

RESOLUTION NO.

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

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RESOLUTION: A) APPROVING THE USE OF \$1.2 MILLION IN REPAYMENTS FROM THE START DOWN PAYMENT ASSISTANCE PROGRAM AS FUNDING FOR THE EMPLOYEE DOWN PAYMENT ASSISTANCE PROGRAM FOR EMPLOYEES OF THE COUNTY OF SAN MATEO AND THE 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.

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, in December 2016, the Board of Supervisors approved the creation of the Employee Down Payment Assistance Program (“EDPAP”), a home down payment assistance loan program administered by the Department of Housing (“DOH”) for employees of the County of San Mateo and the Housing Authority of the County of San Mateo (“HACSM”); and

WHEREAS, the original purpose of EDPAP was to incentivize County employees living outside the County to move into it, reducing commutes to work and lessening the resultant carbon footprint; and

WHEREAS, DOH also determined that County employees who are renting anywhere and seeking home ownership may be incentivized to purchase a home within the County, if eligible for such a program; and

WHEREAS, the Board initially funded EDPAP with \$2.2 million in loan repayment

proceeds from the now-discontinued START Down Payment Assistance Program, a down payment assistance program created by the County in the 1990s using funds from the sale of a County-owned property to initially fund EDPAP; and

WHEREAS, DOH exhausted the original \$2.2 million in funding, but has identified an additional \$1.2 million on loan repayment proceeds from the discontinued START Down Payment Assistance Program which could be allotted to EDPAP in order to continue the program; 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 the end of the deferral period; and

WHEREAS, applicants must first be pre-qualified for a mortgage through SMCU; and

WHEREAS, qualified applicants would be entered into quarterly drawings conducted by DOH, with five qualified applicants randomly elected at each drawing who would then have six months to find a home and enter into a purchase contract; 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 five-year 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 12 homes purchased in the County; and

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED that the use of \$1.2 million in repayments from the START Down Payment Assistance Program as funding for the Employee Down Payment Assistance Program for employees of the County of San Mateo and the Housing Authority of the County of 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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