



# First Time Home Buyer, Mortgage Down Payment Assistance Program

January 27, 2026

City Council

Orlando Reyes,  
Assistant Director



# Discussion

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- Establishment of First Time Homebuyer, Mortgage Down Payment Assistance Program (MDPAP)
- Implements 2023-2031 Housing Element - Expands housing affordability and opportunities
- Complements rental assistance and housing stabilization programs
- Draft presented to City Council for authorization to submit to HCD and launch MDPAP

# Expanding Housing Affordability and Stability

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**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

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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

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# CEQA Consideration

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The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Any subsequent discretionary projects resulting from this action will be assessed for CEQA and NEPA applicability.

## Strategic Plan Initiative

- Advance Housing Affordability and Opportunities at all Income Levels

## Fiscal and Sustainability Impact

- ☒ No General Fund Impact
- ☒ Project will be funded through the PLHA program
- ☒ No additional staffing requested

# Recommended Motion

## A motion to approve a Resolution

- Establishing the First Time Home Buyer, Mortgage Down Payment Assistance Program (MDPAP); and
- Increasing the estimated Permanent Local Housing Allocation (PLHA) grant revenue from allocation years 2021 and 2022 by \$1,034,137; and
- Authorizing 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?

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

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