



# Dream For All Program Update and Early Outcomes

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Director of Homeownership



# California Dream For All

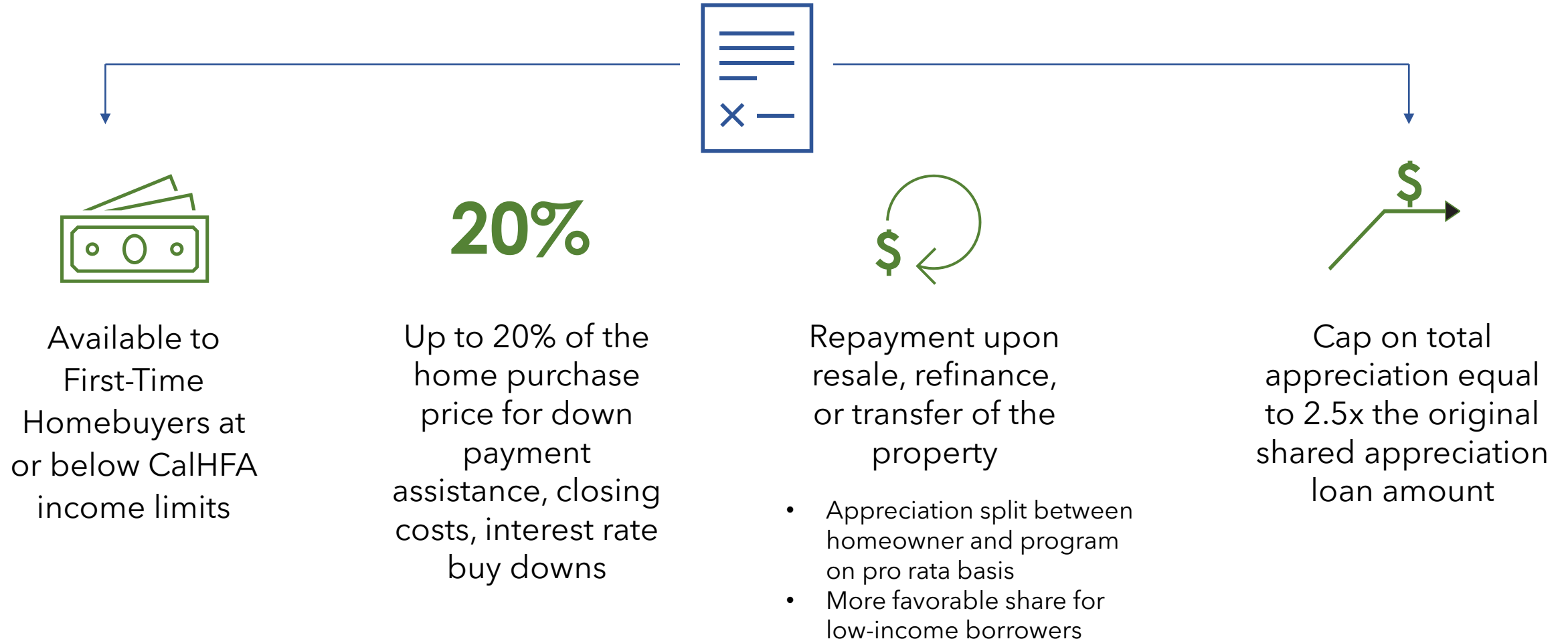
## Dream For All Program

- 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 Shared Appreciation Loan Terms





## Status and Next Steps

3/27

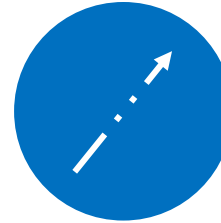
"Soft Launch" to lenders  
March 27, 2023

\$300M

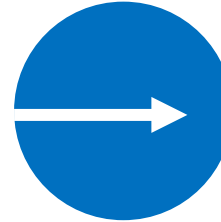
Available funds - \$300 million

11 Days

Uptake from lenders and  
consumers unexpectedly strong  
- all funds committed in 11 days



Velocity of program uptake  
presented key challenges for  
implementation

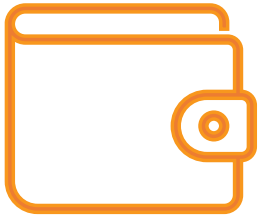


Next Steps

- Compliance review of all loans
- CalHFA will purchase loans that meet all requirements
- Final numbers will depend on outcomes of compliance review and any other cancellations that may occur



## Preliminary Statistics



**2,500**

Total Reservations



**54**

out of 58 Counties



**\$112,000**

Average DFA Loan



**\$564,000**

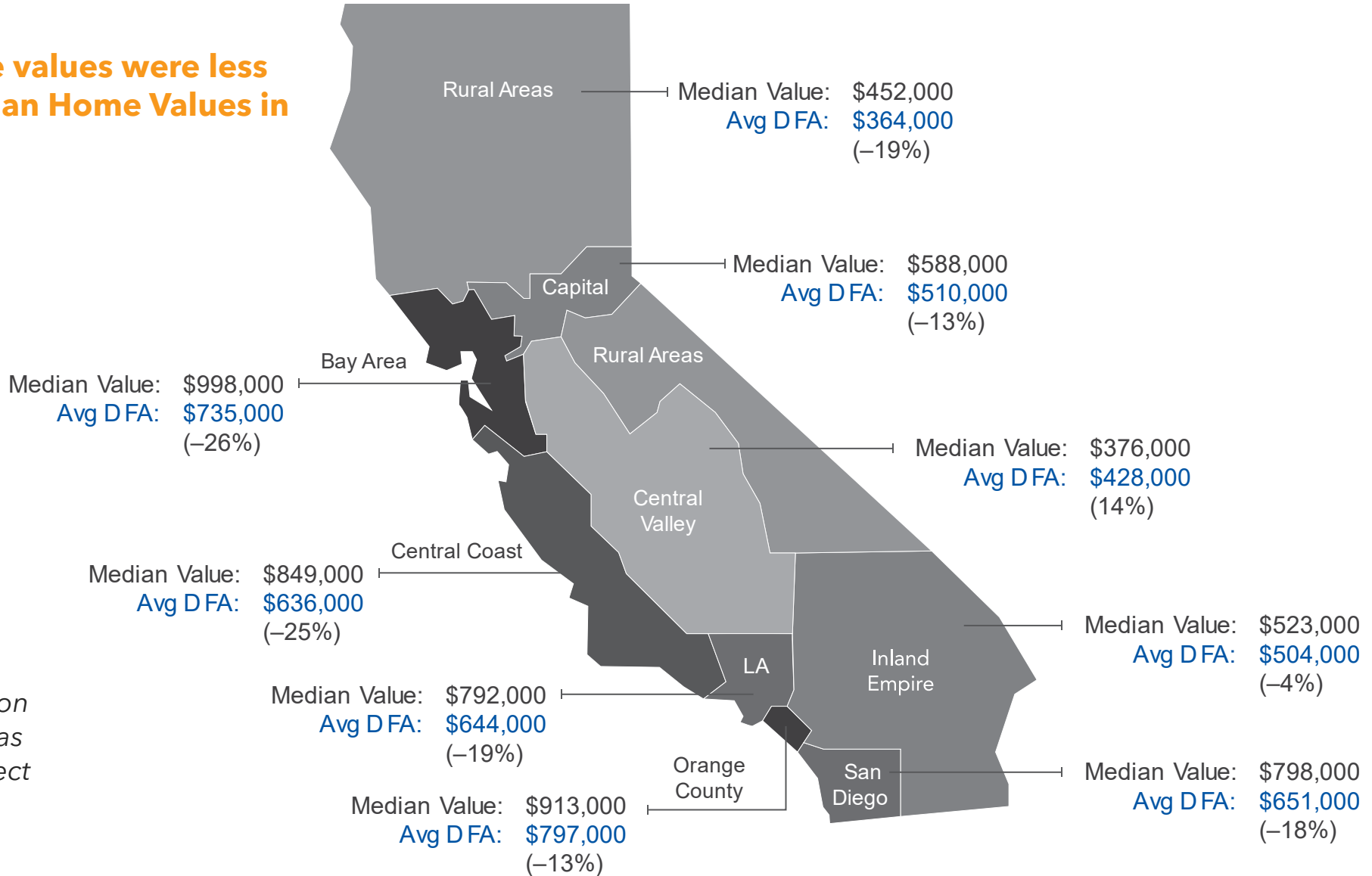
Average Home Price

*Note: All figures based on initial loan reservations as of 4/6/23. Figures subject to change as loans are processed and funding disbursed.*



## Regional Average DFA Home Sales Price

**Average DFA home values were less than the Area Median Home Values in all but one Region**



*Note: All figures based on initial loan reservations as of 4/6/23. Figures subject to change as loans are processed and funding disbursed.*



## Lender Network

### LENDERS

- CalHFA's lender network consists of over 130 lenders located throughout the State.
- Any lender may apply to be an approved CalHFA lender.

### GEOGRAPHIC COVERAGE

- Borrowers may contact any CalHFA lender, no matter where they live
- 54 counties are included in a preferred lending officer's primary territory

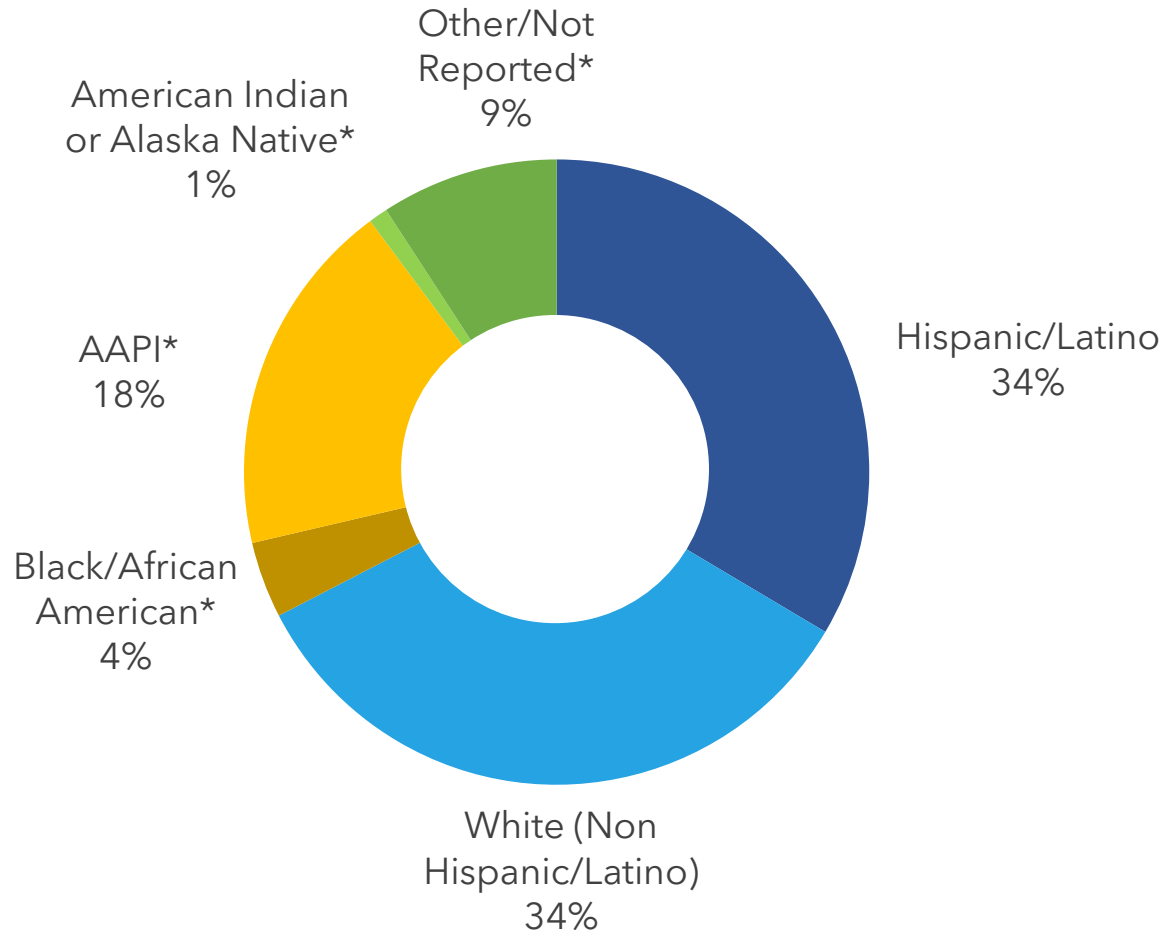
### LANGUAGE ACCESS

- Over 60% of CalHFA's preferred loan officers speak Spanish
- Other languages:
  - Tagalog
  - Vietnamese
  - Hindi
  - Punjabi
  - Arabic





## DFA Borrowers by Race/Ethnicity



\*Non-Hispanic/Latino

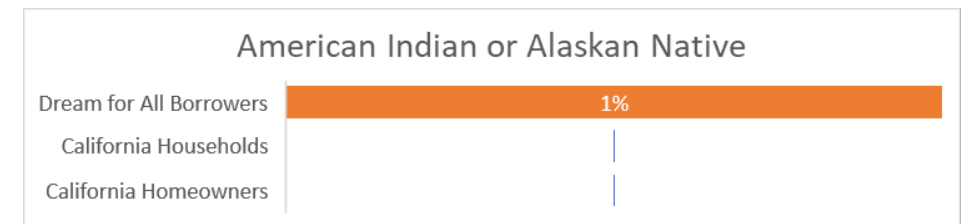
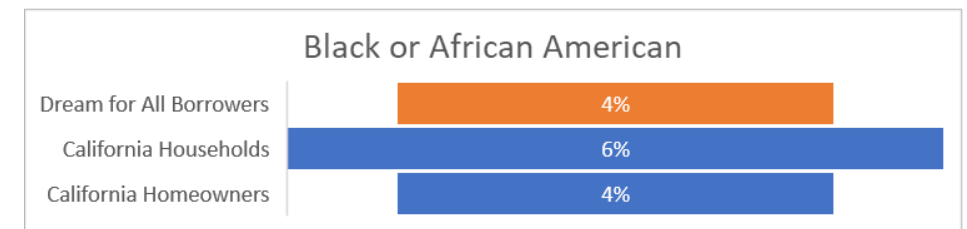
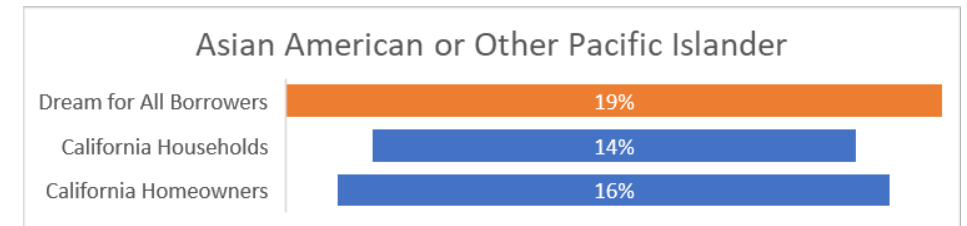
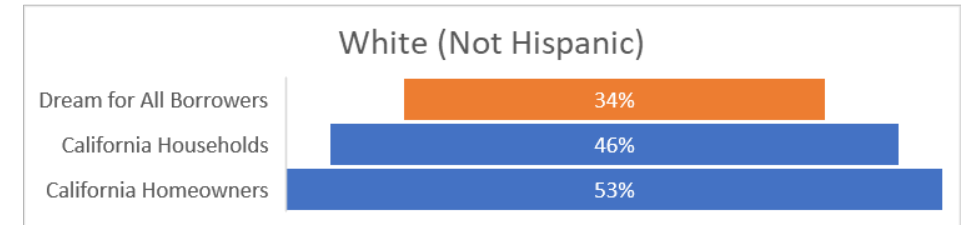
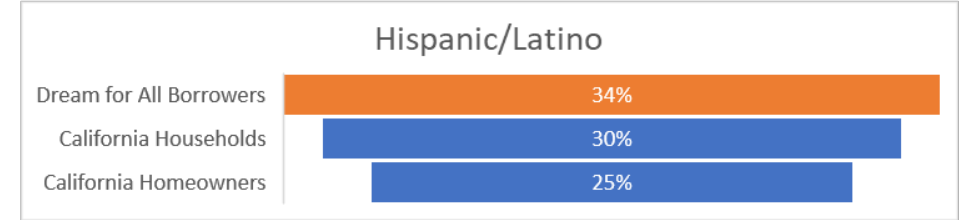
- Nearly **60%** of Dream for All borrowers self-identified as **belonging to communities of color**
  - 34% of Dream for All borrowers identified as Hispanic or Latino
  - 18% identified as Asian American or Pacific Islander
  - 4% identified as Black or African American
- 34% of Dream for All Borrowers identified as non-Hispanic/Latino White.





## DFA Borrower Race/Ethnicity Comparison

- DFA outperformed among Hispanic/Latino and AAPI borrowers, with the share of borrowers exceeding both the share of households in California and the share of homeowners in California
- The share of DFA borrowers identifying as Black or African American fell slightly below the share of Black/African American households, matching the current composition of Black/African American homeownership. This is a key area for program improvement.
- DFA borrowers identifying as non-Hispanic/Latino White fell well below the current share of Non-Hispanic/Latino White households and homeowners.



Dream for All helped lower income borrowers buy their first home.



Nearly **40%** of DFA Borrowers **earned less than \$100,000**



Over **60%** of DFA Borrowers **earned less than \$125,000**



Nearly **80%** of DFA Borrowers **earned less than \$150,000**

***Note:** All figures based on initial loan reservations as of 4/6/23. Figures subject to change as loans are processed and funding disbursed.*

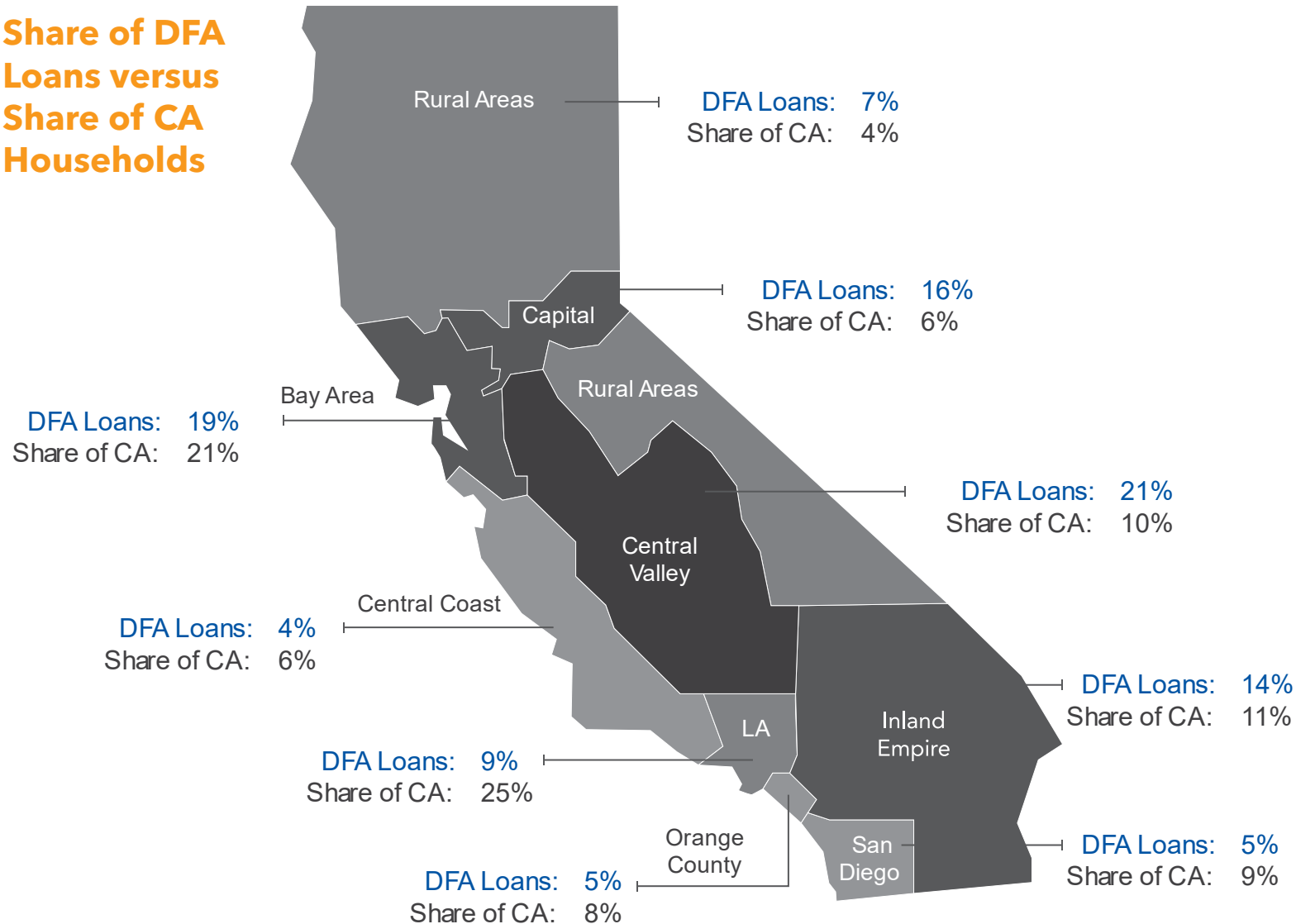
## Dream for All loans were geographically diverse

- Loans in 54 of 58 counties
- Relative to other CalHFA down payment assistance programs, shift in areas served:
  - Central Valley, Capital, Inland Empire regions still dominant
  - Significant gains in the share of loans in the Bay Area
  - Also saw gains in the share of loans in San Diego, Los Angeles, Central Coast
- Key Geographic Drivers
  - **Home Values** - more loans were concentrated in Counties where homes are more affordable for CalHFA buyers
  - **Inventory** - more loans were concentrated in Counties with greater inventory of homes



## Share of Dream for All Loans by Region

### Share of DFA Loans versus Share of CA Households

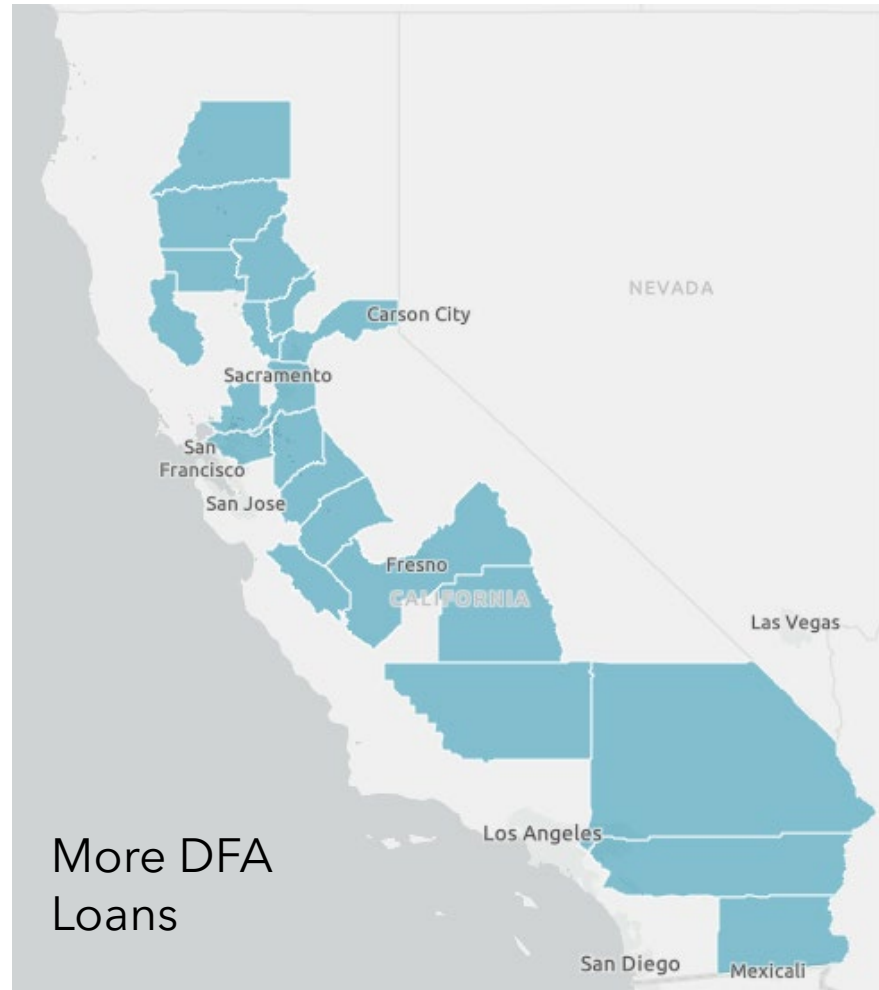


- Central Valley, Capital Region, Inland Empire saw a significant share of DFA loans, exceeding their share of CA households, due to more affordable home prices and greater inventory of homes for sale.
- More Bay Area residents were served by DFA than other CalHFA down payment assistance programs, with their share of DFA loans approaching their share of CA households.
- Share of DFA loans in Los Angeles, San Diego, Orange County and Central Coast were lower than their share of CA households, due to high home prices and low inventories.
  - Share of DFA loans in these regions still significantly outperformed other CalHFA down payment assistance programs



## Comparison of DFA Loan Performance and Housing Affordability

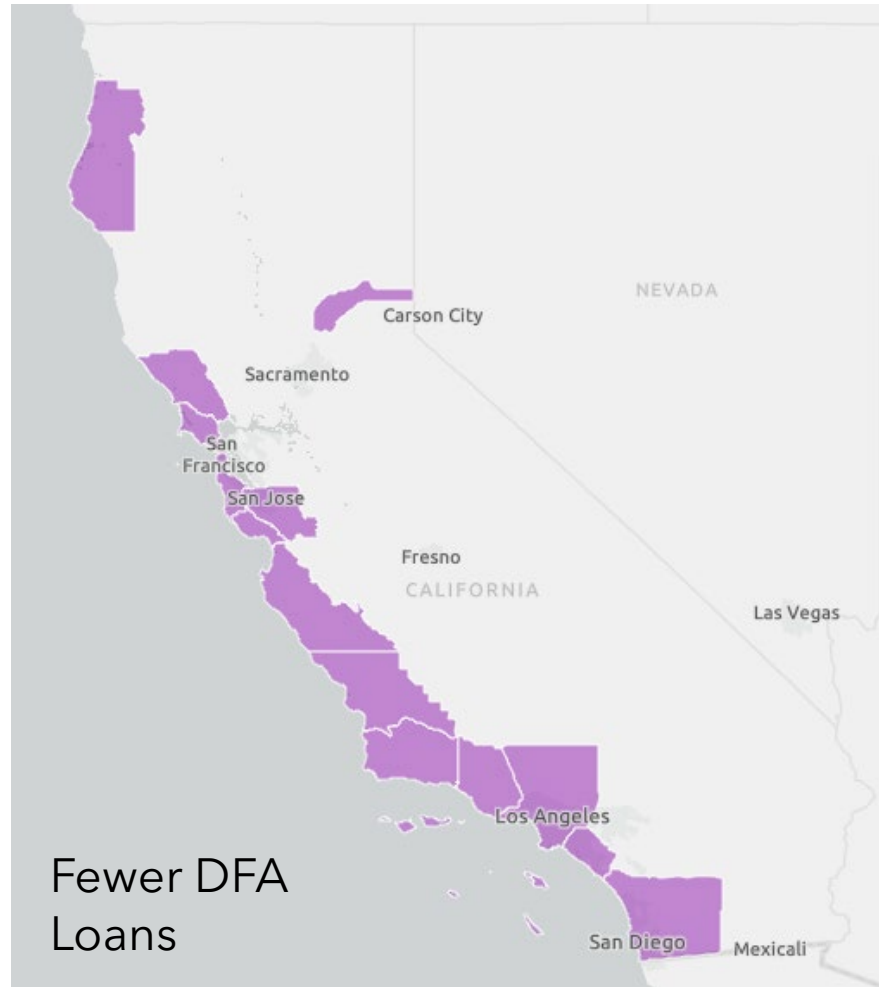
More Dream for All loans were concentrated in counties where homes are more affordable to CalHFA first time homebuyers.





## Comparison of DFA Loan Performance and Housing Affordability

Fewer Dream for All Loans occurred in counties where home prices are out of reach for CalHFA borrowers, and/or inventories of homes for sale are low.





## Early Lessons Learned

- While allowing for lender capacity building, need to also prepare for rapid uptake
  - First-time homebuyer outreach
  - Housing counseling agency engagement
  - Other Community Based Organization engagement
- Delivery system may need to be calibrated for high-demand programs with finite funding
- Borrower eligibility could be narrowed

