



**CITY OF SAN DIEGO
HOMEOWNERSHIP GRANT PROGRAM GUIDELINES
BUYERS EARNING 80% OR LESS OF AREA MEDIAN INCOME (AMI)**

The San Diego Housing Commission offers assistance to help pay a portion of the homebuyer’s down payment and closing costs. The assistance is available to eligible applicants who gross annual income does not exceed 80% of area median income and are purchasing a new or resale home within the City of San Diego.

Closing Cost Assistance Terms:

Eligible borrowers may apply for a homeownership grant of up to 4% of the purchase price or appraised value, whichever is less. The homeownership grant is not to exceed \$15,000 for borrowers up to 80% AMI. Grant may not be less than \$1,000. The homeownership grant may be used for all recurring and non-recurring closing costs.

The homeownership grant is non-recoverable and will be *forgiven at the close of escrow*. Borrowers will only be required to sign a Homeownership Grant Agreement. There will *not* be a Promissory Note or Deed of Trust in conjunction with the homeownership grant.

2015 Maximum Income Limits			
Household Size	80% Income Limit	Household Size	80% Income Limit
1	\$45,400	5	\$70,000
2	\$51,850	6	\$75,200
3	\$58,350	7	\$80,400
4	\$64,800	8	\$85,550

- The maximum sales price limits are:
 - Attached and Detached: **\$390,000**
- Eligible properties must have the following occupancy characteristics:
 - Currently occupied or recently vacated by the owner-seller of the property;
 - If a rental property, sold only to the existing tenant; or
 - If rental property, vacant prior to submission of the purchase offer by borrower.

Due to the relocation regulations as stated in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, properties occupied by a tenant at the time the purchase offer is made are not eligible for first time home buyer assistance. No exceptions can be made to the requirements regarding properties which are or were tenant occupied.

- Assets cannot exceed \$10,000 for the first household member and \$500 per each additional household member after escrow closing.

- All household members must be first-time homebuyers (no ownership in a property within the last three years).
- The loan origination and discount points *not to exceed 2.5% combined*.
 - Loan origination *not to exceed 1.5%*. The loan origination can only be charged on the first trust deed loan. Loan origination cannot be charged on the SDHC 3% interest deferred payment loan or closing cost assistance.
- Application fee required from the buyer:
 - 80% AMI – No Fee

To Qualify, Recipients Must:

- Work with a lender participating in the program. The lender will provide the first mortgage and apply on the buyer's behalf for the grant from the Housing Commission.
- First trust deed loan must a 30-year fixed rate loan.
- For the purpose of determining household size, any person claimed as a household member must have lived with the borrower for a minimum of one year.
- The income of all household members 18 years and older will be used for determining eligibility. The borrower is required to provide all pertinent eligibility documentation requested by the first trust deed holder on behalf the Housing Commission.
- Termite clearance required. Section I and II clearance is required.
- An HQS inspection is required and if the property was built prior to 1978, an assessment for lead-based paint is also required. The HQS inspection must be completed by an approved company from the Housing Commission's list of qualified inspectors. All items failing inspection must be repaired or replaced and a certification issued by the HQS inspector stating the property meets HQS and clear from lead-based paint prior to the close of escrow. If the visual assessment for lead-based paint fails in the HQS inspection, lead-based paint clearance must be obtained prior to the close of escrow. Clearance can be obtained by one of the following options:
 - 1) Obtain an XRF Inspection with Risk Assessment from a company licensed to perform lead-based paint testing
 - a. If the test results are negative, no further action is required;
 - b. If test is positive, surfaces must be stabilized by a certified / trained company using safe work practices and clearance is to be provided; or
 - 2) Presume surfaces are positive for lead-based paint
 - a. Have surfaces stabilized by a certified / trained company using safe work practices;
 - b. Obtain clearance from a company licensed to perform lead-based paint clearance

Please be advised, the HQS inspection and assessment for lead-based paint are not a complete home inspection. It is strongly recommended the borrowers obtain a full property inspection from a licensed residential property inspector.

These guidelines are provided as a basis for the determination of program eligibility for the closing cost grant program. The Housing Commission at its sole discretion may make exceptions to any guideline which is not driven by funding source regulations or the Housing Commission Policy 600.101.



The San Diego Housing Commission (SDHC) is committed to affirmatively furthering fair housing by promoting fair and equal housing opportunities for individuals living in the City of San Diego. This commitment extends to all housing programs managed or owned by SDHC and to all grant-funded programs provided by SDHC. It is the policy of SDHC to provide services without regard to race, color, religion, national origin, ancestry, age, gender, familiar status or physical/mental disability. For more on our commitment to affirmatively furthering fair housing visit our website at www.sdhc.org