



# Dream for All Program Phase 2 Update

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## Strategic Plan

### Strategic Plan Goal 1: Lending Impact

*Objective 2: Expand Single Family program opportunities*

Initiative 2: Administer federal and state funded innovative programs addressing California's diverse housing needs

### California Dream for All

- Approximately \$260 million in Phase 2 funds from FY 2022/23 State Budget





## 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.





## Key Changes for Phase 2

- Loan Delivery and Reservation Process
  - Registration portal, lottery, vouchers
- Geographic Balance
- First Generation Eligibility Criteria
  - The borrower has not owned a home in the United States in the last 7 years
  - The borrower's parents do not presently, or did not at the time of their death, own a home in the United States OR the borrower grew up in foster care
- Target Lower Income Borrowers
  - Income limits
  - \$150,000 cap
  - 95% CLTV minimum



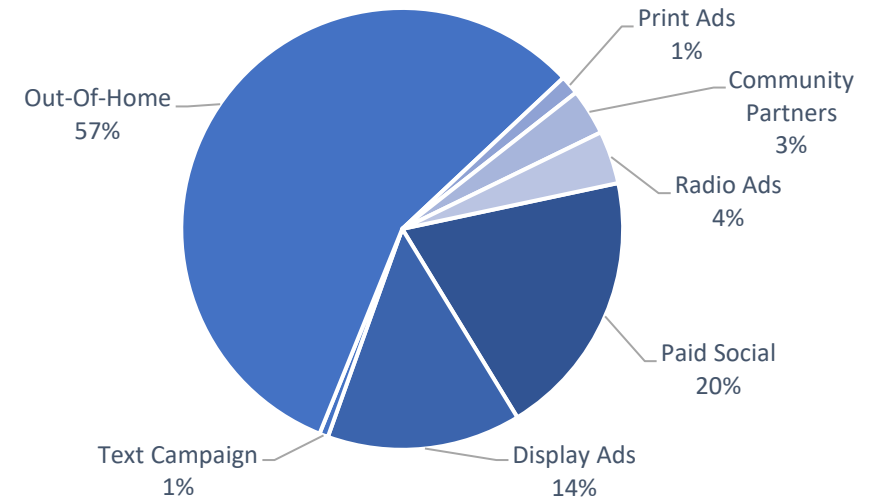




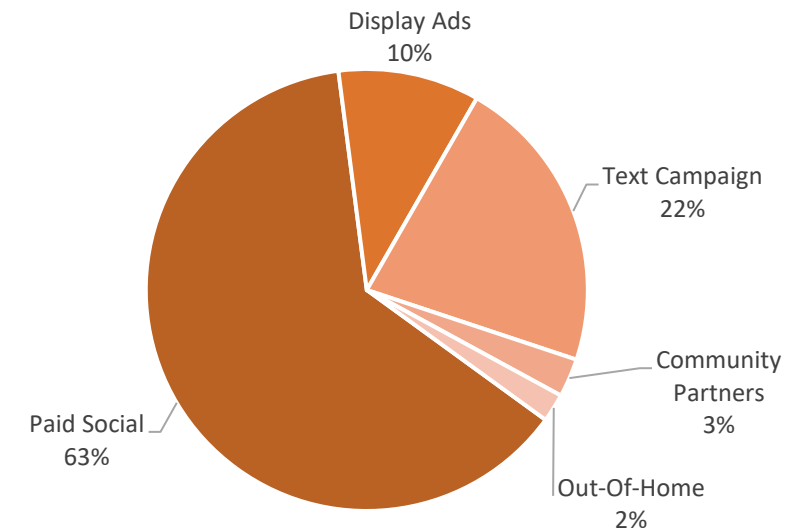
## Pre-Launch Marketing & Outreach - PAID

- Most Impressions:
  - Out-of-Home – *Signage in supermarkets and laundromats* (57%)
  - Paid Social Media (20%)
  - Digital Display ads (14%)
- Most Direct Engagement:
  - Paid Social Media (63%)
  - Text Campaign (22%)
  - Digital Display ads (10%)
- Partnered with over 100 housing and community advocates to spread information.
- Contracted CBOs
  - Held or attended over 30 community events
  - Spoke to more than 5,000; helped hundreds with voucher applications
  - 90% of people reached were Latino or Black

DFA Paid Marketing Reach / Impressions



DFA Paid Marketing Engagement





## Pre-Launch Marketing & Outreach - EARNED

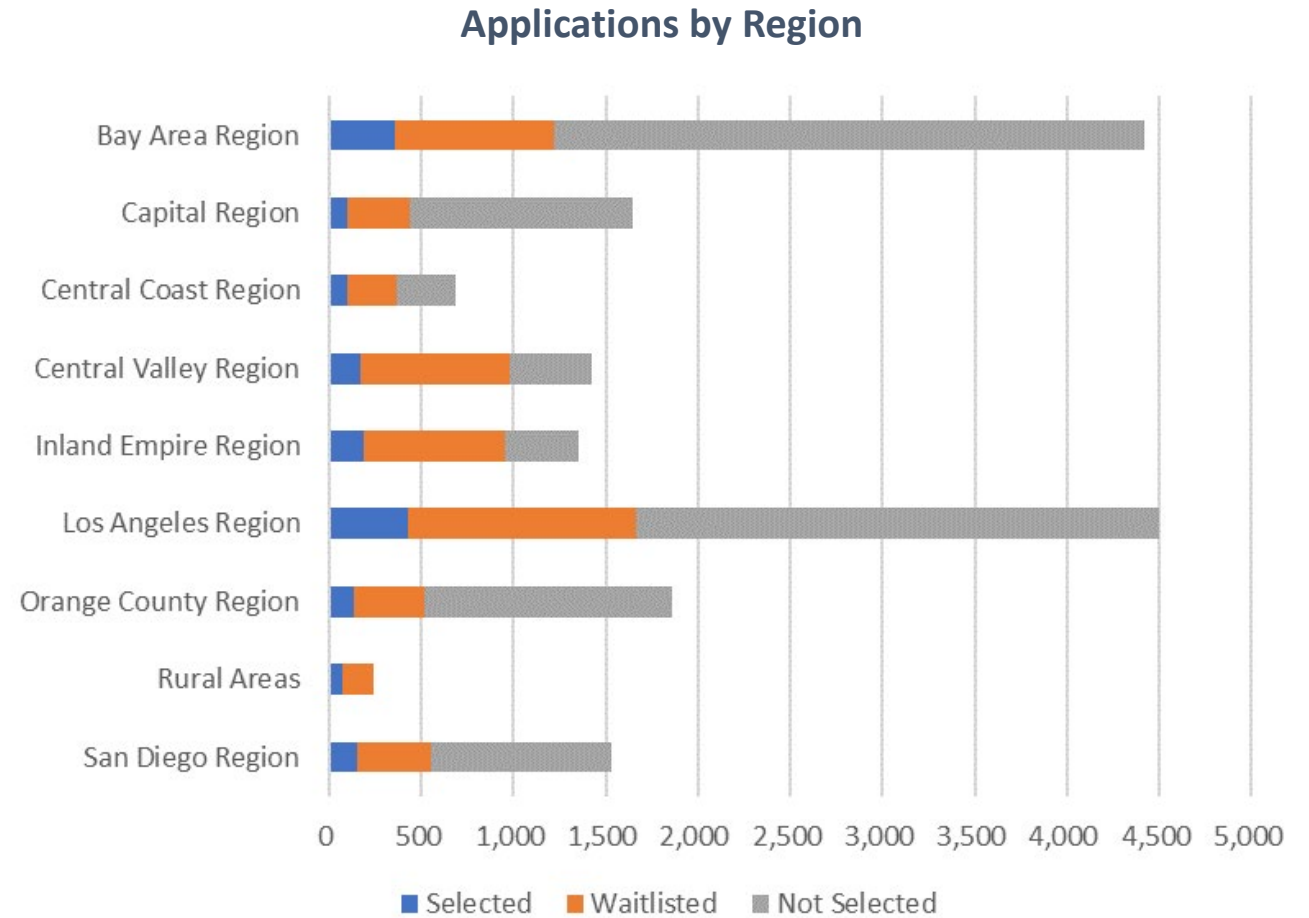
- Earned media 12.3M impressions
  - 27 Print news
  - 15 TV spots
  - 93 Web articles
  - 50 Blogs
  - 4 Radio spots
- Coverage in 30 ethnic media publications following an Ethnic Media Panel briefing.
- Partnered with over 100 housing and community advocates to spread information.
- YouTube educational videos 107,000 views
- 25+ Business Partner events
- 30+ Homebuyer events



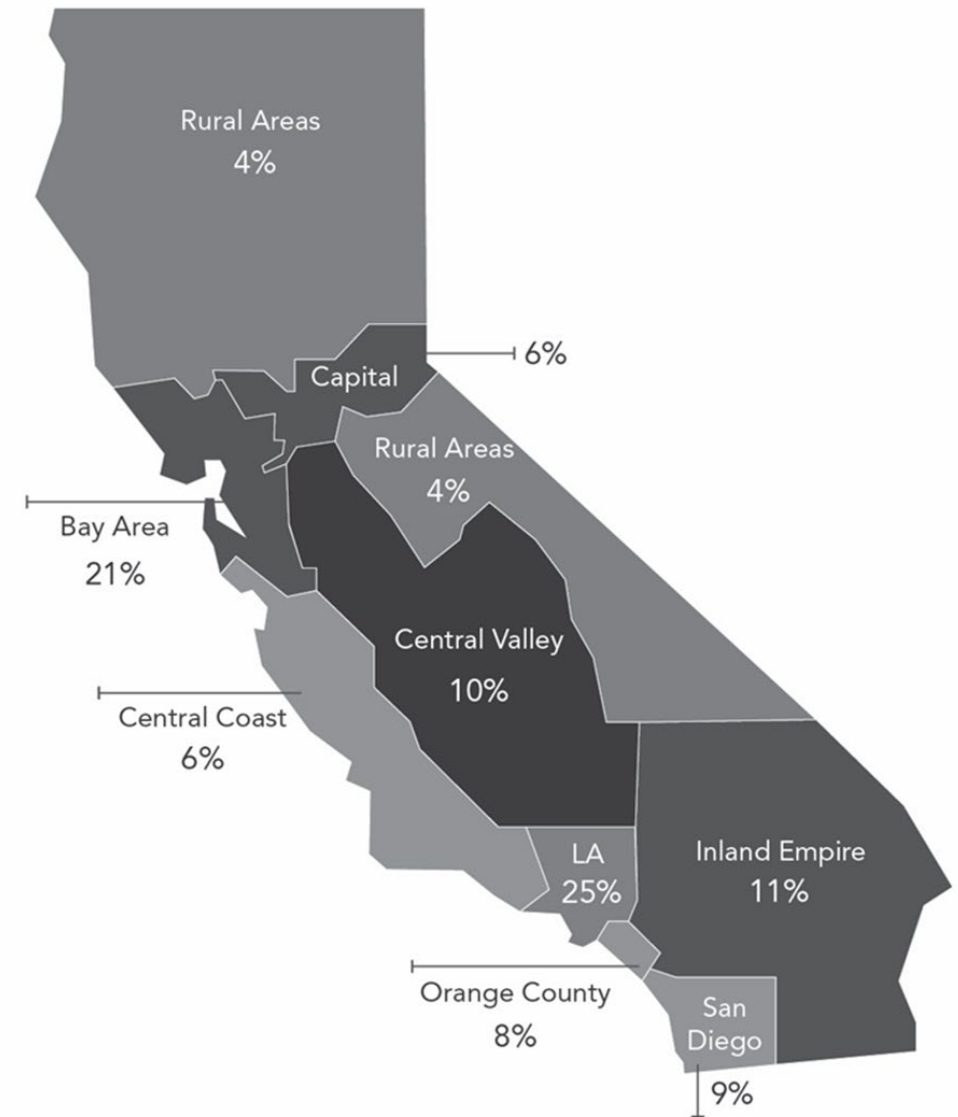


## Preregistration System and Statistics

- Nearly 18,000 eligible registrants
  - Bay Area and Los Angeles (most populous regions) led the way.
  - All regions exceeded their projected allocation of vouchers
- Lottery
  - 1,700 Selected, 4,500 Waitlisted
- First Generation Status QA/QC
  - Random selection
  - 95% pass rate
- Voucher Issuance
  - 1,700 initially, based on maximum loan amount
  - Additional vouchers to be issued as loan amounts come in
- Borrowers have 90 days to find a home
  - Extensions available - nearly 500 voucher recipients granted 90-day extension
  - Plus up to 180 days to close loan



- \$258 M in available funding
  - \$220 million from FY 23/24 Budget
  - \$40 million in fallout from Phase 1
  - Plus interest earnings, less admin costs
- Funding distributed based on percentage of households in each region
- Ultimate number of vouchers per region will depend on average loan amounts in each region







## Initial to Projected Vouchers

### Initial Vouchers

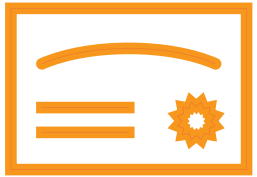
$$\begin{array}{ccccc} \$258 \text{ M} & & & & \\ \text{Available Funding} & \div & \$150,000 & = & 1,700 \\ & & \text{Maximum Shared} & & \text{Initial Vouchers} \\ & & \text{Appreciation Loan} & & \\ & & \text{Amount} & & \end{array}$$

### Projected Total Vouchers

$$\begin{array}{ccccc} \$258 \text{ M} & & & & \\ \text{Available Funding} & \div & \$117,000 & = & 2,200 \\ & & \text{Projected Average} & & \text{Projected Total} \\ & & \text{Shared Appreciation} & & \text{Vouchers} \\ & & \text{Loan Amount} & & \end{array}$$



## Preliminary Outcomes



**1,995**

Total Active  
Vouchers



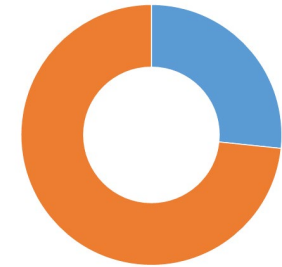
**\$117,000**

Projected Average  
DFA Loan



**\$600,000**

Average Home Price



**> 70%**

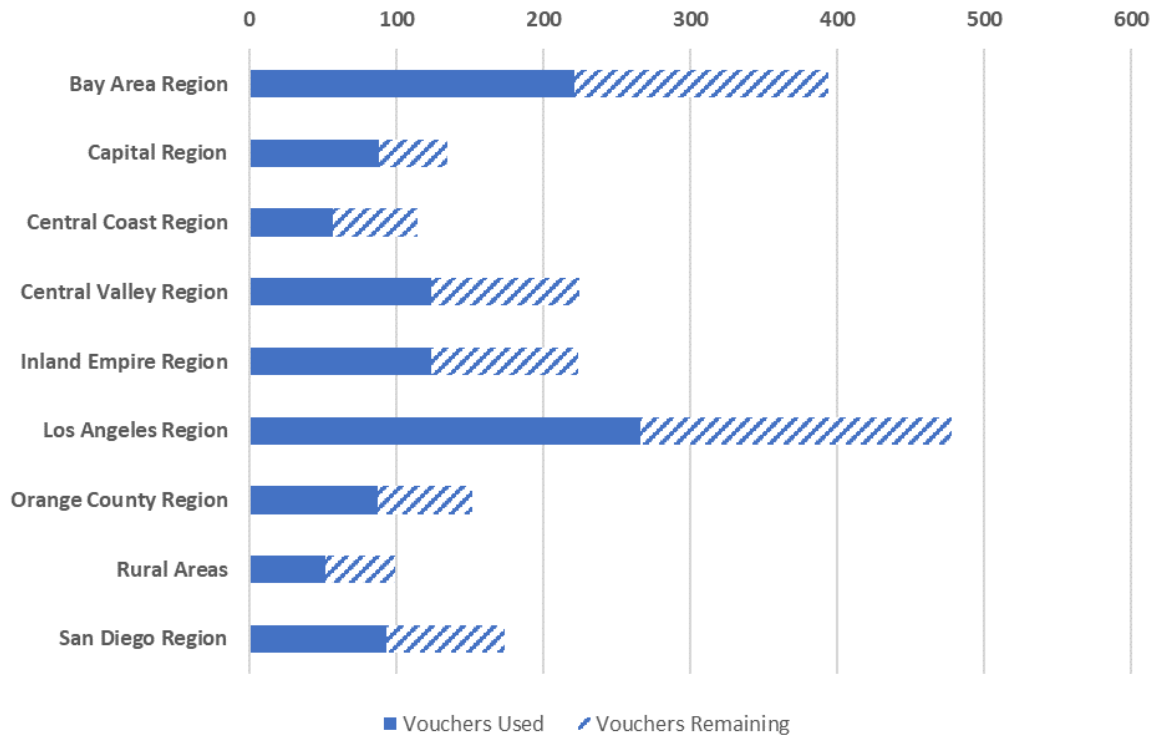
BIPOC (Estimated)

*Data current as of 10/13/2024 and subject to change*

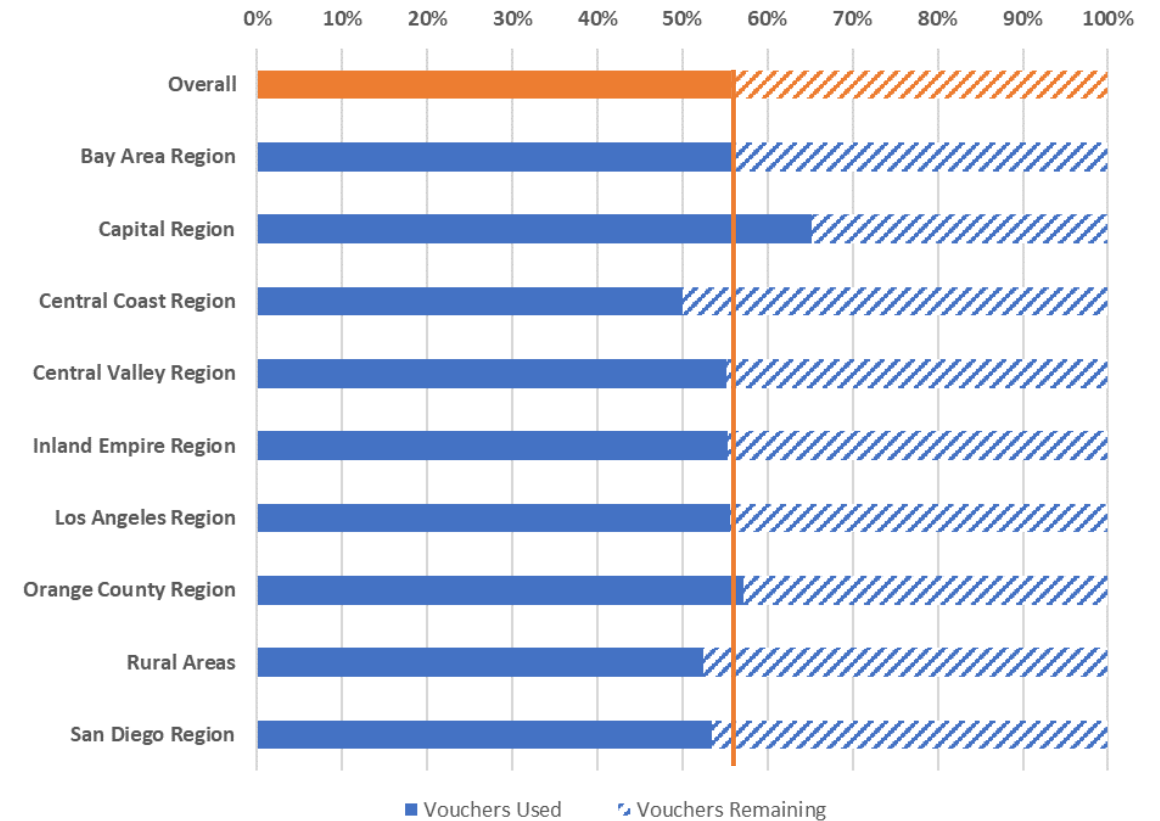


## Uptake to Date

### Voucher Usage by Region



### Rate of Voucher Usage by Region

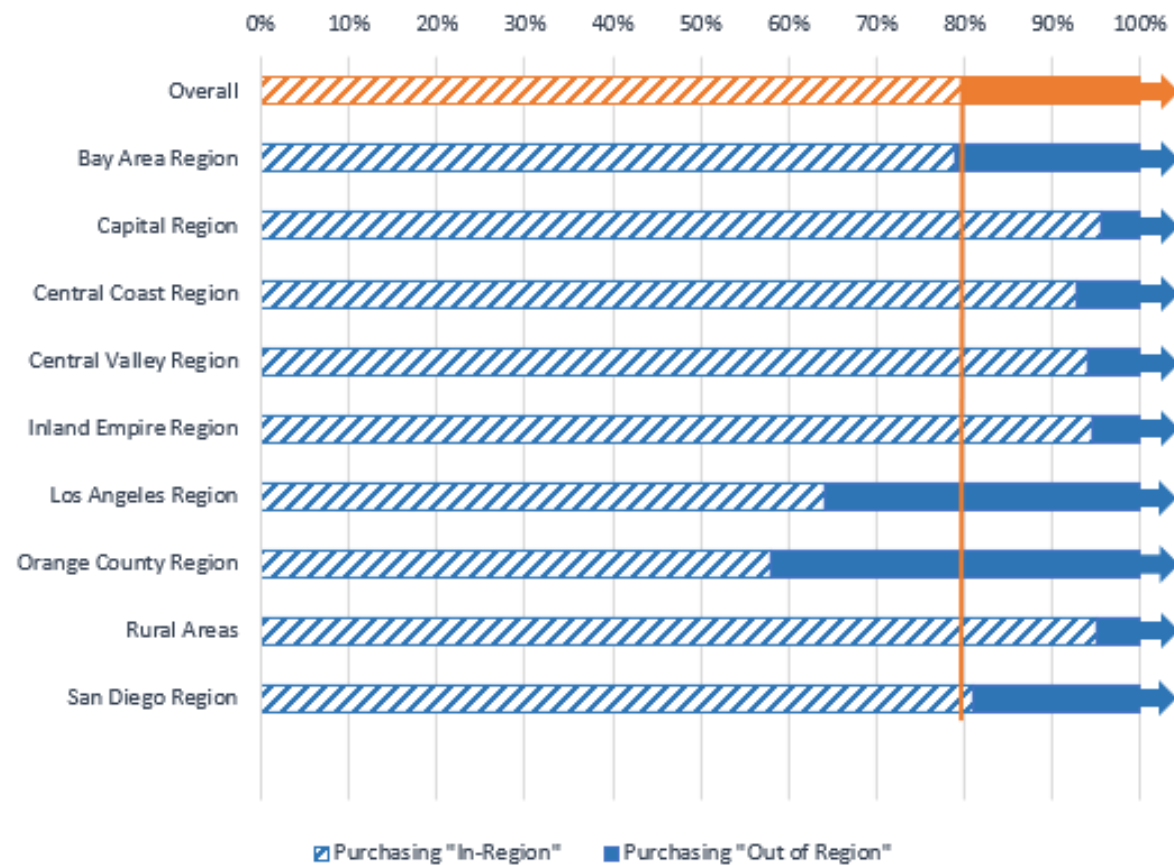


*Voucher allocations by region estimated – actual amounts will vary based on final loan amounts*

*Data current as of October 13, 2024, and subject to change.*



## “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 higher rates of uptake, and significantly more borrowers are purchasing in region (95%).

*Data current as of 10/13/2024 and subject to change*





## Demographics Preliminary Detail

Ethnicity/Race	CA Households	DFA Registrants *	DFA Voucher Recipients	DFA Loans Closed
<b>ETHNICITY</b>		<b>PRELIMINARY**</b>		<i>To Be Determined</i>
Hispanic or Latino	30%	39%	39%	
Not Hispanic or Latino	70%	61%	61%	
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	
<b>RACE (INCLUDES HISPANIC/LATINO ETHNICITY)</b>				
American Indian or Alaska Native	1%	1%	1%	
AAPI	15%	28%	29%	
Black or African American	7%	8%	8%	
White	55%	32%	31%	
Other/Not Provided	23%	29%	30%	
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

\* 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 10/13/2024 and subject to change.*



- Extended vouchers expire end of December
- Additional vouchers issued from waitlist as vouchers expire or cancel
- After loan reservation, up to 180 days to close loan
- Continue to track and monitor outcomes



Questions?