



Program Synopsis

City of Antioch Home Ownership Program (AHOP)

www.myhomegateway.org/AHOP

Updated 10/15/2022

The City of Antioch in conjunction with the City's contracted Program Administrator, The Bay Area Affordable Homeownership Alliance (BAAHA), is offering a first time homebuyer loan subsidy Program to assist Antioch residents and workforce to purchase a home in Antioch. The Antioch Home Ownership Program, also known as **AHOP**, offers up to \$112,000 in homebuyer down payment and closing cost assistance to be applied towards purchasing a home in Antioch.

The Program Synopsis provides information on the following Program Related topics:

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OVERVIEW

The City of Antioch has combined their funding sources with additional partnering sources to leverage and maximize the ability to assist eligible first time homebuyers. The sources, types, and terms of the subsidies are further discussed in the **Subsidy Funding Sources** section below.

AHOP participants must meet eligibility criteria to participate in the program. Details on eligibility requirements are outlined in the **General Program Guidelines and Requirements Section**. AHOP Participants must:

- Be a first time homebuyer
- Have gross household incomes that do not exceed the maximum income allowances
- Have the financial wherewithal to secure a first mortgage and qualify for the AHOP subsidy
- Have the financial capacity to purchase a home in Antioch
- Secure a HUD Education certificate from a HUD approved homebuyer educator

Steps to participate in the AHOP are further explained in the **Program Application and Approval Section**. **General steps required to participate in AHOP include (and are not limited to):**

- Learn more about the first time homebuyer resources AHOP provides by reviewing all the information provided in this Program Synopsis

- Fill out and submit an AHOP **Application**
- Secure **Program Prequalification Notification** status from BAAHA
- If deemed eligible by BAAHA/City (Program Prequalification Notification), **secure first loan approval** from a AHOP certified first lender
- Upon securing a first loan approval **start your search for an AHOP Program eligible home** to purchase in the City of Antioch
- Secure **final Program Approval** from the 1st Lender and from BAAHA/City to close your purchase transaction
- Secure a Homebuyer Education Certificate of Completion from an approved HUD educator. *AHOP participants should sign up for and complete their homebuyer education as early as possible in the process.*
- Close your purchase transaction

The **Bay Area Affordable Homeownership Alliance (BAAHA)** is a non-profit Agency that is contracted by the City of Antioch to oversee all aspects of underwriting, screening, approving, and delivering the City's AHOP subsidy to eligible AHOP participants. BAAHA has extensive experience in designing, implementing, and administering first time homebuyer subsidies throughout the Bay Area. Visit BAAHA's webpage located at www.myhomegateway.org to obtain more information regarding BAAHA.

GENERAL PROGRAM GUIDELINES AND REQUIREMENTS

The following general guidelines apply to all funding sources provided and applied through AHOP.

First Time Homebuyer

All members in the household may not have owned or been on title for any real property holdings over the past three years prior to submitting an AHOP application.

Maximum Household Income

Income applied to determine a household's gross combined maximum income includes:

- Income from all non-dependent household members who will be living in the home the household will be purchasing
- Gross income equals the household member's total income from all earnings sources, before any deductions from pay checks (such as taxes, retirement, and medical insurance)
- Gross income must include all bonuses and overtime earnings
- For self-employed individuals, net income as depicted in prior years' tax returns is applied as a representation of the household member's gross income.

To participate in the City's AHOP down payment assistance subsidy, the combined gross income from all household members may not exceed:

Household Size	1	2	3	4	5	6
Household Income	\$76,750	\$87,700	\$98,650	\$109,600	\$118,400	\$127,150

Financial and Purchase Capacity

AHOP participants must have the financial capacity to purchase a home in Antioch. Lack of financial capacity is normally attributed to a combination of the following items: inferior credit quality/rating, too much debt, lack of the amount and/or stability of earnings, lack of savings.

- **Minimum FICO score of 640.** All adult household members who will be on the property title must have a FICO score that is greater than 640. A household with a member(s) that has less than a 640 FICO score will not be allowed to participate in any form of funding made available through AHOP. If a household member has less than a 640 FICO, it is recommended that they contact Antioch’s contracted homebuyer education and counseling Agency, ECHO Housing. Visit ECHO Housing’s website at www.echofairhousing.org for more information on the homebuyer education and counseling resources they offer.
- **Financial Capacity to Purchase an Antioch Home.** Households must have the financial wherewithal to purchase and maintain home ownership in Antioch. This includes:
 - *Having enough funds for a down payment* – AHOP participants will be required to have at least \$5,000 to apply towards a down payment and closing cost. Additional down payment may be required for higher priced homes. Funds for down payment and closing costs must come from a financial institution. Funds cannot come from cash in hand. Funds may also come from a first-line family relative. Gift funds must be seasoned and come from a financial institution the giftor banks with (cannot be cash).
 - *Having enough earnings to afford and maintain a home* – Households participating in AHOP will not be allowed to spend more than 45% of their gross household’s earnings towards paying for the combination of all housing costs plus their minimum monthly personal debt payments. The relationship between housing costs, personal debt, and income is commonly referred to as a debt ratio. Housing costs include payments for the mortgage, taxes, insurance, and home owner’s association fees (if and when applicable). Housing costs will vary based on the purchase price, amount of downpayment and subsidy provided, and the interest rate charged for the mortgage. Interest rates may vary based on the credit quality of the household.

BAAHA has provided an illustration of the maximum projected purchase price households can purchase under various ranges of annual gross household incomes. This illustration has been provided to help prospective AHOP applicants better determine if they should apply for the AHOP. The actual costs households incur when purchasing their home will be different from the numbers provided in this illustration. Keep in mind that the illustration provides households the “approximate” projected maximum purchase price capacity under specific income levels. The level of purchase power will vary based on the

amount of down payment provided and the interest rate available at the time of the purchase. The illustration applies a 3% down payment to derive the estimated purchase prices. The numbers represented in the illustration are based on a 3% down payment and the household maintaining zero dollars in personal debt. A dollar for dollar upward adjustment may be made to the below represented purchase prices for additional savings contributed towards the 3% down payment applied in the calculations. A household should deduct approximately \$10,000 from the purchase price for every one hundred dollars (\$100) required by the household to be paid towards monthly personal debt. Accordingly, if a household has a \$300 car payment, they should subtract \$30,000 from the purchase price represented below.

Gross Annual Earnings	Projected Maximum Home Price	Projected Month Payments
\$40,000	\$278,400	\$1,500
\$50,000	\$342,300	\$1,900
\$60,000	\$473,100	\$2,400
\$70,000	\$536,100	\$2,700
\$80,000	\$571,000	\$3,000
\$90,000	\$630,400	\$3,300
\$100,000	\$689,700	\$3,800
\$110,000	\$702,500	\$4,100
\$120,000	\$731,200	\$4,500

BAAHA recommends households only consider applying for AHOP if their gross household income allows them to purchase a desired home that is within their purchase price capacity. A synopsis of the past twelve months of Antioch sales (including sales prices) is provided in the **Program Prequalification Notification Home Prices** section below.

*The above table is only to be used as an illustration to approximate purchase capacity at various gross household incomes. Applicants **cannot use the illustration as a source to determine their actual purchase capacity – including the maximum purchase price and housing costs.** There are too many factors that need to be taken into account to provide an exact calculation of a household’s purchase capacity and costs.*

- *Having stable earnings* –household members applying for AHOP must demonstrate that they have maintained stable earnings from the same employer, job type, and/or industry for at least the past two years. Self-employed household members must have operated their business for at least two years.

Homebuyer Education and Counseling

Prior to closing a AHOP purchase transaction, all adult non-dependent household members must secure and deliver a copy of a certificate of completion to BAAHA (and all other subsidy providing partners). This certificate represents that they have attended and completed a HUD approved homebuyer education course. The City of Antioch contracts directly with ECHO Housing to provide free education and one-on-one counseling; however, a household may choose a HUD approved educator and counselor of their choice. A list of HUD approved educators and counselors (including a direct link to HUD's website) may be obtained at BAAHA's website: www.myhomegateway.org/hud-certified-counseling-agencies.html

A certificate of completion is not required to submit an **AHOP Program Application**; however, BAAHA and the City highly encourage household members attend an approved homebuyer education course at your earliest convenience. Securing homebuyer education and counseling will help household members further understand and navigate through the AHOP approval and home purchase process.

Program Application and Approval

Households wishing to access AHOP City funding must submit a Program Application and secure Program Approval from the City. BAAHA is contracted by the City to: 1) process and underwrite the application to determine Program Eligibility, and 2) follow through with all additional steps to finalize AHOP approval for applicants. Below is a synopsis of steps households wishing to obtain an AHOP Program approval must take:

- Submit an AHOP application for Program Prequalification
- Secure Program Prequalification Notification
- Secure preliminary 1st Lender Approval
- Commence Search for a Program Eligible Antioch Property
- Obtain final 1st Loan and Program Approval from the City

Additional important information on the above noted steps is provided in the **Program Application and Approval Steps** section:

BAAHA and City Certified Lender

In order to receive up to \$60,000 in City subsidy funding, an AHOP participant must secure a 1st mortgage loan approval form an AHOP certified 1st mortgage Lender. A City certified 1st mortgage lender must meet the following requirements:

- Be able to deliver an additional approved source of subsidy funding that can be leveraged with AHOP City funds. These funding sources must either be grants or silent second loans that have at least a five-year term and otherwise fit within the City's required parameters.

- The City’s subsidy must always be in second position behind the 1st mortgage. All additional subsidy loans delivered by the 1st lender must be in a subordinate priority position to the 1st loan and the City’s AHOP subsidy loan.
- The 1st lender must be able to provide their first loan in conjunction with the City’s AHOP Program and loan subsidy terms.

BAAHA maintains a list of Certified AHOP lenders that meet the above criteria. BAAHA provides this list of lenders to AHOP applicants that have received a **Prequalification Program Notification (AHOP PPN)**. An AHOP applicant may choose to use a lender they are currently working with; however, BAAHA will require to review and determine if the 1st lender can participate as an AHOP certified lender. To be certified, the lender will need to meet the above stated conditions.

Review the **Subsidy Funding Sources** for more information on additional subsidy sources that are available from 1st Lenders.

Condition of Home

AHOP has minimum property condition thresholds that must be met to issue a final Program Approval, and to fund an AHOP City subsidy applied towards the home purchase. Minimum condition requirements include:

- Home must be compliant of all state and local health and safety codes
- Home must not have any outstanding Section 1 items in need of repair. Section 1 items are established through a Termite/Pest report conducted by a licensed inspector. The report may not be older than 60 days from the date the property is identified by the AHOP participant. The Termite/Pest report may be ordered and supplied by either the Seller or AHOP participant.
- Home must be in good condition. BAAHA and the City will require that AHOP applicants secure a Home Inspection report from a licensed Home Inspector prior to purchasing the property. This inspection could be ordered by the AHOP applicant or the seller.
- Home must meet all 1st lender property condition guidelines
- Home must be vacant or occupied by its residing owner at the time of purchase. A tenant/renter living in the home may not be evicted prior to an AHOP participant taking possession of the home.

Additional home purchase requirements and parameters are provided in the **Property Search and Purchase Requirements** section

SUBSIDY FUNDING SOURCES

BAAHA and the City have established up to two additional funding resources that the AHOP Program applies and combines to maximize subsidies for households. The resources provided include the Federal Home Loan Bank’s First Time Homebuyers WISH Program and Silicon Valley Bank’s homebuyer grant program. The successful combination of these two sources could add up to an additional \$52,000 in subsidy, for a total potential subsidy of up to \$112,000 from all

sources. The City has a requirement to combine and leverage additional subsidy sources when applying and funding an AHOP City subsidy.

There is a limited amount of funding available from each source referenced below. Accordingly, neither BAAHA or the City are able to assure the availability of funding from these sources at any given time. Subsidies will be distributed on a first come first approved and served basis.

Households participating in the three referenced AHOP subsidies must meet all Program guidelines and requirements covered in the **Program Guidelines and Requirements** section.

City of Antioch's AHOP subsidy

Maximum Loan Amount

The City of Antioch's AHOP will provide up to a maximum of \$60,000 in the form of a fifteen year shared appreciation down payment assistance loan. The amount of subsidy provided is capped at the lesser of: \$60,000 or of 20% of the property purchase price. The loan subsidy provided will also not exceed the dollar amount the City determines to be needed by the homebuyer to purchase their targeted home. This subsidy limit (up to \$60,000) is based on the household maintaining a monthly housing cost ratio that is between 28% and 45% of the homebuyer's gross monthly income. The City's AHOP subsidy will be reduced if the household's housing ratio falls below 28%. To learn more about housing ratios, BAAHA suggests reading the article provided at: www.bankrate.com/glossary/h/housing-expense-ratio/ . Households will also learn more about housing and debt ratio through the homebuyer education course required to be completed to secure final approval for the AHOP.

Households applying for the AHOP may not have combined gross household incomes that are greater than 80% of Contra Costa's median household income, as adjusted for household size; see **City of Antioch's Maximum Income Allowance**.

Repayment of Loan and Shared Appreciation

The AHOP City subsidy loan will have no payments during its fifteen-year term. The principal balance of the loan must be repaid with shared appreciation when:

- The property transfers ownership/title – including renting out the property
- The property is refinanced with a cash out loan
- The end of the fifteen-year term

At time of repayment, the City's AHOP subsidy must be repaid in full, with the shared appreciation allocation applied to the loan. The amount of shared appreciation is established at the time of the home purchase by applying the percentage of the dollar amount of the AHOP loan provided in relation to the purchase price of the property. For example, if \$54,000 was provided to purchase a \$450,000 home, then the shared appreciation to be paid back would equal 12% (\$54,000 divided by \$450,000 equals 12%) of the gross profit realized. The AHOP participant will be required to pay back 12% of the shared appreciation plus the original loan

amount or \$54,000. For example, if the value of the home is \$600,000 at the time the City's AHOP loan is repaid, then the shared appreciation portion of the repayment will be determined as follows:

Original cost of the home:	\$450,000
Price of the home at the time loan is repaid:	<u>\$600,000</u>
Amount of profit recognized at the time loan is repaid:	\$150,000
Shared appreciation allocation/portion as %	12%
Shared appreciation allocation/portion as dollars	\$18,000
Original loan amount	<u>\$54,000</u>
Total amount repaid at payoff	\$72,000

Silicon Valley Bank Grant (SVBG)

Silicon Valley Bank (SVB) will provide up to a \$30,000 down payment and closing cost assistance grant at the time the property is purchased. The \$30,000 provided by SVB is a grant (it is not a loan) and does not have to be repaid by the borrower. The grant is available for first time homebuyers whose gross combined household income is less than \$116,000. **SVBG** recipients must meet qualifying parameters applied to the City's AHOP subsidies. In addition, SVBG participants must secure their first mortgage from SVB. SVB offers SVBG participants a significantly discounted fixed mortgage interest rate; which further expands the household's purchasing power.

Submission of the AHOP Application will allow BAAHA to help determine if you may be eligible to participate in the SVBG.

Federal Home Loan Bank WISH Program Loan / Grant

The Federal Home Loan Bank (FHLB) WISH Program is a hybrid loan and grant subsidy program. WISH Program participants must meet all the **Program Guidelines** applied to qualify for the AHOP program. Additional key elements of the WISH Program include (and are not limited to):

- The amount of subsidy provided is equal to four times the amount the household contributes towards their down payment, with a maximum \$22,000 funding cap. Accordingly, a household contributing \$5,500 towards their down payment would receive a subsidy of \$22,000 to purchase their home.
- The WISH subsidy is forgiven by 1/5 of the subsidy amount each year over a five-year duration. The loan is totally forgiven after five years. The household must reside as a full time resident during the five years of ownership.
- There is no interest charged on the loan, and no payments are required. Within the loan's five-year term, if any of the following events occur the owner will be required to pay back the prorated loan balance for the remaining term of the loan. Repayment of the loan balance will be required if any of the following occur:
 - The property transfers ownership/title – including renting out the property
 - The property is refinanced with a cash out loan

Silicon Valley Bank is a Federal Home Loan Bank member and has access to WISH subsidy funding. BAAHA also has access to WISH funding; and will allocate funds on a case by case basis in conjunction with working with AHOP Program Certified lenders.

Additional Subsidy and Grant Programs

From time to time 1st Lenders may offer homebuyer assistance programs to the public. AHOP welcomes lenders that provide additional subsidies to low income first time homebuyers. BAAHA and the City will review prospective subsidy Programs to determine if they fit within required AHOP parameters. Lenders that have presented the capacity to deliver additional approved subsidy sources will be invited to become a Certified participating AHOP lender.

Synopsis and Key Points – AHOP Subsidy and Grant Programs

The table below provides an overview of the guidelines, terms, and financial resources provided through the three primary subsidies currently incorporated into AHOP

Subsidy	Type of Subsidy	Subsidy Cap	Household Income Limits
City of Antioch Subsidy	Repayable 15 year loan with shared appreciation	\$60,000 or 20% of the purchase price whichever is less	80% of Contra Costa County's median income
Federal Home Loan Bank WISH	Forgivable 5-year loan. Balance reduced by 1/5 each year. No interest charged	\$22,000 based on four times the down payment applied to purchase the home	80% of Contra Costa County's median income
Silicon Valley Bank (SVB) Down Payment and Closing Cost Assistance Program	No repayment. One-time grant provided at time of purchase. Recipient must secure their 1st loan from SVB. A reduced fixed interest rate is provided on the 1st loan	Up to \$30,000 . SVB established maximum by determining financial needs of household	Household income may not exceed \$116,000

Key points regarding the applied AHOP subsidies:

- Subsidies can be used jointly and individually in any combination; HOWEVER, AHOP City funding requires that at least one of the three above referenced subsidies is combined with the AHOP City program. An AHOP certified lender may also apply an additional subsidy or substitute a different AHOP accepted subsidy(ies) to fulfill this requirement.
- AHOP City funded subsidy (up to \$60,000) may only be applied towards purchasing a home in Antioch.

- All subsidies sources require all non-dependent household members on the property title be first time homebuyers.
- The SVB and WISH subsidy can be underwritten, approved, and funded by the 1st lender.
- The WISH subsidy can also be provided by any AHOP certified lender that have access to WISH funding.
- A forty-five-day close is required in the purchase contract when utilizing the AHOP's City subsidy.
- The AHOP City subsidy must maintain a priority position to all other AHOP approved partnering subsidies.

PROGRAM APPLICATION AND APPROVAL STEPS

Primary steps to obtain AHOP Program approval include:

- Submit an AHOP application for Program Prequalification
- Secure a Program Prequalification Notification
- Secure preliminary 1st Lender and City Program Approval
- Commence your search for a Program Eligible Antioch Property
- Obtain Final Program Approval from the 1st lender and the City
- Close the purchase transaction – including receiving funding from AHOP sources

Program Application Submittal

Households must submit an application to BAAHA to receive a Preliminary Prequalification Notification to advance their efforts to secure AHOP subsidy approval. Review the following requirements and steps prior to **submitting an AHOP application**:

- Do not submit your application until you have thoroughly reviewed the parameters and guidelines to qualify for AHOP subsidies.
- Determine if you qualify to participate in AHOP subsidies. Direct questions or concerns you have regarding qualifying requirement by email to info@myhomegateway.com. Only submit an application if you have assessed that you qualify and want to participate in securing AHOP subsidies.
- Read and follow the AHOP application instruction provided.
- Fill out every section of the application that relates to your household. BAAHA will not accept or process incomplete applications.
- To be accepted, the application must include the requested census information, and the application must be acknowledged to be truthful under the penalty of perjury and signed.
- Households are not required to have identified a 1st Lender or a real estate agent to submit an AHOP application.

Contact BAAHA at info@myhomegateway.com if you are having difficulties accessing/downloading the PDF application from the website. BAAHA can email you a PDF version of the application.

Household members do not need to have a Homebuyer Education certificate to submit an AHOP application. A Certificate of Completion must be provided prior to closing an AHOP transaction.

Program Prequalification Notification (AHOP PPN)

BAAHA conducts a preliminary review of the submitted Program Application to determine the household's eligibility to advance efforts to secure AHOP Program Approval. If deemed eligible, BAAHA will issue the household an AHOP Program Prequalification Notification (**PPN**). A PPN is not a program approval. The PPN provides the household the consent to proceed forward with securing a Preliminary AHOP Program Approval. BAAHA will not commence with an AHOP Program Approval until the household receives a PPN from BAAHA.

PPNs are underwritten and issued based on information provided in the AHOP application. False or inaccurate information provided in the application could disqualify a household from moving forward with Program Approval. The Program Approval applies a comprehensive underwriting process to make certain all information provided in the AHOP application is accurate. To prevent Program disqualification, make certain to provide accurate and complete information in your Program application.

BAAHA will take the following items into consideration to issue an AHOP PPN:

- Household meets AHOP Program **eligibility requirements**
- Household has the **financial capacity** and wherewithal to participate in an AHOP subsidy
- The estimated maximum purchase price falls within the minimum purchase price requirements to participate in the AHOP.

When issuing a PPN, BAAHA will provide a preliminary estimated maximum purchase price for the household. This estimated maximum purchase price will be based on information provided by the applicant in the Program Application. The PPN price provided is an approximation of the maximum price the household can apply towards purchasing a home. A final maximum purchase price is reviewed and provided when the household secures a **Preliminary 1st Loan Approval** from their 1st lender.

Purchase Capacity. When issuing a PPN, BAAHA will provide a preliminary estimated maximum purchase price for the household. The maximum purchase price will be determined from information provided in the Program Application. This estimated maximum purchase price will be based on providing a household the maximum AHOP subsidy (from all subsidy sources) of \$112,000. BAAHA's maximum purchase price calculation will incorporate the amount of income, savings, and debt represented in the application. The calculation will also employ the most favorable accessible interest rate offered through the AHOP program. *An Applicant may be disqualified from receiving a PPN if the household does not have the financial capacity to purchase a home within the minimum price range for homes in Antioch.* Minimum purchase price capacity will be determined by the size of the household. Households will be provided the ability to purchase a home that has a bedroom count that is the household plus one. (See table below)

Household Size	1	2	3	4	5	6
Maximum bedroom size	2	3	4	5	6	6+

Home Prices. BAAHA has conducted a comprehensive study of Antioch sales prices from July of 2021 to July of 2022. During that time Antioch home sale prices have ranged from \$160,000 to \$1,568,000, with a median price of \$650,000. Below is a representation of the median, low, and high sales prices for one to six plus bedroom homes in Antioch. The table below also provides the number of homes sold for specific bedroom sizes. These prices are derived from data provided through the California Association of Realtors and analyzed by BAAHA.

Bedroom Size	1	2	3	4	5	6+	All / Sold
Total homes sold	2	131	588	500	222	31	1,474
Median price*	\$317,500	\$360,000	\$585,000	\$700,000	\$820,000	\$910,000	\$650,000
Lowest price	\$290,000	\$160,000	\$275,000	\$300,000	\$450,000	\$585,000	\$160,000
Highest price	\$345,000	\$625,000	\$935,750	\$1,568,000	\$1,200,000	\$1,275,000	\$1,568,000

*Median Price – the approximate price that the majority of homes sold at.

Program Qualified List. Households with an AHOP PPN will be placed on a Program Qualified list. Households on the Program Qualified List can advance their efforts to secure AHOP Program Approval. Maintaining a household’s name on the AHOP PPN list will allow BAAHA to maintain a preference order for AHOP participants. All applicants that have received a PPN can advance their efforts to obtain AHOP Program Approval; however, households who currently live and or work in Antioch will be provided a preference to participate and capture an AHOP City subsidy in case of a tie-breaker. A tie-breaker situation will only occur if:

- There are two applicants competing with a bid on the same home
- There is only one subsidy allocation remaining

Households should always keep in mind that there are limited funding resources and households will receive Program approvals and funding on a first come first served basis.

Preliminary 1st Lender and City AHOP Approval

The next step for AHOP PPN households is to secure 1st loan approval from a certified Program lender. There are two stages in securing a 1st lender loan approval. The first “Preliminary” stage financially approves the household to purchase a home. In the second approval stage, the lender approves applying the loan for the specific property an AHOP participant will be purchasing.

AHOP’s Preliminary Program approval process will only commence after the household has secured the Preliminary 1st lender approval from a BAAHA/City certified 1st mortgage lender. Preliminary 1st lender approval must also be obtained prior to the household commencing with their home search and purchase process. The first lender approval process will:

- Confirm the household’s maximum purchase price for their Antioch property

- Establish the capacity and eligibility for the PPN household to participate in the WISH and other Grant Programs the 1st lender has access to.
- Pre-approve the household for the WISH and other Grant Program the 1st lender has access to.
- Enables the City/BAAHA to perform their underwriting process and issue a Preliminary Program Approval for the household to purchase a home and secure City funded AHOP subsidy. A final Program approval is issued by the City and the 1st lender after the household has entered into a purchase contract; and the property is approved to be financed by the 1st lender and the City.

Property Search and Purchase Requirements

General Requirements

Key considerations AHOP participants must take into account when searching for your home include:

- *City of Antioch Location* - AHOP participants securing AHOP City funds must purchase a home within Antioch's City Limits
- *Type of Home* – the home must be a single residential unit which could be a detached single family home, condominium, or townhome. No other property types are allowed into the AHOP Program.
- *Good Condition* – the home must be in good move-in condition and not have any outstanding required structural and Section 1 repairs. Section 1 repairs are usually related to areas in the home that have active termite infestation or other wood-destroying insects or organisms like dry-rot fungus (likely caused by water intrusion).
- *Property Must Be Vacant or Owner occupied* – AHOP does not allow displacement of renters from a home an AHOP participant is purchasing. The home could be occupied by owner residents who will be moving out at the time the home is sold.

Purchase Requirements

The following home purchase requirements must be upheld to secure final AHOP approval:

- *Forty-five (45) day escrow period* – Upon finding a home, the purchase offer cannot have less than a 45-day escrow period. Forty-five days are required to complete the Program approval process (including reviewing and approving all inspections and appraisal reports), draw Program related documents, and route documents through City staff.
- *Property inspection(s)* – The buyer and/or seller must provide a general property inspection and termite/pest inspection produced by independent licensed inspectors to BAAHA/City.
- *Property appraisal* – the City/BAAHA will require the delivery of an independent property appraisal which must demonstrate that the purchase price of the property is equal to or less than the contracted purchase price. The 1st lender will almost always provide a property appraisal the City will review.

- *Escrow Requirements* – Given that government generated subsidy funds are applied towards the transaction, no cash back or refunds to the borrower above \$250 is allowed at the close of an AHOP transaction.

Purchase Representation

The buyer must be represented by a California licensed real estate agent. AHOP participants are responsible for providing BAAHA the name and contact information of their agent. A real estate agent does not have to be identified to submit an AHOP Application. BAAHA has a strong preference that escrow services are conducted by an escrow company that has experience in working with City Programs.

Final 1st Lender and City AHOP Approval

A final 1st Lender and City AHOP Approval will be provided after:

- The AHOP participant has received Preliminary Approvals from the 1st Lender and the City.
- The AHOP participant has located and placed a ratified offer on a property located in Antioch. ***The contract must have at least a forty-five (45) day close for AHOP to provide their final Program approval.***
- The property meets all the structural condition requirements and is appraised at or higher than the purchase price (as represented in the ratified purchase contract).

First Come First Served

There is a finite and limited amount of funding available from all AHOP subsidy sources. Funding will be distributed to Program Approved households who have entered into and closed a purchase contract on a first come first served basis. The City/BAAHA will issue Program Prequalification Notifications until such time that the Program subsidy sources run out of funds. In the case that there are multiple applicants that have secured **Preliminary Approval**; applicants that either live or work in the City of Antioch will be provided a higher priority to receive funding.

SYNOPSIS OF KEY RECOMMENDATIONS AND POINTS TO REMEMBER

- Make certain to read and understand all the information provided in this Program Synopsis prior to submitting your AHOP application. Assess if you are ready, eligible, and have the financial capacity to participate in AHOP prior to submitting your application.
- You do not need to have your homebuyer education certificate prior to submitting your AHOP application. However, try to secure your homebuyer education as soon as possible. The more you understand about the purchase process the better equipped you will be to make key decisions and to move forward with the purchase of your home. You must complete your homebuyer education course prior to closing escrow on your home.

- You do not need to identify or provide a name for your 1st lender or real estate agent to submit your AHOP application. You will need to identify (or choose) your 1st lender if you receive a Program Participation Notification from BAAHA. You will only need to choose your real estate agent when you receive a Preliminary Program and 1st Loan Approval.
- Key steps to accomplish to be awarded AHOP subsidies:
 - Secure your homebuyer education certificate (can be secured by the close of the purchase escrow; however, BAAHA highly recommends starting and completing homebuyer education as soon as possible)
 - Submit your AHOP Application
 - Obtain your AHOP Program Participation Notification PPN
 - Secure your preliminary 1st lender and AHOP Program Approvals
 - Start your property search – you must purchase a property in Antioch
 - Secure a property purchase contract
 - Obtain your Final 1st Lender and AHOP Program Approvals – must be a minimum 45-day escrow period in the contract, or Program Approval will not be provided.
 - Close the purchase contract – including signing all City AHOP related documents
- All non-dependent adult household members must be on title and be first time homebuyers.
- Gross combined income of an AHOP participating household cannot exceed 80% of Contra Costa’s Area Median Income
- There are a total of three subsidies you may be able to participate in:
 - City of Antioch down payment assistance loan subsidy - up to \$60,000
 - Federal Home Loan Bank WISH Program – forgivable loan up to \$22,000
 - Silicon Valley Bank – grant up to \$30,0000
- Certified 1st lenders may have additional subsidies and/or grants to offer
- Subsidy funding is limited and provided on a First Come First Served basis
- In order to secure final AHOP Program Approval there must be a minimum 45-day escrow closing period stipulated in the purchase contract.

YOUR NEXT STEPS

Determine if you are ready to move forward to submit an application to secure AHOP subsidies, and purchase a home in Antioch. Things you need to consider include:

- Do you meet program eligibility requirements?
- Are you ready and able to buy a home – including having the financial resources and capacity to secure a mortgage loan.

If you feel that you are ready to move forward **submit an AHOP application.**

CONTACT INFORMATION

For questions or more information contact BAAHA by email at info@myhomegateway.com