

Sea Ranch Sales Plan

Overview

Burbank Housing has over 40 years of experience selling affordable homes throughout the North Bay. Burbank will be utilizing committed local and state funding to provide gap financing for eligible homebuyers. The financing provides the gap between the purchase price of the home and the mortgage amount buyers can afford. Burbank received an HCD grant for CalHome Disaster Assistance funding, which all eligible buyers will be able to utilize for Sea Ranch purchases. Additionally, the Burbank Homeownership Department has taken steps to obtain its USDA 502-loan packaging recertification, which will allow Burbank to package first mortgage loans directly with USDA and will provide buyers with the 502-loan program with offers 1% mortgage rates.

Education and Outreach

In 2023, Burbank provided residents the opportunity to learn more about the opportunity to purchase a home at the Sea Ranch community. In addition to providing an overview of construction and rehab process, the Homeownership team provided individual one on one counseling for each resident at Sea Ranch. These counseling sessions consisted of income and asset analysis, credit reporting/repair opportunities and availability of resources.

Burbank will hold several more in person group and individual meetings to help prepare interested buyers for the homeownership opportunity. These meetings will consist of income and credit education, home maintenance and financing education. Additionally, Burbank Housing will require each homebuyer to take a HUD certified 8-hour homebuyer education course that will help to reinforce the concepts that the ownership team will work on with the homebuyers.

Financing Structure/Terms

First Mortgage Loans:

USDA 502 Program

1. 33-38 year loan terms
2. Low interest rates subsidized to 1%
3. Available only in certain geographic areas, Sea Ranch is an eligible location

Second Mortgages:

CalHOME (HCD/Burbank Housing)

1. Loan deferred for 30-years (acceptable to use with USDA 502)
2. Up to \$200,000
3. 1% simple interest rate
4. Available for eligible purchases in Sonoma County

BHDC HAC or Housing Trust Reuse Fund

1. Loans deferred for up to 45-years
2. Up to \$2,000
3. 1% simple interest or shared appreciation depending on source
4. Available only for Burbank resales

Long-term Affordability Covenants

Burbank Housing is a steward of tens of millions of dollars of downpayment assistance loans, that require ongoing monitoring. Additionally, Burbank Housing developments all require affordability covenants which require ongoing monitoring for owner occupancy and program compliance. At sale, buyers will enter into a 55-year resale affordability deed restriction agreement with Burbank Housing, which will require buyers agree to annual monitoring and compliance, restricted resale value calculations, and will provide Burbank with the first right of refusal. Burbank will manage this monitoring process in collaboration with the Homeownership Neighborly Database, with oversight from in-house legal. Burbank's goal is to create long term affordable housing opportunities to low-income buyers, that remain affordable long term, regardless of market conditions.