



CITY OF CAPITOLA  
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## CITY OF CAPITOLA HOMEBUYER ASSISTANCE PROGRAM

The City of Capitola is pleased to announce a homebuyer assistance program, funded by a Community Development Block Grant (CDBG), to provide a down payment loan to income-eligible purchasers towards the purchase of a mobile home, manufactured home, condominium, townhouse or single family residence in the City of Capitola.



CDBG funds are limited and will be allocated on a "first come, first served basis."

### Buyer Eligibility

- Homebuyer must contribute a minimum of one percent (1%) of the sales price as down payment.
- Cannot currently be on title to real property (ok to own a manufactured or mobile home, if home will be sold as part of purchase)
- All buyers must meet the established guidelines for income and assets below.

<b>INCOME &amp; ASSETS LIMITS</b>								
<i>Number of Persons in Household</i>								
	1	2	3	4	5	6	7	8
<b>INCOME LIMIT</b> <i>80% of Area Median Income</i>	\$55,250	\$63,150	\$71,050	\$78,900	\$85,250	\$91,550	\$97,850	\$104,150
<b>ASSETS LIMIT*</b> <i>1 ½ times Income Limit</i>	\$82,875	\$94,725	\$106,575	\$118,350	\$127,875	\$137,325	\$146,775	\$156,225

\* Assets limit calculation does not include funds to purchase the unit, and up to \$500,000 in qualified retirement accounts.

**Maximum Purchase Price**      \$475,000

### First Mortgage Guidelines

- First mortgage must be fully amortized, conventional, fixed-rate, at least 30-year
- Maximum qualifying debt-to-income ratios are 35% / 40%
- All mortgages must include impound taxes and insurance
- Buyer must provide pre-qualification letter for maximum amount Primary Lender is willing to loan as part of application

### CDBG Loan Guidelines

- Loan is up to \$100,000 of purchase price
- Closing costs may be included in CDBG loan
- Loan term is 40 years
- Loans have simple interest rate of 3%, and are deferred until sale or transfer of property, with no monthly payments
- Loan is secured by a deed of trust or lien on mobile home title with California HCD
- Loan and accrued interest is repaid upon sale or transfer of the home or violation of the CDBG program
- Buyer is required to occupy the home as principal place of residence, and may not be rented or leased
- Buyer must complete annual occupancy certification
- Home must be inspected by Housing Authority representative prior to purchase
- Buyers must participate in Housing Authority homebuyer education

### For More Information

This Program is operated by the Housing Authority of the County of Santa Cruz. Contact Martin Gomez at 831-454-5952 or [marting@hacosantacruz.org](mailto:marting@hacosantacruz.org).