

Agenda Item Form

Agenda Date: October 26, 2004

Districts Affected: all

Dept. Head/Contact Information: Robert Soto
Community Development 541-4639

Type of Agenda Item:

- | | | |
|---|---|---|
| <input checked="" type="checkbox"/> Resolution | <input type="checkbox"/> Staffing Table Changes | <input type="checkbox"/> Board Appointments |
| <input type="checkbox"/> Tax Installment Agreements | <input type="checkbox"/> Tax Refunds | <input type="checkbox"/> Donations |
| <input type="checkbox"/> RFP/ BID/ Best Value Procurement | <input type="checkbox"/> Budget Transfer | <input type="checkbox"/> Item Placed by Citizen |
| <input type="checkbox"/> Application for Facility Use Ordinance | <input type="checkbox"/> Bldg. Permits/Inspection | <input type="checkbox"/> Introduction of |
| <input type="checkbox"/> Interlocal Agreements | <input type="checkbox"/> Contract/Lease Agreement | <input type="checkbox"/> Grant Application |
| <input type="checkbox"/> Other _____ | | |

Funding Source:

- General Fund
 Grant (duration of funds: n/a Months)
 Other Source: _____

Legal:

- Legal Review Required Attorney Assigned (please scroll down): Jeff McElroy Approved
 Denied

Timeline Priority: High Medium Low # of days: _____

Why is this item necessary:

SUBJECT: Waiver requested by Josefina N. Acosta, of Chapter 6, Page 6-1, 6-2, Subsection I.A.3 and I.A.6, First Time Homebuyers Program, of the Community and Human Development Housing Programs Handbook.

NOTE: Josefina N. Acosta is asking for City Council to waive the above two sections of City's First Time Homebuyers Program. Chapter 6, subsection I.A.3 states: "Applicants cannot have owned any residential property, which was utilized as a residence, with the last three years, unless the applicant is a displaced homemaker or a single parent with child/children." Chapter 6, subsection I. A. 6 states: "Applicants may not hold more than \$4,000.00 in non pension savings or any other form of account (i.e. CD, money market, mutual fund, stocks, bonds, etc.) Any amount in excess of \$4,000.00 shall be used by applicant to pay additional down payment and closing costs over and above the minimum requirements of this Program (50% of down payment), so that the amount of the City's contribution will be reduced by the same amount. Gifts from family or friends will also be used \$1.00 for \$1.00 in reducing City's contribution, under this Program." Chapter 6, subsection I.A.3 and subsection I.A.6 are local program rules and are not HUD or Federal mandated. Ms. Acosta claims that she cannot find a decent home without the help of the City's First Time Homebuyers Program. Ms. Acosta's home at 1017 S. Cambell, was purchased by the El Paso Independent School District, to build a new school. Ms. Acosta will use all of the funds she received from sale of her home(\$37,200.00) plus \$12,800.00 from her savings. Total amount of her contribution will be \$50,000.00. Total balance of Ms. Acosta's savings account is \$52,993.45.

Director of Community and Human Development approves granting waivers, with one condition that Ms. Acosta will use her money (\$50,00.00) first and that City funds be used as a supplement up to \$20,000.00. All other Program requirements will remain in effect. Director of Community and Human Developments recommends approval of the waivers.

Explain Costs, including ongoing maintenance and operating expenditures, or Cost Savings:

none

Statutory or Citizen Concerns:

none anticipated

Departmental Concerns:

none

ITEM: _____

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RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

THAT the City Council approves the following waiver request from Josefina N. Acosta, an applicant for financial assistance under the City's First Time Homebuyers Program.

Chapter 6, Pages 6-1 and 6-2, Subsection I.A.3 and I.A.6, First Time Homebuyers Program requirements in the Community and Human Development Housing Programs Handbook as recommended by the Community and Human Development Director:

ADOPTED this 26th day of **October 2004**.

THE CITY OF EL PASO

Joe Wardy
Mayor

ATTEST:

Richarda Duffy Momsen, City Clerk

APPROVED AS TO FORM:

Jeff McElroy
Assistant City Attorney

APPROVED AS TO CONTENT:

Robert A Salinas, Director
Community and Human Development

CHAPTER 6

CITY OF EL PASO

FIRST TIME HOMEBUYERS PROGRAM

I. HOMEOWNERSHIP PLAN

A. ELIGIBILITY.

To be eligible for participation in this Program, applicants must meet and/or comply with all the following Program criteria:

1. Applicants must complete a "Guide to Homeownership Course" offered at YWCA Home Ownership Center or a similar counseling programs approved by the City of El Paso.
2. The gross annual household income of the applicant's family cannot exceed 80% of the median income for the City of El Paso. **Household** means one or more persons occupying a housing unit.
3. Applicants cannot have owned any residential property, which was utilized as a residence, within the past three years, unless the applicant is a displaced homemaker or a single parent with child/children.
4. Applicants must occupy the home to be purchased under this Program as their principal residence. The loan or loan/grant made by the City under this Program will become due if the home is sold.
5. Applicants must provide proof of residency within the city limits of the City of El Paso. Applicants must provide copies of the following: a lease, rent receipts, utility receipts, voter registration card, driver's license, state identification card, credit card statements or medical bills indicating residency in the City of El Paso and a notarized affidavit attesting to residency in the City of El Paso.
6. Applicants may not hold more than \$4,000.00 in non-pension savings or any other form of account (i.e. CD, money market, mutual fund, stocks, bonds, etc.). Any amount in excess of \$4,000.00 shall be used by the applicant to pay additional down payment and closing costs over and above the minimum requirements of this Program (50% of down payment), so that the amount of the City's contribution will be reduced by the same

amount. Gifts from family or friends will also be used \$1.00 for \$1.00 in reducing City's contribution, under this Program.

7. The maximum sales price of a home to be purchased under the Program is \$85,000.00.
8. Property to be purchased under this Program must be located within the geographical limits of the City of El Paso. Property to be purchased must be single, detached housing (mobile home, duplexes, condominiums do not qualify). New homes may be purchased. The property must comply with Section 306 (Minimum Dwelling Space Requirements) of the Standard Housing Code as adopted by the City of El Paso. Generally accepted HUD occupancy guidelines will determine the number of bedrooms required for a particular size of qualifying household.
9. Property must pass a residential inspection conducted by a Texas licensed Real Estate Inspector and paid for by the applicant.
10. Applicants must meet the Underwriting Criteria (i.e. creditworthiness, debt to income ratios, employment) of the Lender that will finance the first lien mortgage to purchase the property.
11. Generally accepted Fannie Mae Community Home Buyer underwriting criteria (debt-to-income ratios, loan-to-value ratio, credit policies and related factors) will be applied. These community-lending products include: Fannie 97, The CHBP 3/2 Option, Fannie Neighbors and Home Choice.
12. Principal reduction may only be used up to the amount necessary to qualify the applicant under the normal FHA/FNMA affordable housing underwriting ratios (such as the 33% PITI/41% total obligations, for example). It may not be applied to effectively reduce the applicant's ratios (PITI less than total obligations) to below those published for other similar loans (FHA/FNMA, other lender-sponsored affordable housing loans). For example, if the 33%/41% ratios are normally used by the lender to qualify an applicant for FHA's affordable housing program, the City's principal reduction may not be used to drop the ratio's below that, say to 29%/36%.
13. Applicants must complete a post counseling session after buying the house with an approved non-profit of their choice.