

## RESOLUTION NO. .

BOARD OF SUPERVISORS, COUNTY OF SAN MATEO, STATE OF CALIFORNIA

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**RESOLUTION: (A) APPROVING THE USE OF \$2.2 MILLION FROM START LOAN PROGRAM REPAYMENTS FOR A DOWN PAYMENT ASSISTANCE PROGRAM FOR EMPLOYEES OF THE COUNTY OF SAN MATEO AND HOUSING AUTHORITY OF THE COUNTY OF SAN MATEO; AND (B) AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF HOUSING, OR HIS DESIGNEE, TO SIGN LOAN DOCUMENTS, AS APPROVED BY COUNTY COUNSEL, WITH QUALIFIED BORROWERS.**

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**RESOLVED**, by the Board of Supervisors of the County of San Mateo, State of California, that

**WHEREAS**, the housing crisis in the Bay Area has created a need for San Mateo County to explore all means of relieving housing needs; and

**WHEREAS**, the Board has expressed support in creating a down payment assistance program for County employees to reduce commutes to work and lessen the resultant carbon footprint; and

**WHEREAS**, the Department of Housing (DOH) also determined that County employees who are renting anywhere and seeking home ownership may be incentivized to purchase a home within the County, rather than outside the County, if eligible for such a program; and

**WHEREAS**, DOH has an existing down payment assistance fund in the amount of \$2.2 million comprised of down payment assistance loan repayments from its START Loan Program; and

**WHEREAS**, DOH and the San Mateo Credit Union (SMCU) have worked together to create a loan program that would meet the needs of employees of the County and Housing Authority of the County of Mateo (HACSM) on home purchases in the County up to \$1.5 million; and

**WHEREAS**, all regular County and HACSM employees in full time positions regardless of income who have worked at least 18 months on the job would be eligible to apply for down payment assistance loans in the amount of \$100,000, at a three percent interest rate, deferred for five years with 30-year amortization after deferral; and

**WHEREAS**, SMCU would waive \$1,295 in lender fees for all loans brought through the program, and buyers moving in from outside the County would also qualify for \$5,000 in closing cost assistance provided by the County through the program; and

**WHEREAS**, in addition to currently being renters anywhere or homeowners outside the County, applicants must have a minimum credit score of 680, meet a debt-to-income ratio of 47 percent and have two months principal, interest, taxes and insurance (PITI) reserves on hand at the time of closing; and

**WHEREAS**, applicants must first be pre-qualified for a mortgage through SMCU and then enter a lottery that would be conducted by DOH each quarter with five applications randomly drawn in each lottery and selected applicants then given three months to find a home and enter into a purchase contract; and

**WHEREAS**, buyers would have to find a home within the County to access the program, and that home would have to become their primary residence; and

**WHEREAS**, the down payment assistance loans would become immediately due and payable upon the occurrence of certain events, including the sale of the home purchased with those funds, the conversion of the home to a vacation home or rental property, the end of a buyer's employment with the County or HACSM before the end of the deferral period, or a buyer's termination from employment with the County or HACSM for cause; and

**WHEREAS**, the program would carry a performance goal of 20 homes purchased in the County in the first year;

**NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED** that the use of \$2.2 million from START Loan Program repayments for a down payment assistance program for employees of the County of San Mateo and Housing Authority of the County San Mateo is hereby approved; and

**BE IT FURTHER RESOLVED** that the Director of the Department of Housing, or his designee, is hereby authorized to sign loan documents, approved as to form by County Counsel, with qualified borrowers.

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