

Mayor and Council Communication

DATE: 12/12/23

M&C FILE NUMBER: M&C 23-1050

LOG NAME: 19HOMEBUYER ASSISTANCE PROGRAM 2023 POLICY CHANGE

SUBJECT

(ALL) Authorize Changes to the City of Fort Worth's Homebuyer Assistance Program to Allow Maximum Assistance to Eligible Homebuyers of Up to \$25,000.00 for Down Payment and Closing Costs

RECOMMENDATION:

It is recommended that the City Council authorize changes to the City of Fort Worth's Homebuyer Assistance Program to allow maximum assistance to eligible homebuyers of up to \$25,000.00 for down payment and closing costs.

DISCUSSION:

Since 1997, the City of Fort Worth's (City) Homebuyer Assistance Program (HAP) has assisted low- and moderate-income households with affordable homeownership by providing deferred forgivable loans to reduce down payment and closing costs associated with the purchase of a house. Households whose income is at or below 80 percent of Area Median Income (AMI), set annually by the United States Department of Housing and Urban Development (HUD), are currently able to receive a HAP loan of up to \$20,000.00. The loan is a zero-payment, zero-interest subordinate loan. If the homebuyer receives up to \$14,999.00 and occupies the home as their principal residence for five years, the loan is forgiven. For homebuyers who receive assistance between \$14,999.00 and \$20,000.00 and occupy the home as their principal residence for ten years, the loan is forgiven. The most recent increase from \$14,999.00 to \$20,000.00 was approved by City Council with Mayor & Council Communication (M&C) G-19413 on Tuesday, November 6, 2018.

Due to real estate market, high sales prices and population growth, the City has served an average of 243 households in the last five years with down payment and closing cost assistance.

Staff briefed the City Council's Neighborhood Quality and Revitalization Committee about the proposal on October 10, 2023 and the committee voted on that date to recommend it for approval by the full Council.

Staff recommends the following changes to the City's HAP policies and guidelines:

1. To raise the current maximum assistance from \$20,000.00 to \$25,000.00 for down payment and closing costs.

The Homebuyer Assistance Program is available in ALL COUNCIL DISTRICTS.

A Form 1295 is not required because: This M&C does not request approval of a contract with a business entity.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that this recommendation will have no material effect on City funds.

Submitted for City Manager's Office by: Fernando Costa 6122

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