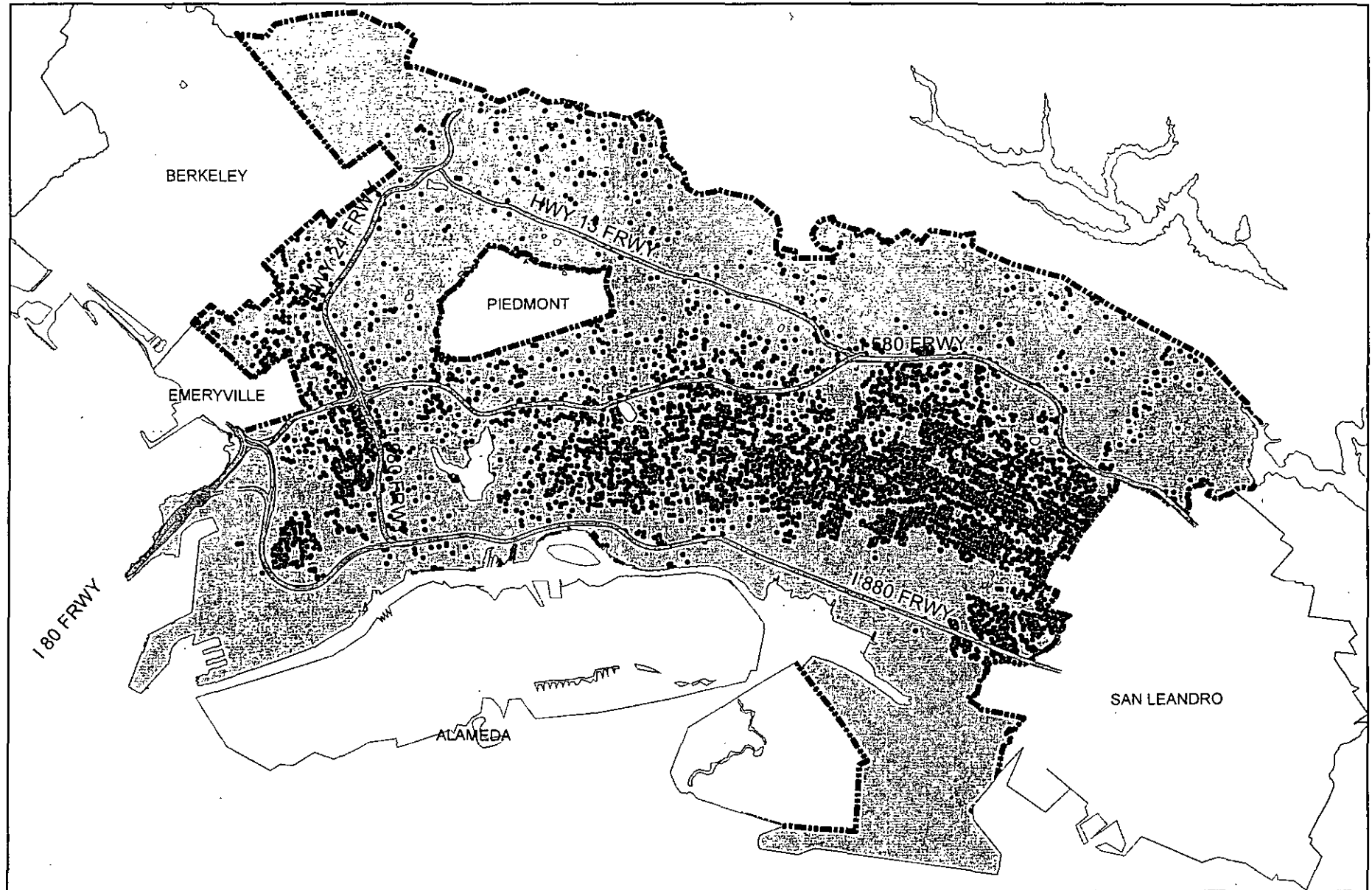
FHA Financing

MONTHLY INCOME	\$ 5,266.67	\$ 6,020.83	\$ 6,770.83	\$ 7,525.00	\$ 8,125.00	\$ 8,729.17	\$ 9,329.17	\$ 9,933.33
40% for PITI (Total Payment)	\$ 2,106.67	\$ 2,408.33	\$ 2,708.33	\$ 3,010.00	\$ 3,250.00	\$ 3,491.67	\$ 3,731.67	\$ 3,973.33
less taxes	\$ 360.71	\$ 405.69	\$ 450.42	\$ 495.40	\$ 531.18	\$ 567.21	\$ 603.00	\$ 639.03
less insurance	\$ 94.92	\$ 106.76	\$ 118.53	\$ 130.37	\$ 139.78	\$ 149.27	\$ 158.68	\$ 168.17
Mortgage Insurance	\$ 110.03	\$ 126.34	\$ 142.57	\$ 158.89	\$ 171.87	\$ 184.94	\$ 197.92	\$ 211.00
Principal and Interest Payment	\$ 1,541.00	\$ 1,769.54	\$ 1,996.81	\$ 2,225.35	\$ 2,407.16	\$ 2,590.24	\$ 2,772.06	\$ 2,955.14
1st Mortgage 5.75%	\$264,063.65	\$303,225.00	\$342,170.00	\$381,331.35	\$412,487.34	\$443,859.70	\$475,015.69	\$506,388.05
3.5% Downpayment	\$ 11,390.91	\$ 12,811.27	\$ 14,223.78	\$ 15,644.14	\$ 16,774.15	\$ 17,912.01	\$ 19,042.02	\$ 20,179.88
MAP	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Purchase Price	\$325,454.56	\$366,036.27	\$406,393.78	\$446,975.49	\$479,261.50	\$511,771.71	\$544,057.71	\$576,567.93

Attachment B

**Map of Oakland Foreclosed Properties (REOs)
January 2007 to July 2010**

Foreclosed Properties (REOs) January 2007 to July 2010



Sources: City of Oakland, CEDA - HCD
Prepared by: Sarah Brett, City of Oakland, CEDA - HCD

0 0.5 1 2 3 Miles

FILED
OFFICE OF THE CITY CLERK
OAKLAND

OAKLAND CITY COUNCIL

Approved as to Form and Legality


City Attorney

2010 SEP -1 PM 12:27 RESOLUTION No. _____ C.M.S.
Introduced by Councilmember _____

RESOLUTION AMENDING RESOLUTION NO. 79132 C.M.S. TO MODIFY THE MORTGAGE ASSISTANCE PROGRAM GUIDELINES FOR FIRST-TIME HOMEBUYERS TO SET THE MAXIMUM ALLOWABLE PURCHASE PRICE FROM THE CURRENT 95 PERCENT OF THE MEDIAN SALES PRICE OF SINGLE FAMILY HOMES IN OAKLAND TO AN AMOUNT EQUAL TO A SALES PRICE THAT IS AFFORDABLE FOR HOUSEHOLDS EARNING 100 PERCENT OF AREA MEDIAN INCOME

WHEREAS, the Mortgage Assistance Program (MAP) for first-time homebuyers assists low- to moderate-income first-time homebuyers at or below 100 percent of area median income with purchasing homes in Oakland by providing deferred loans that generate private mortgage lending and provide homeownership opportunities; and

WHEREAS, Resolution 79132 C.M.S. authorized modifications to the program guidelines for the MAP that set the maximum price limit to 95 percent of the median sales price of single family homes in Oakland; and

WHEREAS, changes in the Oakland housing market would limit the range of households the program can serve; and

WHEREAS, the City wishes to change the method to determine the maximum purchase price to an amount that is equal to a price that is affordable for households earning 100 percent of area median income; now, therefore, be it

RESOLVED: That the City Council hereby amends Resolution No. 79132 C.M.S. and approves a modification to the program guidelines for the Mortgage Assistance Program to set the maximum allowable purchase price limit at an amount equal to a sales price that is affordable for households earning 100 percent of area median income; and be it

FURTHER RESOLVED: That assistance under the Mortgage Assistance Program shall be limited to any single-family residence in the City of Oakland including detached homes, condominiums, townhouses, live/work units, and manufactured housing; and be it

FURTHER RESOLVED: That the City Council hereby appoints the City Administrator and his designee as agent of the City to take any actions necessary to execute documents, administer the MAP, and take any other necessary action consistent with the Resolution and its basic purpose.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2010

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, QUAN, REID, AND
PRESIDENT BRUNNER

NOES -

ABSENT -

ABSTENTION -

ATTEST:

LATONDA SIMMONS
City Clerk and Clerk of the Council
of the City of Oakland, California