



Northern Santa Barbara County Homebuyer Assistance Program

2006 Amendment to Program Guidelines

Housing and Community Development Department
Housing Finance Division
Ron Cortez, Interim Director



What is the HAP Program?

- 1st Time Homebuyer Down Payment Assistance for Low Income families
- HAP established in 1995 as part of Santa Barbara County HOME Consortium Program
- Financial and Program Partnership with the Cities of Santa Maria and Lompoc
- Limited to North County areas of Santa Maria, Orcutt, Tanglewood, Lompoc, and Vandenberg Village



HAP Program Components

- HAP participants purchase market rate homes and sell at the market rate price; it is NOT part of the Inclusionary Housing Program
- Loans made from State and Federal funds
- Fannie – Mae certified homebuyer education is required
- Pre-approved mortgage makes HAP buyers more competitive
- Includes downpayment savings program with matching grants through Los Padres Savings Bank



HAP Program History

- 75 loans to date
- \$2,478,892 total of loans awarded
- 1,320+ families received homebuyer education and credit counseling
- 1,320+ Fannie Mae Homebuyer Certificates awarded



Why HAP Guideline Change?

- Current \$60,000 loan amount maximum is not enough for low – income families to afford homes in the escalating housing market
- \$900,000 in awarded State and Federal funds currently available for target market areas
- \$450,000 must be expended locally by 12/31/06 or the funds will be returned to the State of California



Loan Amount Only Guidelines Change Proposed

■ Current Program

- \$60,000 loan max:
 - \$40,000 Shared Equity loan
 - \$20,000 loan forgiven at \$2,000 in years 1 – 10
(1/3 of total loan)

■ Proposed Program

- \$150,000 loan max:
 - \$100,000 Shared Equity Loan
 - \$50,000 loan forgiven at \$5,000 in years 1 - 10
(1/3 of total loan)



Benefits of HAP Guidelines Change

- Low income families can achieve homeownership
- New Loan Amount allows purchase in current Northern Santa Barbara Real Estate Market in “Buyers Market”
- Neighborhood Revitalization
- Ability to utilize grant funding instead of returning to State and Federal programs



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- Questions?
- Thank you

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