

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



711

FROM: Economic Development Agency

SUBMITTAL DATE:
May 20, 2005

SUBJECT: APPROVAL OF AMERICAN DREAM DOWNPAYMENT INITIATIVE CLOSING COST ASSISTANCE PROGRAM

RECOMMENDED MOTION: That the Board of Supervisors:

1. Approve the American Dream Downpayment Initiative Closing Cost Assistance Program;
2. Authorize the Interim Assistant County Executive Officer / EDA to take the necessary steps to implement the program; and
3. Authorize the Interim Assistant County Executive Officer / EDA to sign all necessary and related documents.

Departmental Concurrence

BACKGROUND: The Riverside County Economic Development Agency (EDA) has received allocations of HUD grant funding totaling \$211,158 from the American Dream Downpayment Initiative (ADDI) Program, a new program to be administered by HUD as part of the Home Investment Partnership Act (HOME). The ADDI funds can be used by local jurisdictions to provide downpayment and/or closing cost assistance to eligible low and very-low income first-time homebuyers, and is available along with the jurisdiction's existing allocation of HOME funds.

RZ:BKC
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Robin Zimpfer

Robin Zimpfer
Interim Assistant County Executive Officer/EDA

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 0	In Current Year Budget: Budget Adjustment: For Fiscal Year:
	Current F.Y. Net County Cost:	\$ 0	
	Annual Net County Cost:	\$ 0	

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NA

SOURCE OF FUNDS: NA	Positions To Be Deleted Per A-30	<input type="checkbox"/>
	Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION: **APPROVE** COUNTY COUNSEL

JUN 06 2005

County Executive Office Signature *Bronda King* **BY** *Lee Adinocay*

- Policy
- Policy
- Consent
- Consent
- Dep't Recomm.:
- Per Exec. Ofc.:

Prev. Agn. Ref.: _____ **District:** _____ **Agenda Number:** _____

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APPROVAL OF AMERICAN DREAM DOWNPAYMENT INITIATIVE CLOSING COST ASSISTANCE PROGRAM

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EDA has successfully operated a First Time Home Buyer Down Payment Assistance Program (FTHB), with the use of HOME funds, for the past ten (10) years. Recent housing market conditions have created additional gaps in funds for the low income community to purchase a home.

EDA proposes to use new ADDI fund allocations in combination with the County's existing FTHB Program to assist eligible first time homebuyers within the County.

EDA has prepared program guidelines for implementation of an ADDI-funded program that will enable the County to provide closing cost assistance to eligible FTHB Program applicants with a per-household maximum of \$10,000 or 6% of the purchase price, whichever is greater. The maximum amount of combined assistance for downpayment and closing costs per household is \$40,000. Preference for the available assistance will be given to eligible participants of the Housing Authority of the County of Riverside Housing Choice Voucher (HCV) Rental Assistance Program that also participate in the Housing Authority Family Self Sufficiency (FSS) Program. Housing Authority staff has identified approximately 20 to 25 HCV/FSS Program participants that may be eligible for the ADDI assistance. Once program preference policies have been satisfied, assistance will be provided to other eligible FTHB Program applicants requiring downpayment assistance. The ADDI Program Guidelines have been incorporated into the attached FTHB Program Manual.