



City of Grass Valley City Council Agenda Action Sheet

Title: First-Time Homebuyer Loan Extension Policy

CEQA: Not a project.

Recommendation: That Council approve the proposed First-Time Homebuyer Loan Extension Policy.

Prepared by: Taylor Day, City Clerk

Council Meeting Date: 7/11/2023

Date Prepared: 7/6/2023

Agenda: Consent

Background Information: The City of Grass Valley's First Time Homebuyers (FTHB) Program has been instrumental in assisting eligible individuals and families in realizing their dreams of homeownership. The program offers assistance loans to first-time homebuyers, providing access to housing opportunities that might otherwise be unattainable.

As the FTHB loans approach their maturity dates, it becomes necessary to establish a clear policy regarding loan extensions. By defining the eligibility criteria and the evaluation process for extension requests, the City aims to ensure fairness, transparency, and accountability in granting extensions while safeguarding the program's sustainability.

The policy establishment of a process and conditions under which the City of Grass Valley may grant extensions of time on matured FTHB loans. The FTHB loans may be extended beyond their date of maturity under the following conditions: (i) Borrower Eligibility: The borrower must remain eligible to participate in the FTHB Program. This includes meeting the established criteria such as income limits, creditworthiness, and other eligibility requirements set forth by the program. (ii) Loan Default: The borrower must not be currently in default on their FTHB loan. This criterion ensures that only borrowers in good standing are considered for loan extensions. (iii) Determination by the City Manager or Designee: The City Manager or their designated representative shall assess each extension request on a case-by-case basis. The decision to grant an extension will be based on an evaluation of the borrower's circumstances and the overall objectives of the FTHB Program. The extension should align with the program's purpose of supporting first-time homebuyers in the Grass Valley community.

Council Goals/Objectives: This item supports the City's goals associated with providing efficient government services.

Fiscal Impact: Costs associated with this service are paid with program income earned from CDBG and HOME loan programs.

Funds Available: Yes

Account #: 233-304 & 241-303

Reviewed by: ___ City Manager

Attachments: First Time Homebuyers Loan Extension Policy