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# County of Santa Cruz

## BOARD OF SUPERVISORS

701 OCEAN STREET, SUITE 500, SANTA CRUZ, CA 95060-4069

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THIRD DISTRICT

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**APPROVED AND FILED**  
**BOARD OF SUPERVISORS**

DATE: 11/1/05  
COUNTY OF SANTA CRUZ

SUSANA MAUTIELLO  
OFFICE CLERK OF THE BOARD

BY *[Signature]* DEPUTY

AGENDA: 11/1/05

October 20, 2005

BOARD OF SUPERVISORS  
County of Santa Cruz  
701 Ocean Street  
Santa Cruz, CA 95060

RE: APPOINTMENT TO HOUSING ADVISORY COMMISSION

Dear Members of the Board:

I recommend the appointment of Adeline Davis to the Housing Advisory Commission, in accordance with County Code Section 2.94.030, for a term to expire April 1, 2007.

Sincerely,

*[Signature: Mardi Wormhoudt]*

MARDI WORMHOUDT, Supervisor  
Third District

MW:ted

cc: Adeline Davis  
Housing Advisory Commission

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### **First Mortgage Qualification (continued)**

#### Excess cash reserves

Home buyers are allowed to retain a reasonable cash reserve. However, excess cash reserves must be applied toward the home's down payment and closing costs.

#### **FTHB Subsidy**

#### Subsidy Amount

The FTHB down payment and monthly housing cost subsidy is always fifteen percent (15%) of the purchase price.

#### Terms

There is no monthly payment, interest charged or balloon payment for the FTHB subsidy as long as applicant owns and occupies the home. The subsidy, plus a share of the home's appreciation, is paid back upon sale or transfer of the manufactured home.

#### **Resale Price Controls**

#### The Resale Price is Limited

The home's resale price is limited and can increase only as much as the percentage increase in Santa Cruz County area median income for the duration of home ownership. The resale price can be further adjusted by the value of capital improvements to the home.

#### Seller Responsible for Transaction Costs Upon Sale of Unit

When a FTHB homeowner sells the home, all real estate and reasonable escrow and title costs must be paid from the seller's proceeds. Therefore, if the home is sold a short time after purchase, as with most market rate real estate transactions, the seller may realize a net loss upon sale.

#### Duration of the Price Controls

The home's resale price is restricted until sale or transfer of the home. The FTHB subsidy cannot be prepaid to release buyers from the resale price controls.

# **COUNTY OF SANTA CRUZ FIRST TIME HOME BUYER PROGRAM**

## **MANUFACTURED HOMES SUMMARY OF GUIDELINES**

**September 2005**

**PROGRAM ADMINISTERED BY  
PLANNING DEPARTMENT OF THE  
COUNTY OF SANTA CRUZ  
454-2580**

**County of Santa Cruz**  
**First Time Home Buyer (FTHB) Program**  
**Mobile Homes 2005**

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**What are the two primary goals of the FTHB Program?**

1. The Program assists eligible low-income first time home buyers to purchase market rate mobile homes in licensed mobile home parks in the unincorporated Santa Cruz County area by providing home buyers cash down payment subsidies of fifteen percent (15%) of the purchase price, and by setting a maximum purchase price limit of \$300,000. Subsidies plus a "shared appreciation" are repaid only upon sale or transfer of homes. There are no monthly payments and no interest is charged on the Agency loan, thereby keeping monthly housing costs affordable.
2. The Program creates long-term affordable, owner-occupied housing units by restricting the resale price when a FTHB unit is sold. Owners are allowed modest equity gains, but are not allowed to realize windfall profits from the sale of their homes at unrestricted market prices.

**Eligible Buyers**

**Maximum Income Limits:**

Gross annual household income by all adult family members must be less than the following:

Household Size:	Maximum Gross Annual Income*:
1 person	\$52,700
2 persons	\$60,250
3 persons	\$67,750
4 persons	\$75,300
5 persons	\$81,300
6 persons	\$87,350

\*Updated annually based on State Housing and Community Development Department Income Limits by County, as adjusted for household size.

**First Time Home Buyer**

Eligible buyers cannot have owned residential property within the last three years (with exceptions for displaced homemakers or and recently divorced individuals with a minor dependent)

**Employed in Santa Cruz County**

At least one of the eligible buyers must be employed full-time, or be under contract to be employed full-time, in Santa Cruz County. If self-employed, the buyer's primary place of business must be in Santa Cruz County.

**Primary Place of Residence**

The home must be the buyer's primary place of residence. It cannot be rented or leased.

**Eligible Properties**

**Maximum Purchase Price**

The maximum purchase price is \$300,000. Buyer's excess cash cannot be used to increase the purchase price limit.

**Manufactured homes in mobile home parks**

Homes purchased through this program must be existing single family manufactured homes, in licensed mobile home parks located in the unincorporated areas of Santa Cruz County which include the San Lorenzo Valley, Live Oak, Soquel, Aptos and Freedom areas.

**First Mortgage Qualifications**

**Participating Lenders**

Buyers must originate their first mortgage loans with County qualified "participating lenders." These are first lenders who have reviewed and approved the program's down payment subsidy and resale controls, and who are very familiar with the program's guidelines.

**Types of loans allowed**

The first mortgage must be a 20-year conventional fixed rate, fully amortized loan, or a 20-year loan amortized over 30 years and due and payable in 20 years.

**First Mortgage Qualification**

**Maximum debt-to-income ratios**

The maximum housing cost (including space rent) and overall debt-to-income qualifying ratios can be no more than 40%/47%.

**Minimum Down Payment and Escrow Costs**

The buyer's minimum down payment is five percent (5.0%) of the purchase price. Escrow costs are paid by the buyer.



# County of Santa Cruz

## PLANNING DEPARTMENT

701 OCEAN STREET. 4<sup>TH</sup> FLOOR, SANTA CRUZ, CA 95060  
(831) 454-2580 FAX: (831) 454-2131 TDD (831) 454-2123  
TOM BURNS. DIRECTOR

November 29, 2005

«FirstName» «LastName»  
«JobTitle»  
«Company»  
«Address1»  
«Address2»  
«City», «State» «PostalCode»

Subject: County of Santa Cruz First Time Home Buyer Program for Mobile Homes

Dear Mr./Ms. «LastName»,

As an employer in the County you are aware of the high cost of housing in this area. In November 2001 you were contacted by the County Redevelopment Agency to discuss whether workforce housing could be developed on surplus property owned by your agency. The major focus was to explore strategies to address workforce housing needs.

While the County continues to consider affordable housing opportunities on appropriate sites, I did want to let you know about a recent change we have made to the County's First Time Home Buyer Program. Our Program includes a down payment assistance subsidy of 15% of the purchase price. Last month the Board of Supervisors expanded the Program to increase the maximum purchase price and income limits for mobile home purchases. I have enclosed our program brochure for you to review and disseminate to your employees. If you would like more brochures, please call Micaela Lopez in our office at 454-2336.

If you would like more information on our program, please call Carolyn Watanabe at 454 -2322 with any questions you may have.

Sincerely,

Erik Schapiro  
Housing Program Chief

Enclosures