

## **BREA'S HOMEBUYER ASSISTANCE PROGRAM**

### **Frequently Asked Questions**

#### **What is Brea's Homebuyer Assistance Program?**

The City has in effect an Affordable Housing Ordinance, which requires most new residential developments to provide at least 10% of their units for sale at affordable below-market prices to qualified buyers.

#### **Who is eligible for this Program?**

To participate, you must be able to pay at least three percent of the purchase price toward the down payment and related closing costs, and your income must fall within maximum annual income guidelines. Figures are provided by the U.S. Department of Housing and Urban Development (HUD) and updated annually – see table elsewhere on this website.

#### **How does the Program work?**

Program participants must move into and live in the house that they purchase. If the home is sold or is refinanced for more than the current first mortgage within 45 years of purchase, participants must pay the City an equity share (a portion of the difference between the original purchase price and the resale price).

#### **What do I do after I have submitted my application?**

Once the application has been submitted, it is only necessary to advise the Economic Development Division if there are changes in address, phone, etc. You will be notified by letter when your name has reached the top of the waiting list and you have become eligible to participate in the Program.

#### **How can I be sure that my name is kept on the waiting list?**

On an annual basis, you will be sent a re-application form which must be completed and returned to the Economic Development Division in order to assure that your name will remain on the waiting list if still qualified for the Program.

#### **How long is the wait after applying for the Program?**

There is no way to gauge how long you will remain on the waiting list. The Program is not first-come, first served. Please see next question regarding the Program's point system. CONTINUED →→

### **How is my application evaluated?**

Applications for the Homebuyer Assistance Program are evaluated based upon specified selection criteria, and City staff establishes a waiting list. Your place on the waiting list depends upon accumulated points which are awarded in the following categories:

- *Brea Residency*: Brea residency at the time of application is NOT required, but Brea residents are awarded preference points on the waiting list.
- *Overcrowding*: Overcrowding exists when a household averages more than three persons per bedroom. An overcrowded family is awarded preference points on the waiting list.
- *Cost-burdened*: Households in which 35% or more of the total income is used for housing costs are awarded preference points on the waiting list.
- *Brea Employment*: Brea employment at the time of application is NOT required, but applicants with Brea employment are awarded preference points on the waiting list.
- *Military Service*: U.S. veterans, widows/widowers of U.S. veterans, and active members of the U.S. military are awarded preference points on the waiting list.
- *Waiting time*: Points are awarded for each month that an applicant's name remains on the waiting list.

### **What other facts should I know about Brea's Homebuyer Assistance Program?**

- Maximum occupancy of the home purchased may not exceed two persons per bedroom plus one additional person (for example, seven persons in a three-bedroom home).
- You must be able to qualify for a first mortgage in the amount needed to purchase the home. Co-signers are not allowed.
- There must be at least two persons in your household if purchasing a three-bedroom or larger unit. (In other words, one-person households may not purchase anything larger than a two-bedroom unit.)
- You may not own any other residential property when purchasing a home through the program.
- You must prove that you have at least \$10,000 available for a down payment in order for your name to be placed on the waiting list. If you are planning to use gift money from parents, for example, you must have the money in your own bank account at the time of application.