



First Time Home Buyer, Mortgage Down Payment Assistance Program

January 20, 2026

Housing and Land Use
Committee

Vincent Montgomery,
Planning Manager



Discussion

- Establishment of First Time Homebuyer, Mortgage Down Payment Assistance Program (MDPAP)
 - Expands housing access and affordability
 - Complements rental assistance and housing stabilization programs
 - Draft to be presented to City Council for authorization to submit to HCD and launch MDPAP

Expanding Housing Affordability and Stability

Rental Assistance Program – providing direct support to households facing housing insecurity.

Emergency Solutions Grant (ESG) Program – supporting homeless services and shelter operations.

Affordable Housing Development Partnerships – leveraging state and federal resources to expand the supply of affordable units.



First Time Homebuyer, Mortgage Down Payment Assistance Program Proposal

The Mortgage Downpayment Assistance Program will:

- Provide eligible moderate-income families and individuals with a low interest, deferred payment loan for the purchase of their first home to utilize as their principal place of residence.
- Support transition from renting to homeownership
- Continue to evolve based on:
 - Applicant feedback
 - Market conditions
 - Emerging best practices
 - Funding availability
 - City priorities

Key Program Components

Target Population:

- Salinas Resident/Employees for at least 2 years
- Moderate-Income Households ($\leq 150\%$ AMI)

Eligible Properties:

- Single-family residences
- Condominiums
- Manufactured housing within an owner-occupied park

Down Payment Assistance



**Loans of up to \$125,000
or 17% of sales price**
Deferred payment



3% Simple Interest



30 Year Loan Term

Key Program Components Contd.

Funding Sources

- Permanent Local Housing Allocation (PLHA)
 - \$1.034 M Available
 - Other sources based on availability

Education Requirements:

- HUD-approved, 8-hour homebuyer education course

Partnerships / Outreach

- Lenders & Mortgage Associations
- Realtors & Developers
- Community Organizations
- Service Providers

Implementation Timeline



Recommended Motion

A motion recommending that the City Council approve a Resolution to:

- Establish the First Time Home Buyer, Mortgage Down Payment Assistance Program (MDPAP); and
- Appropriate \$1,034,137 of Permanent Local Housing Allocation (PLHA) grant funds from allocation years 2021 and 2022; and
- Authorize the City Manager, or designee, to promulgate the MDPAP guidelines, and negotiate and execute all applicable forms, conditional commitment letters, agreements, and subsequent amendments as needed to implement the MDPAP Program.



Questions?

*For more information, contact the CDD Housing Division at
(831) 758-7334*

<https://www.cityofsalinas.org/Your-Government/Departments/Community-Development>