

# Dream For All

## California Housing Finance Agency

Homeownership: Empowering New Buyers

### HFA Staff Contact

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## Program Overview

The California State Legislature allocated \$300 million and directed CalHFA to create a housing program for first-time homebuyers that integrated the concept of shared appreciation into a down payment assistance program that would loan buyers funds for a very large down payment. CalHFA consulted with legislators, lenders, community-based organizations, non-profits and other partners, and was informed by a shared appreciation study commissioned by the California State Treasurer's Office in designing the **California Dream For All Shared Appreciation Loan Program**, which provides assistance up to 20% of the purchase price of the home. Buyers would not have to make any payments on the Dream For All portion of the loan, but would instead must repay the loan, plus a share of any appreciation on the home, when they sold or transferred the home. The funds from those loan repayments will be used to fund future homebuyers in a virtuous circle. Shared appreciation is a loan type that has been attempted by various entities both in the United States and abroad, but it has never been attempted by a government agency in the U.S. at this scale.

While CalHFA has extensive experience with more conventional down payment assistance, the shared appreciation aspect of this program necessitated creating new infrastructure and processes and educate our private lending partners so they could execute the program – all in just eight months from the signing of the budget in June 2022 through the launch of the program in late March 2023. This included an extensive marketing plan that never got a chance to go into effect as demand for the program was unprecedented. CalHFA made \$300 million available and received enough reservations to exhaust those funds in just 11 days.

## Innovative

This was the first large-scale shared appreciation loan program in the United States, but the concept was able to build on the success of CalHFA's innovative Forgivable Equity Builder Loan program from 2022, which allowed low-income borrowers to receive a down payment assistance loan—forgivable after five years—of up to 10% of the purchase price. Dream For All doubled that assistance amount which makes a huge difference for people with good credit scores and solid income but who find it virtually impossible to save up such a large sum of money for the upfront costs of buying a home, especially in California.

Additionally, in setting up the Dream for All program, the CalHFA Information Technology division designed systems to streamline processing, which was a challenge due to the program being similar but not identical to CalHFA's ongoing down payment assistance programs. The Agency's Single Family Lending division educated dozens of lenders and hundreds of loan officers as to how this program worked and had very little time to do it between the conclusion of program design and the launch of the program. CalHFA's Marketing division worked collaboratively with those other divisions came up with clear, simple ways to explain the very complicated concept of shared appreciation.

## **Replicable**

CalHFA worked with various stakeholders, from our network of private loan officers to our Master Servicer and Fannie Mae to design a program that followed the guidelines set forth by the legislature and had the best chance for success. In the end, keeping the qualifications similar to our flagship MyHome down payment assistance program, and working with CalHFA's existing lender network made it easier to execute a ground-breaking program like this one.

## **Respond to an important state housing need**

It really can't be overstated how challenging it is for a first-time buyer to find an affordable single-family home to purchase in California. High interest rates, high home prices, low supply...it all adds up to a historically tight housing market, especially at the lower end of the marketplace. A 20% down payment gave low- and moderate-income borrowers the purchasing power they needed to have their offers considered in a very competitive market.

## **Use data, research, and analysis to demonstrate measurable benefits to HFA targeted customers and underserved markets**

The Dream For All loan helped more than 2,000 homebuyers from across race, ethnicity, gender and income level buy their first home. More than half of Dream For All loans went to Latino, Black, Asian and Native American borrowers, in some cases in higher proportions than their representations among overall California households.

## **Have a proven track record of success in the marketplace**

The entire allocation of funding was committed in 11 days, and we helped more than 2,000 first-time buyers, although many more were hoping to take advantage of the program. A second round of funding, to be released in May 2024, is expected to have similar demand.

## **Provide benefits that outweigh costs and demonstrate effective use of resources**

Building intergenerational wealth was a key idea for this program. Funds from loan repayments will be used to fund future homebuyers, so the initial costs of the allocation will keep paying themselves forward for decades to come. The relatively large amount of assistance was provided in the hopes that it would help buyers who otherwise would not have the opportunity to achieve the dream of homeownership, particularly those from historically underserved communities, finally get that chance. With the state facing an unprecedented supply issue of affordable rental housing, helping renters become homeowners also opens up critical rental housing units for other low-income Californians.



California Housing Finance Agency  
Entry: **Dream For All Shared Appreciation Loan**  
Category: Homeownership  
Subcategory: Empowering New Buyers

### **Effectively employ partnerships**

We collaborated with partners from across the housing spectrum to design and implement Dream For All. CalHFA held webinars and focus groups for business partners, housing counselors, non-profits and consumers, including one with a specific focus on Native American tribal outreach.

### **Achieve strategic objectives**

Dream For All helped us achieve two very specific business objectives from our 2022-23 Strategic Plan: “Help 5,700 homebuyers purchase their first home” and “Secure \$2.1 billion in 1st mortgage loans to generate \$27.3 million in revenue.” We ended up helping more than 7,000 homebuyers purchase their first home, and easily surpassed the financing goal. Note that we were allocated the funds after we published our business plan, so we had to accomplish all our other goals in addition to implementing this brand new program.



Christian Espinosa Rodriguez Realtor CalBre#02010465 Realty One Group Elite

June 11, 2023 · 🌐



🔥 Vallejo CA 🇺🇸 DREAM FOR ALL 🙌🏻

🎉 Muchas Felicidades a la Familia Perez que compro su Casa 🏡 usando el programa Calhfa Dream for All recibiendo más de \$100,000 de asistencia para la compra de su casa ! Gracias por su Confianza ! Quien Sigue ?

📍 Congratulations to the Perez Family ! They just closed on their new 🏠 Home using the Calhfa Dream for All Down Payment Assistance Program and received over \$100,000 towards the purchase of their home ! Who's Next ? Thank you [Rene Zamora Melgoza](#) Team for your amazing job getting the loan done !

[California Housing Finance Agency \(CalHFA\)](#)

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Phil 4:13

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## Senate Leader Atkins' CA Dream for All Home Loan Program Launch Successful, More Funding Needed to Fulfill Goal

April 14, 2023

**SACRAMENTO** – Senate President pro Tempore Toni G. Atkins (D-San Diego) released the following statement regarding the California Dream for All program reaching its limit of available funding within the first weeks of initial launch:

"It is incredible and inspiring to see that the launch of the California Dream for All program has already been so successful – the fact that it has helped more than 2,400 first-time homebuyers with their down payments in its first two weeks is terrific.

That rapid response and resulting use of the \$300 million in funding currently available shows just how critical this down payment assistance program is for California families.

From the outset, the goal of this program is to make homeownership more affordable for lower-income and middle-income first-time homebuyers, particularly first-generation homebuyers from families that have faced systemic barriers to homeownership. As we work to build on the administration's strong initial implementation of California Dream for All, we must ensure this program maintains a lens of addressing increased equity and diversity in the housing market.

While we are off to a strong start, we can't truly make a difference in opening the doors to building generational wealth for Californians – especially those who historically have faced systemic barriers to homeownership – without sustained funding for the program.

I look forward to working with my colleagues in the Legislature and with the Governor to get the remaining \$200 million already appropriated out the door. In addition, we will work to secure more state funding and explore additional private sector options to build the California Dream for All program into a robust, revolving program that will ultimately benefit a more diverse representation of California's first-time homebuyers throughout the state."

The California Dream For All program, which was originally proposed by Pro Tem Atkins as a way to help first-time homebuyers and be yet another way to address the state's pervasive housing crisis, was created as part of the Budget Act of 2022 budget agreement. While that budget appropriated \$500 million for the program for the 2022-23 fiscal year, the remaining \$200 million has not yet been released. The goal is to appropriate \$10 billion over a 10-year period – \$1 billion per year. After that point, the program should become self-funded, with the appreciation proceeds of prior partnerships revolving back into the program to partner with new first-time homebuyers.

The CA Dream for All program is an innovative approach that allows California to partner with first-time homebuyers and, in a typical case, provide up to 20 percent or more towards the home purchase, essentially turning a \$500,000 home, for example, into a \$400,000 home. The homebuyer and the state will then share equity appreciation proportionately once the home is sold or refinanced. At that point, the state's share will go back into the program to make homeownership possible for first-time homebuyers.

For more information about the California Dream for All program, [click here](#).

[En Español](#)

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*Toni G. Atkins is President pro Tempore of the California Senate. Having previously served as Speaker of the California Assembly, she began her tenure in the Senate in 2016. As Senator for District 39, she represents the cities of San Diego, Coronado, Del Mar and Solana Beach. Website of President pro Tempore Toni G. Atkins: [www.senate.ca.gov/Atkins](http://www.senate.ca.gov/Atkins)*

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## HOUSING

# California's New Dream For All Program Provides Assistance to First-Time Homebuyers. Here's How It Works

The hardest part of buying your first home is often saving for the downpayment. A New California program offers homebuyers up to 20% financial assistance.

By Kayla Galloway • Published March 28, 2023 • Updated on March 30, 2023 at 7:29 am



The homebuying process is hard enough, but here in the second largest Metropolitan area in the country, it's like a battlefield. Macy Jenkins reports for the NBC4 News on Mar. 29, 2023.

Buying a home in California is not an easy task, but a new state program launched Monday for first-time homebuyers aims to make the process a little easier.

The California Dream For All program provides homebuyers with financial assistance equal to 20% of a home's purchase price.

Those funds can be used for a downpayment and closing costs when purchasing your first home.

## How Does the California Dream For All Program Work?

The program offers first-time homebuyers in California a shared appreciation loan of up to 20% of the cost of the home.

If you're buying a \$500,000 home, you'd receive 20%, or \$100,000, to help with a downpayment and closing costs.

Once the homebuyer sells their home at a later date, they would be required to pay back the 20% assistance, plus 20% of the home's appreciation.

If your \$500,000 home sells in five years for \$700,000, you'd owe 20% of \$200,000 appreciation — or \$40,000 — in addition to the original loan.

If you sell your home and it hasn't grown in value, you'd only pay back the original 20% loan, according to the California Housing Finance Authority,



The screenshot shows a tweet from Fiona Ma, CPA (@fionama) posted on March 27, 2023, at 3:01 PM. The tweet text reads: "The California Dream for All Shared Appreciation loan program launched today! Thru this program, the state will provide \$300M worth of down payments for an estimated 2,300 first-time homebuyers. To learn more about program eligibility and to apply, visit [calhfa.ca.gov/dream/index.htm](https://calhfa.ca.gov/dream/index.htm)". Below the text is a blue graphic with the CalHFA logo and the text "DREAM FOR ALL SHARED APPRECIATION LOAN". The tweet has 17 likes and 9 replies.

## Who is Eligible?

This program is open to first-time homebuyers in California — meaning you've never owned a home. A first-time homebuyer is also someone who owned a home three or more years ago and sold it, according to the CalHFA.

Borrowers must also plan to live in the new property they are buying.

The program does not allow for non-occupant co-borrowers or co-signers.

In addition to being a first-time homebuyer, borrowers must meet income requirements depending on their county.

In Los Angeles County, borrowers must make under \$180,000 per year. The limits vary depending on what California county you live in, but range from \$159,000 to \$300,000. (To check your county's income limit, [click here](#))

## How To Apply for the Dream For All Shared Appreciation Loan

The program is offered through private loan officers, [according to CalHFA](#).

## How Much Money is Available?

The state has allocated about \$300 million toward the California Dream For All program, [according to State Treasurer Fiona Ma](#). This will provide assistance for an estimated 2,300 homebuyers in California.



Buying your first home is always a struggle, especially in Southern California. Now, the city of Long Beach is making it easier for 100 lucky families. Mekahlo Medina reports for the NBC4 News on Feb. 3, 2023.

This article tagged under:

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# \$300 million in aid for California home buyers ran out in 2 weeks. Here's what happens next

By Jessica Flores

Updated April 11, 2023 6:55 p.m.



A "for sale" sign outside of a home on Forrest Side Avenue in San Francisco.

Michael Noble Jr./The Chronicle 2022

Less than two weeks after its start, a \$300 million state program offering down payment assistance to first-time California home buyers has been paused after applicants snapped up all the money.

The California Housing Finance Agency began the Dream for All Shared Appreciation Loan program on March 27. It was set to provide \$300 million for loans that would cover down payments and/or closing costs for about 2,300 qualifying home buyers, in an effort to improve "equitable access to homeownership for all Californians," the agency [said in a news release](#) announcing the program.

In the Bay Area, the maximum income for applicants ranges from a low of \$215,000 in Solano County to a statewide high of \$300,000 in San Francisco, San Mateo, Santa Clara and Marin counties, [according to agency documents](#).

However, on Friday, the agency posted a notice on its website that said “funds for the California Dream for All Shared Appreciation Loan program have been reserved as of April 7, 2023,” along with [a link to sign up for its newsletter](#) to receive updates on the program.

The agency had posted a bulletin on its website a day before, on April 6, warning people it would pause the program once all loans were rate-locked by 3 p.m. April 12, or whenever available funds “become fully committed.”

Eric Johnson, a spokesperson for CalHFA, told The Chronicle on Monday that the agency’s lender network was able to lock about 2,500 borrowers for loans — about 19% of whom were from the Bay Area. The agency is not a direct lender and instead works with private loan officers.

“Although we did not spend money on advertising, there was strong word-of-mouth, and very quick uptake by lenders,” Johnson said. “Demand for this program was unprecedented.”

Some of the applications “may fall out, however, so a final number is at least 30-45 days out after all the loans are closed,” Johnson said.

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Any additional funding for more assistance is “dependent on the California state budget process, a comprehensive negotiation between the Legislature and the administration which will play out in the coming months,” Johnson said.

Regardless of whether the state budget allocates additional money, Johnson said, the original \$300 million will be “recycled,” meaning funds will become available as borrowers pay off their loans. The agency does not know when that might happen, he said, since it depends on when people decide to sell or refinance their homes.

Here’s a look at the program and how it works:

## What is the Dream for All Shared Appreciation Loan program?

Down payments are a particularly high barrier to homeownership in California — especially in the Bay Area, which has [some of the most expensive real estate in the country](#). To help first-time buyers get their foot in the door, the program provides money for a down payment and/or closing costs equaling 20% of the property's purchase price.

The funds are in the form of a shared appreciation loan, which is interest-free and repaid by the buyer when they sell or transfer the home, with a percentage of the appreciation in the value of the home shared with the lender.

Borrowers do not need to make monthly payments on the loan. "Payments are deferred for the life of the first mortgage," the agency [wrote in an FAQ](#) about the program.

Repayment is capped at a maximum 2.5 times the amount of the original loan. If the property's value does not appreciate or declines, no extra money is due.

CalHFA is not a direct lender, officials said. Instead, buyers must find a CalHFA-approved and -trained loan officer in their area to apply for the program. The agency's website offers [a lookup tool](#) for borrowers to find a loan officer near them.

All CalHFA borrowers must complete a home buyer education and counseling course, and program applicants must take [a free online class](#) specifically for shared appreciation loans.

## Who qualifies for the program?

Here are the eligibility requirements, according to the California Housing Finance Agency:

- Those interested must be a first-time home buyer, defined as "someone who has not owned and occupied their own home in the last three years," [according to the agency's website](#). "That means if you've never owned a home, you're a first-time home buyer. It

also means that if you owned your home three or more years ago, but sold it, you are right back to being a first-time home buyer again, and you can take advantage of all of the benefits of CalHFA's first-time home buyer programs," the website says.

- Households must be within the agency's annual income limit for their county.
- Applicants must live in the home or condominium they plan to buy.
- Applicants must complete two levels of home buyer education classes and obtain a certificate of completion through an eligible home buyer counseling organization.
- The home must be a single-family, one-unit residence. The agency says guest houses, granny units and in-law quarters may be eligible.

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**Jessica Flores**  
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Cuong Luu is in Tulare, CA.

May 1, 2023 · 🌐

THANK YOU @calhfa for offering the 20% Dream For All Program!!! 🙏

🥳 CONGRATULATIONS Marissa on purchasing this beautiful home in Tulare! Thank you for being on top of everything and putting your trust in me and @amccentralvalley with your purchase 🍷



👏 @\_oscardmata Great job on negotiating this one!! You even secured \$7,500 in seller credits 🙏

👏 Thank you Jose Perez for the beautiful listing! It was a pleasure working with you and Legacy Real Estate!

👏 Great job team!!! @gabeg0nzales & @nicole\_r\_harrell

#firsttimehomebuyer #CALHFA #Dreamforall #teamworkmakesthedreamwork #tulare #california #teamwork #americandream #congratulations #realestate #mortgageloanofficer #teamluu



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**Shaan Clive, Realtor**

@shaanclive



Congratulations! CALHFA Dream For All Program Winner! 🎉🏠👏

It was a challenge to get buyers into the program and accepted on a rush basis as the program only lasted no more than 10 days. Very happy for the young buyer who was able to get into his first home! 🏠🎉



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