



CITY COUNCIL STAFF REPORT

ITEM NO. 6.8

DATE: April 13, 2026

TO: Honorable Mayor and City Council

FROM: Brent Smith, Community Development Director

SUBJECT: Resolution adopting the updated City's Mortgage Assistance Program Guidelines and appropriating an additional \$200,000 for FY 2025-26 and \$200,000 for FY 2026-27 from Fund 203 to support issuance of loans for first-time homebuyers.

RECOMMENDED ACTION

Staff recommends the City Council adopt a resolution approving the updated Mortgage Assistance Program (MAP) Guidelines and appropriating an additional \$200,000 for FY 2025-26 and an additional \$200,000 for FY 2026-27 from Fund 203 to support issuance of new loans.

DECISION TYPE

Administrative

SUMMARY

The Mortgage Assistance Program (MAP) continues to support the City's Affordable Homeownership goals by helping income-qualified, first-time buyers to purchase homes. With state down payment assistance funds fully utilized, updating the MAP loan structure will expand access for low-income households, streamline administration, and support long-term affordability. Updates include adding a 30-year deferred-payment loan option to close the affordability gap for low- to median-income buyers and extending the term to a 30-year amortized loan with a maximum of \$40,000 for moderate-income buyers who can sustain low monthly payments. Staff recommends allocating an additional \$200,000 in both FY 2025-26 and FY 2026-27 to increase the number of MAP loans available each year.

DISCUSSION

The City of Livermore's Mortgage Assistance Program (MAP) has supported first-time, income-qualified homebuyers for more than twenty years and continues to serve as an important resource to the Affordable Homeownership Program. As most new construction Below Market Rate (BMR) units offered through the Affordable Homeownership program are priced for moderate-income households (120% of Area Median Income), MAP plays a key role in helping lower-income buyers bridge the remaining affordability gap and successfully enter homeownership. Demand for affordable homeownership

opportunities remains strong for applicants in the low- (80% of Area Median Income) to median-income (100% of Area Median Income) range. Many low- to median-income applicants need additional downpayment assistance to qualify for a BMR purchase. State-funded down payment assistance programs such as CalHome and BEGIN, which traditionally help fill this gap, are now fully expended, resulting in increased reliance on MAP funds.

The current MAP loan is structured as two 10-year promissory notes, one amortized and one deferred, which adds to the administrative burden to track payments and increases loan servicing costs. Staff recommends changing this structure to a single promissory note at new terms which would be affordable for low- to moderate-income homebuyers. While the amortized payment structure has been affordable for moderate-income homebuyers, offering a deferred payment option could expand the program's reach to additional low- to median-income households. Adjusting the loan structure would reduce administrative complexity, streamline servicing, and improve long-term affordability.

To strengthen the effectiveness of MAP loans as a resource to the existing Affordable Homeownership Program, staff recommends the following revisions to the loan structure and program design.

	Current MAP Terms	New Deferred MAP Terms	New Amortized MAP Terms
Area Median Income	Up to 120%	80-100%	100-120%
Interest Rate	3% Annual	3% Annual	3% Annual
Loan Amount	Up to \$60,000	Up to \$60,000	Up to \$40,000
Loan Term	20 years	30 years	30 years
Repayment Terms	10-year amortized (\$290/mo.) and 10-year deferred split	Deferred payment for 30 years	Low monthly payment (\$170)

The program's current annual budget of \$300,000 funds five loans at \$60,000 each. Staff also recommends allocating an additional \$200,000 in both FY 2025-26 and FY 2026-27 to the MAP program. These funds will enable the City to offer approximately three to five additional loans per year for low- to moderate-income first-time homebuyers.

FISCAL AND ADMINISTRATIVE IMPACTS

The current MAP budget of \$300,000 from Fund 203 - Mortgage Assistance Program, is funded through mortgage assistance loan repayments. Allocating an additional \$200,000 per fiscal year under the new repayment structure would reduce administrative and loan servicing costs through a streamlined loan structure while also expanding opportunities for BMR homebuyers.

COMMUNITY PILLAR

1: A Safe Community that Thrives

GOAL

7: Expand and preserve the supply of affordable housing opportunities

ATTACHMENTS

1. Resolution
2. Exhibit A - MAP Guidelines

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