



CITY OF SALINAS

HOUSING AND LAND USE COMMITTEE

DATE: AUGUST 11, 2026

DEPARTMENT: COMMUNITY DEVELOPMENT

FROM: ORLANDO REYES, ASSISTANT DIRECTOR

BY: JOSEFINA AGUILAR, SENIOR COMMUNITY DEVELOPMENT ANALYST

TITLE: FIRST TIME HOMEBUYER MORTGAGE DOWN PAYMENT ASSISTANCE PROGRAM UPDATE

RECOMMENDED MOTION:

No action is required. This Report presents information to the Housing and Land Use Committee regarding the launch of the First Time Homebuyer Mortgage Down Payment Assistance Program.

EXECUTIVE SUMMARY:

The First Time Homebuyer Mortgage Down Payment Assistance Program (FTHB-MDAP) is funded by State Housing & Community Development Department (HCD) grant funds and its guidelines have been approved. City staff are currently developing the necessary forms, establishing partnerships with lenders and community organizations, and preparing marketing materials. The program is projected to launch in November 2026.

BACKGROUND:

On January 27, 2026, the City Council approved the creation of the First Time Homebuyer Mortgage Down Payment Assistance Program. Then on February 10, 2026, HCD approved draft program guidelines. This initiative is designed to help qualified buyers purchase homes in the City of Salinas. The program supports the strategic goal of expanding access to housing and improving affordability, thereby stabilizing housing opportunities for low- and moderate-income households.

Funding for the program totals \$1.3 million from the Permanent Local Housing Allocation (PLHA). This allocation will provide loans up to \$125,000 or 17% of the home sales price. The loans have a 30-year term and a 3% interest rate, with payments deferred. It is anticipated that this funding will allow for approximately ten loans. The City is building partnerships with lenders and service providers, including an invitation to interested lenders and brokers operating in Salinas. Additionally, the partnership includes CHISPA, which will offer a required homebuyer preparation course.

ATTACHMENTS:

None