

**AMERICAN DREAM DOWNPAYMENT INITIATIVE (ADDI)  
SUMMARY DISCLOSURE STATEMENT**

1. Loans are available for down payment assistance for the following unit types located within the city limits of Santa Rosa, California.
  - Single family home;
  - Condominium unit;
  - Cooperative unit;
  - Unit in a mutual housing project; or
  - Manufactured home – must be located on land that is owned by the manufactured unit owner, or on land for which the manufactured housing unit owner has a lease for a period at least equal to the term of the loan.
  
2. The minimum loan amount shall be \$1,000 and the maximum loan amount is \$10,000.
  
3. The maximum allowed purchase price is \$362,790. This amount is based on Federal Housing Administration (FHA) mortgage limits established by HUD and is subject to change. Program participants are required to provide the Economic Development and Housing Department with a copy of the purchase offer upon its acceptance to ensure that the purchase price does not exceed the program maximum.
  
4. Interest at a rate of three percent (3%) per annum will begin accruing from the date of note. Payments are deferred for the term of the loan, but are due upon sale. The term of the loan is fifteen (15) years.
  
5. The participant must demonstrate their willingness to and financial ability to secure and repay the loan by meeting the following requirements:
  - Acceptable loan underwriting debt to income ratios;
  - City financing total loan to property value ratio not to exceed 103%;
  - Acceptable credit evaluations;
  - Acceptable title report for the property to be purchased; and
  - Recordation of a deed of trust against the property to secure the debt.
  
6. Eligible applicants must meet the following requirements:
  - Be a first time homebuyer;
  - Remain the owner/occupant of the property for the period of 10 years, or until the loan is outstanding, whichever first occurs; and
  - Be a low-income household. The maximum qualifying incomes are identified below:

Table 1: Maximum Allowed Income by Family Size

Family Size	80% of Median Income* LOW INCOME
1 Person	\$ 45,050
2 Persons	\$ 51,450
3 Persons	\$ 57,900
4 Persons	\$ 64,300
5 Persons	\$ 69,450
6 Persons	\$ 74,600

\*Subject to change on an annual basis

Update 6/29/2010

7. Eligible Closing Costs

The Department will recognize one time costs associated with the closing of the purchase as eligible closing costs. These costs may include:

- Lead paint inspection
- Pest inspection
- Contractors inspection
- Appraisal fee
- Attorneys' fees

- Title charges
- Credit report fees
- Government recording and transfer changes
- Reserves deposited with lender

8. Fees

Fees are associated with the processing of the loan. Common loan fees include title insurance, credit report, and escrow fees that can range from \$350 to \$500.

9. Environmental Review

The administration of programs using Federal funds requires environmental review. In the acquisition of an existing single family residence, the Department will make a determination that the unit meets the requirements pursuant to §24 CFR 92.352.

10. Housing Quality Standards (HQS)

The unit must be decent, safe and sanitary. As basic requirements, the home must include the following:

- Adequate sanitary facilities. The bathroom must be in good condition, and the kitchen must have adequate and sanitary space for food storage and preparation;
- Enough room to provide sleeping space for no more than two people per bedroom, a breakdown of persons per residence is provided in the table below:

Table 2: Maximum unit/occupancy based upon number of bedrooms

1 bedroom	1.5 persons
2 bedrooms	3.0 persons
3 bedrooms	4.5 persons
4 bedrooms	6.0 persons

- Exterior doors and windows which lock;
- A sound basic structure. The applicant should have standard home inspections completed prior to the close of escrow;
- No roaches, rats, mice or other dangerous vermin confirmed by an Economic Development and Housing Department inspection and pest reports;
- A neighborhood environment which is safe and healthy; and
- Protection against lead paint poisoning.

The ADDI loan requires the program participant to maintain their principal residence on the subject property. To ensure that the program requirements are being complied with, the Department will conduct an annual compliance review by requiring the property owner to submit an affidavit attesting to owner occupancy. Failure to complete the affidavit or renting the property without Economic Development and Housing Department approval may result in immediate demand of payment.

**STATEMENT OF UNDERSTANDING**

The Undersigned has reviewed the Disclosure, as well as the other information in the Application Packet, and understands that if misrepresented information pertaining to eligibility is provided by the applicant which would cause ineligibility or if the application is voluntarily withdrawn, the applicant is responsible for any associated fees that may have been incurred by the City in processing the application or packaging the loan.

(Please sign below and keep one copy for your records.)

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Print name of applicant

\_\_\_\_\_  
Print name of applicant



**For further information contact:**  
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