AGENDA #5

CALIFORNIA DREAM FOR ALL PROGRAM

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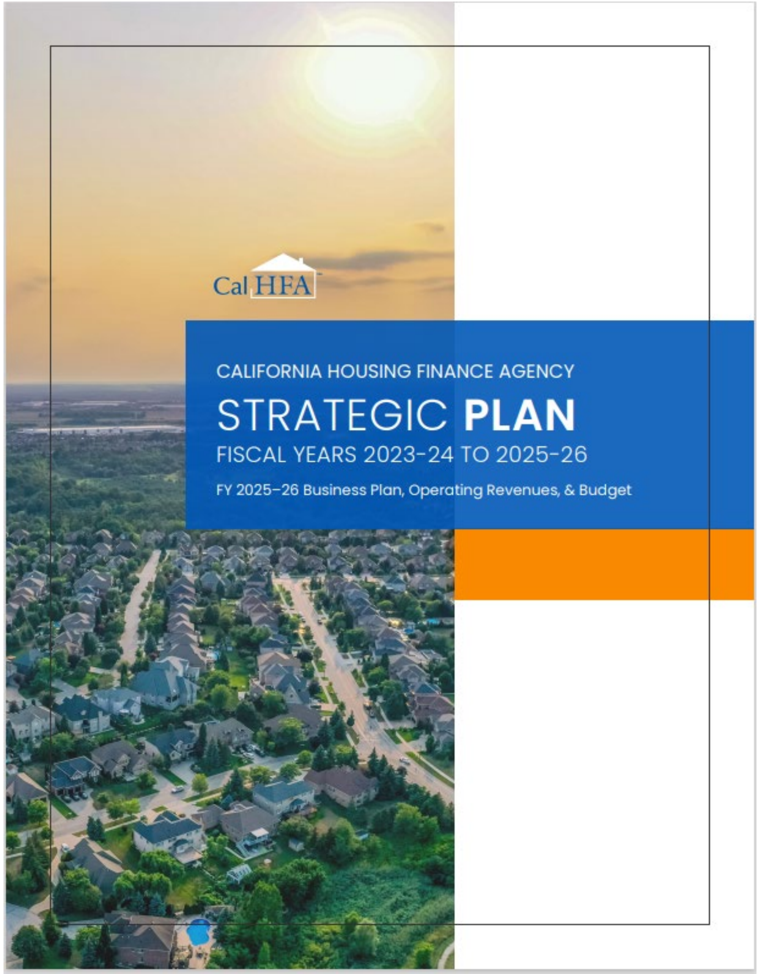
STRATEGIC PLAN

Strategic Plan Goal 1: Lending Impact

Objective 2: Expand Single Family program opportunities

- Initiative 3: Administer federal and state funded innovative programs addressing California's diverse housing needs



DREAM FOR ALL PROGRAM

A revolving, **shared appreciation loan program** that provides loans for a down payment to qualified homebuyers. Upon sale or transfer of the home, the homebuyer repays the original down payment loan, plus a share of the appreciation in the value of the home.

Simple Example

- Dream For All fund provides a loan for 20% of the home purchase price.
- The homeowner pays back the original loan amount plus 20% of any appreciation in the value of the home.

DREAM FOR ALL PROGRAM STATUS

- Currently implementing Phase 2
- 86% of available Phase 2 funds used, all funds committed
- FY 2025-26 State Budget
  - Allocated additional $300 million to CalHFA for Dream for All program
  - Estimated to support additional 2,500 conditional awards

CALIFORNIA DREAM FOR ALL PROGRAM

PHASE 2 STATUS AND OUTCOMES TO DATE

PHASE 2 PROGRAM

FUNDING AVAILABLE

- Approximately $266 million (current allocation + fallout, repayments and interest)
- Estimated 2,300 DFA loans

GOALS AND OBJECTIVES

Provide potential first-generation homebuyers more time to access program assistance and maximize opportunity for new buyers to enter market

Narrow eligibility to target funds to aid mortgage ready first-time homebuyers that most need assistance

Increase program uptake in Black/African American community, and maintain solid program uptake in Latino, AAPI, and Tribal communities

Build on improved uptake in hard-to-serve areas such as Los Angeles, Central Coast, Orange County, and San Diego

PHASE 2 PROGRAM CALIBRATIONS

- Shared Appreciation Loan Delivery and Reservation System
- Geographic Set Asides
- Expanded Up Front Marketing and Outreach Campaign
- Narrowed Eligibility Criteria and Program Parameters to target first generation and lower income borrowers
    - First Generation criteria
    - Lower income limits
    - Cap on loan amount
    - Minimum CLTV (95%)

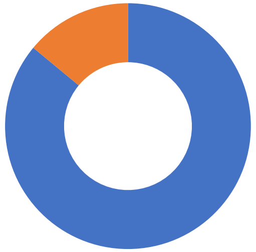
PRELIMINARY OUTCOMES

2,500

Total Used and Active Awards

$115,000

$600,000



86%

Projected Total Awards Utilized

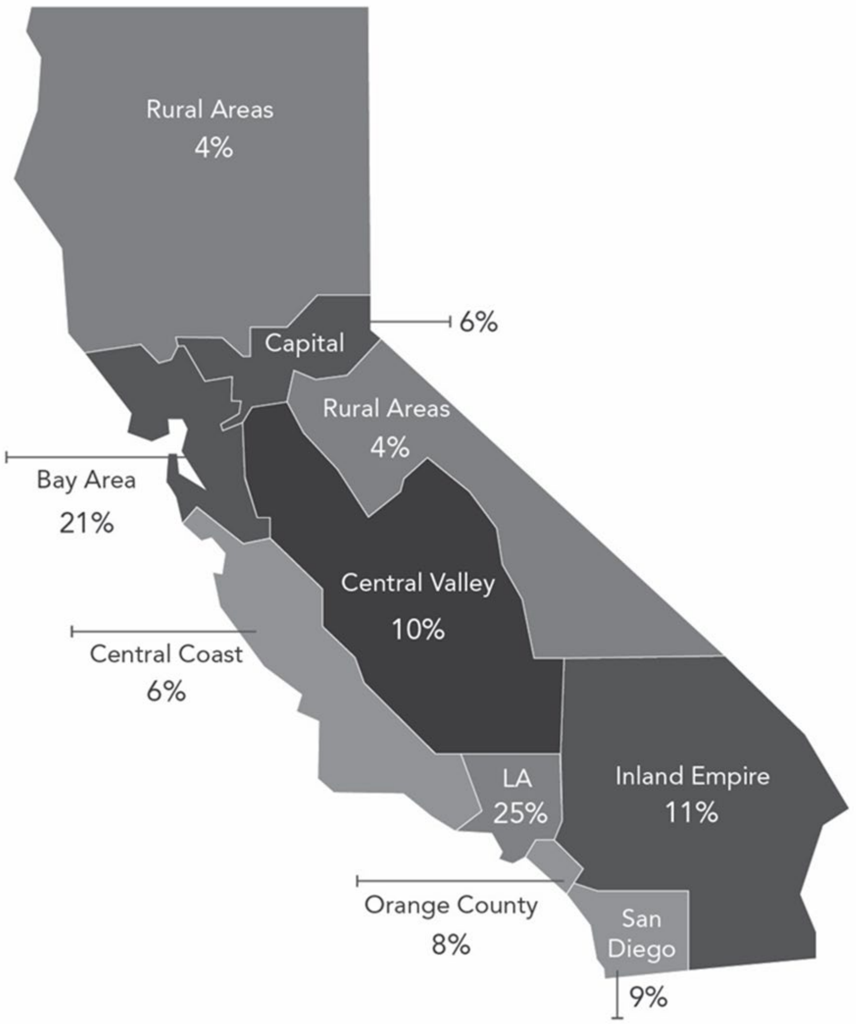
> 75%

BIPOC (Estimated)

Data current as of August 1, 2025, and subject to change.

DISTRIBUTION OF FUNDING

- $266 M in available funding for loans (net of admin)
  - $220 million from FY 23/24 Budget
  - $35 million in fallout from Phase 1
  - Plus interest earnings, repayments, less admin costs
- Funding distributed based on percentage of households in each region
- Ultimate number of awards per region will depend on average loan amounts in each region



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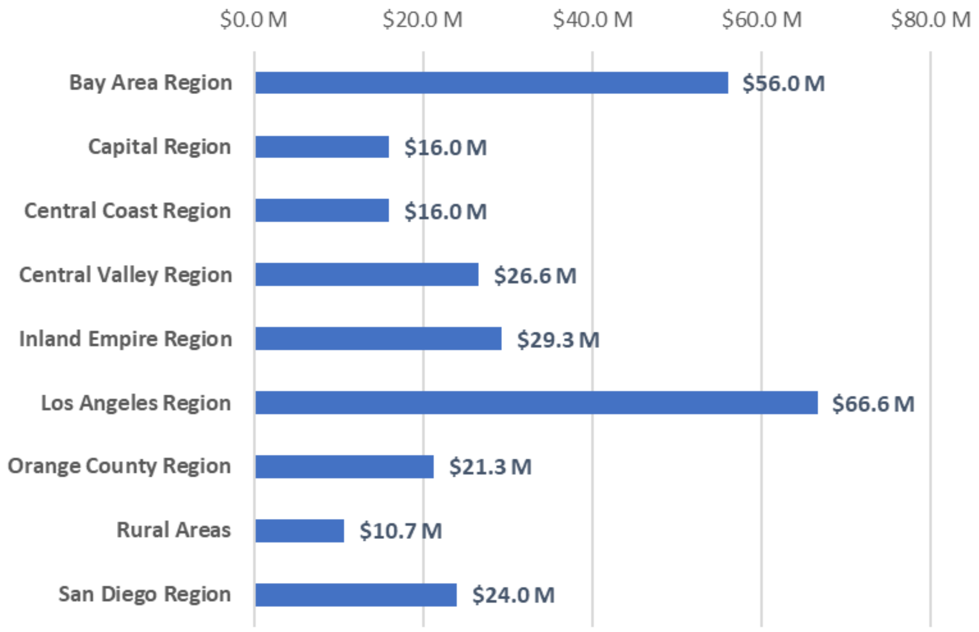
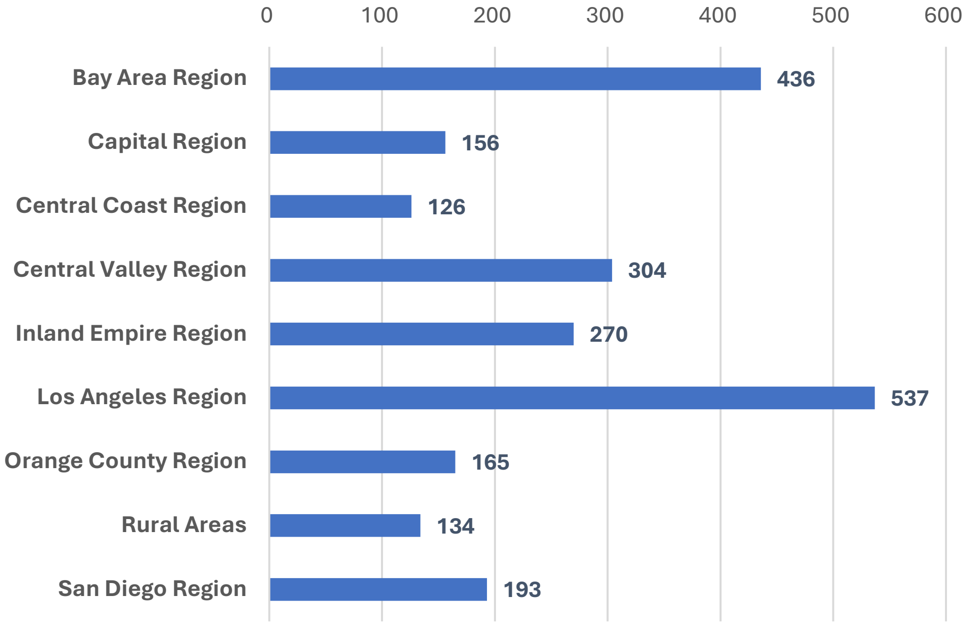
ALLOCATED FUNDING AND ESTIMATED CONDITIONAL AWARDS BY REGION

Allocated Funding by Region



Estimated Allocated Conditional Awards by Region



Voucher allocations by region estimated – actual amounts will vary based on final loan amounts

Data current as of August 1, 2025, and subject to change.

DEMOGRAPHICS PRELIMINARY DETAIL

(SELF REPORTED DFA PORTAL DATA – NOT HMDA)

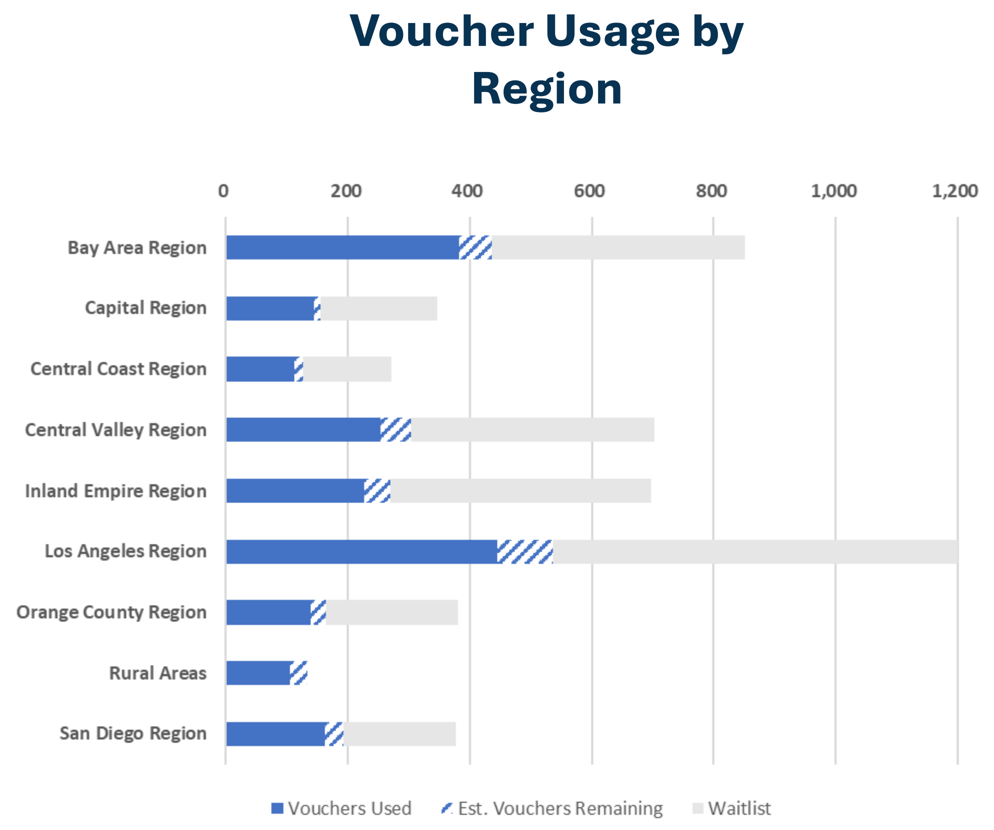
Ethinicity/Race	CA Households	CA Homeowners	DFA Registrants *	DFA Reservations to Date
ETHNICITY			***PRELIMINARY*****	
Hispanic or Latino	30.4%	25.7%	39.2%	40.8%
Not Hispanic or Latino	69.6%	74.3%	60.8%	59.2%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**
RACE (INCLUDES HISPANIC/LATINO ETHNICITY)				
American Indian or Alaska Native	0.9%	1.1%	1.3%	1.4%
AAPI	14.8%	17.3%	28.5%	30.7%
Black or African American	6.6%	4.0%	8.4%	7.0%
White	54.8%	53.0%	32.4%	30.1%
Other/Not Provided	22.9%	24.7%	29.4%	30.7%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**

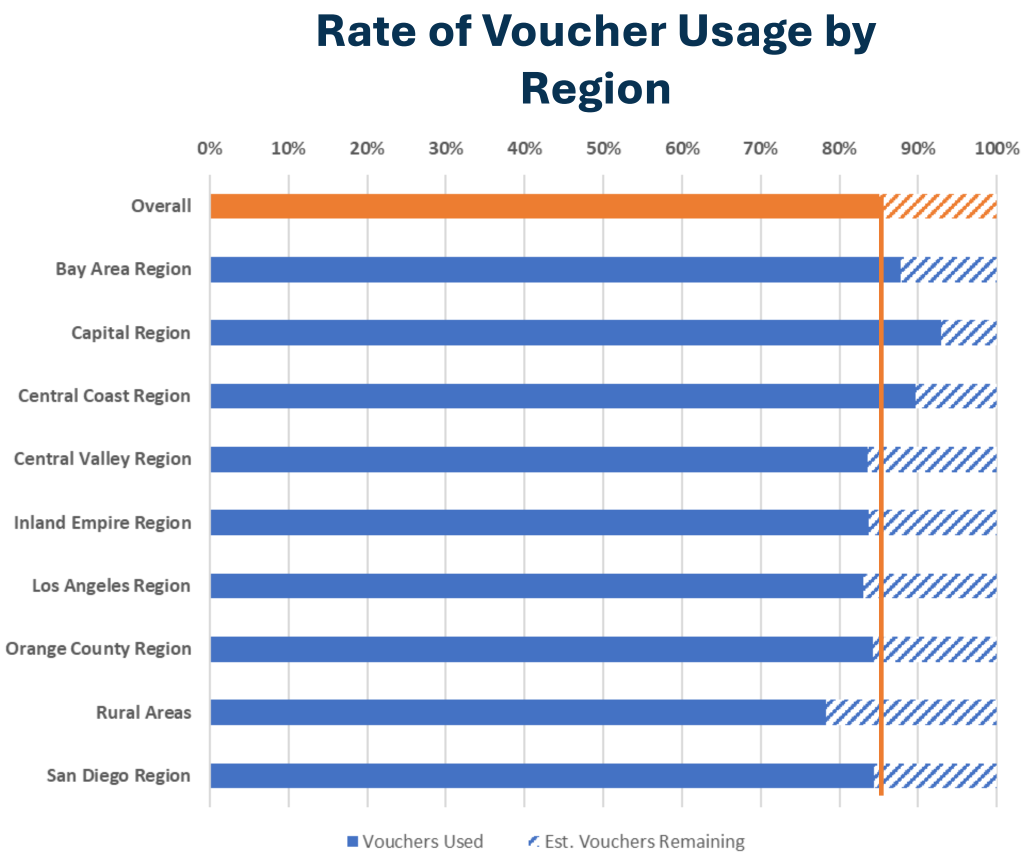
*Weighted distribution based on projected number of vouchers per region.

**May shift based on final loan amounts and associated number of vouchers per region.

Data current as of August 1, 2025, and subject to change.

UPTAKE TO DATE





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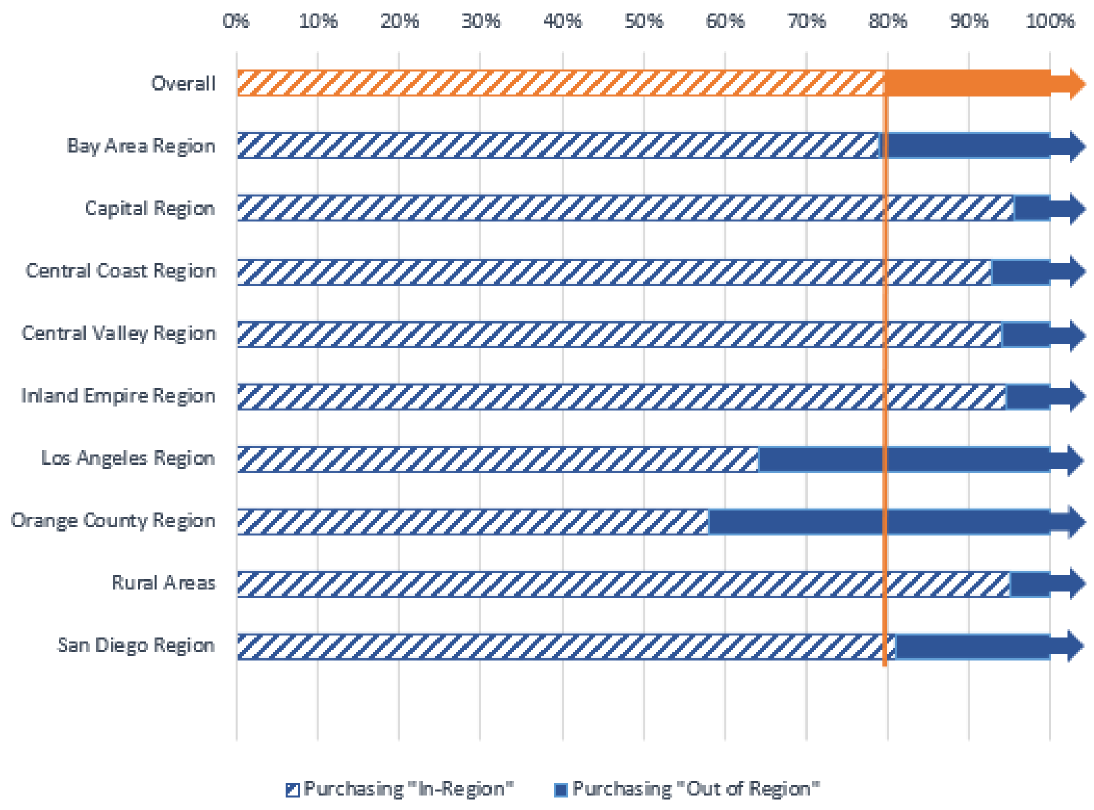
"IN-REGION" VERSUS "OUT-OF-REGION" PURCHASES TO DATE

- To date, approximately 80% of DFA borrowers are purchasing homes in the region that they currently live.
- A higher proportion (20-40%) of borrowers in high-cost areas are purchasing a home outside their current region.
- Lower cost regions have quicker rates of uptake, and significantly more borrowers are purchasing in region (95%).



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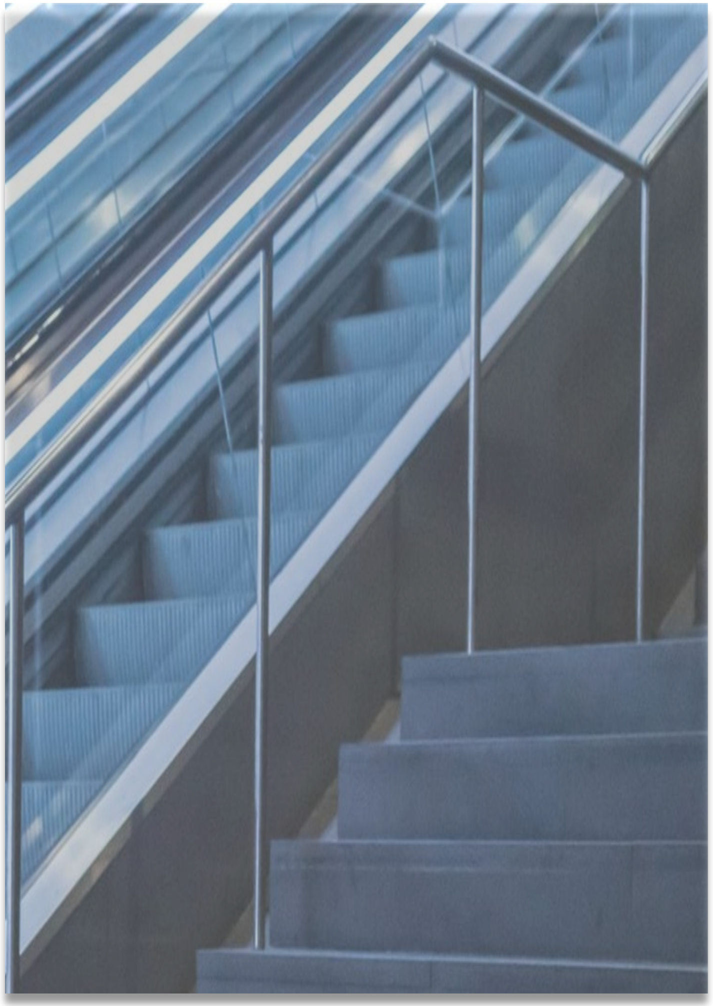
CALIFORNIA DREAM FOR ALL PROGRAM

NEXT STEPS

PLANNED NEXT STEPS

- **Issue conditional awards to all borrowers remaining on waitlist**
  - Estimated to utilize approximately 55% of new appropriation
- **Preregistration system upgrades to improve waitlist efficiency**
  - Call center support for increased borrower outreach
  - Additional borrower requirements and/or outreach to affirmatively accept award or confirm position on the waitlist.
  - Create process to allow borrowers to easily remove themselves from waitlist.
  - Increase number of awards to fully account for projected fallout.



STAFF RECOMMENDATION

Approve Resolution 25-23

- Approving distribution of State Budget funds to the California Dream for All program; and
- Authorizing staff to implement the said program by executing all agreements and developing the necessary guidelines, term sheets, documentation, and the technological capabilities to implement the Program.