

Commission on Community Investment and Infrastructure

Amended & Restated MOU with the MOHCD for Administration of the Legacy Foundation Downpayment Assistance Program

May 21, 2024



Action

- Authorize an Amended and Restated Memorandum of Understanding with the Mayor's Office of Housing and Community Development ("MOHCD") for Administration of the Legacy Foundation Homeownership Legacy In Town ("LIT") Grant Program to increase the amount by \$200,000 for an aggregate total in an amount not to exceed \$380,000

Legacy Foundation Purpose

The*Legacy Foundation Community Benefits Fund is to be reinvested in the BVHP Community to:

- Benefit low- and moderate-income families
- Meet other community development needs:
 - social services
 - affordable housing
 - education
 - the arts
 - public safety

* The LF is responsible for administering the Phase 1 CB fund contribution and a portion of the Phase 2 contributions.

Legacy Foundation (LF) Strategic Plan and Previous Approvals

- February 7, 2017 – Commission adopted Strategic Priorities
 - 1) Neighborhood Building
 - 2) Education & Workforce
 - 3) Homeownership
- November 18, 2019, Legacy Foundation (LF) Board Meeting:
- LF Board established a Legacy in Town (LIT) Program and voted for MOHCD to administer an \$180,000 homeownership assistance programs for first time homebuyers within D10.

Original Homeownership Downpayment Assistance Program

- October 20, 2020, OCII Commission approved MOU with MOHCD for the LIT program.
- MOHCD made 5 loans of \$34,200
 - Forgivable, no interest and no monthly payment loan.
 - Loan amount decreases 20% per year after year 5
 - Loan forgiven in entirety at end of 10th year
- MOHCD retained \$9,000 (total of 5% of fund) to use for administrative fees

Results of LIT 2021 Fund Allocation

- Five recipients (occupations)- transit sup., project managers, laborer and health program coordinator.
 - ❑ 1 single family, 3 condos, 1 townhome; Prices rang \$700k-\$1.1m.
 - ❑ All received MOHCD's Downpayment Assistance Loan Program Dream Keeper (DALP). Amounts ranged from \$278,000-\$500,000.
- DALP
 - ❑ Eligible: low-mod income 1st time homebuyers; max \$500k.
 - ❑ DK-DALP is a silent second which requires no monthly payments. When property is sold the owner repays MOHCD, plus an equal share of appreciation.
 - ❑ For more information visit: <https://www.sf.gov/reports/may-2023/dream-keeper-downpayment-assistance-loan-program-dk-dalp>

Amended Homeownership Downpayment Assistance

On May 1, 2024, Legacy Foundation voted to allocate an additional to \$200,000 for a second phase of LIT Program to prioritize grants for **Certificate of Preference (“COP”)** **Holders** prioritized in the following order:

- COP Holders for the first four (4) years from the MOU effective date;

After the Initial Four Years

- Existing Residents of the Program Area purchasing a home in the Program Area;
- Existing Residents of the Program Area purchasing a home in the City; or
- City residents purchasing a home in the Program Area.

Phase 2 - LIT Fund Allocation

- OCII makes one time payment of \$200,000 to MOHCD
- MOHCD will loan out \$190,000 and remaining funds of \$10,000 will be used for MOHCD Admin Fees.
- Estimate 5 loans at approximately \$38,000.
- Loan Details:
 - Forgivable, no interest and no monthly payment loan.
 - Loan amount decreases 20% per year after year 5
 - Loan forgiven in entirety at end of 10th year
- Funds will be transferred to MOHCD within 90 days
- MOHCD will you use other fund sources such as DALP to assist buyers needs.

Questions/Comments

Thank you.