

**University of California Support Staff Down Payment Loans
Amendment Number One**

Section 9.1 is added to Article IX of the California Constitution to read:

SEC. 9.1 (a) The Regents shall administer a down payment loan program for eligible support staff of the University who are first-time homebuyers. The down payment loans shall:

- (1) be equal to twenty percent of the home's value;
- (2) be fully repaid along with a proportionate twenty percent share of the appreciated home value when the home is sold or refinanced;
- (3) not be funded with taxpayer funds, state General Funds, or student tuition and
- (4) be made available only to qualified support staff who have worked for the University for at least five years.

(b) Notwithstanding any other provision of this Constitution, on or before January 1 of the year following enactment of this section, the Regents shall make available down payment loans to eligible support staff, subject to requirements that such loans be repaid with a secured shared and proportionate appreciation return on the investment. To avoid impacting the University's educational mission, the Regents shall invest a fraction of the same investment funds that have been used for University homeownership assistance programs.

(c) Beginning in the first fiscal year following enactment of this section, and in each fiscal year thereafter, the Regents shall make available down payment loans to at least three hundred eligible support staff, which is the number of primary mortgage loans the Regents provided to senior executives and faculty during the 2022-23 fiscal year. In each fiscal year thereafter, the Regents shall make available the same number of down payment loans to eligible support staff as the number of primary mortgage loans provided to senior executives and faculty in the preceding fiscal year, but not fewer than three hundred. "Primary mortgage loans" are fully-amortizing first deed of trust loans provided to eligible University of California faculty and senior executives and may also have been referred to as "Mortgage Origination Program" loans.

(d) The Regents shall ensure that all repayments and revenue generated by down payment loans provided pursuant to this section are used for the purposes specified in this section.

(e) Seventy-five percent of the down payment loans provided pursuant to this section shall be made available to eligible support staff whose household incomes are at or below the area median income.

(f) The Legislature may enact laws or delegate to an appropriate body or agency the power to implement this section, including, but not limited to, the power to:

- (1) Establish priorities and procedures consistent with the purposes of this section.

(2) Specify the type and condition of properties for which loans may be provided pursuant to this section.

(3) Specify the terms, underwriting, and additional eligibility criteria for loans provided pursuant to this section to facilitate, and not establish impediments to, homeownership for first-time homebuyers.

(g) For purposes of this section, the following definitions apply:

(1) "Area median income" means the median family income of a geographic area of the state.

(2) "Down payment loan" means a deferred-payment, subordinate, shared-appreciation in lieu of interest loan for twenty percent of a home's purchase price, and may be used only for a down payment on the purchase of the borrower's primary residence. When the home is sold or the primary mortgage is refinanced, the borrower shall repay the amount of the subordinate down payment loan plus twenty percent of the appreciated home value to the University of California.

(3) "Eligible support staff" means career employees who have worked for the University of California for at least five years and are first-time homebuyers. "Eligible support staff" does not include loan applicants who are University of California supervisors, managers, senior executives, or members of the University of California faculty in the Academic Senate.

(4) "Faculty" means University of California faculty in the Academic Senate.

(5) "First-time homebuyer" means someone who is purchasing a primary residence and has not owned and occupied their home in the last three years, or who has not lived in a home owned by a spouse in the past three years.

(6) "Make available" means to offer down payment loans to eligible support staff and promptly, upon their qualification, to originate, loan, fund, or cause to be made down payment loans for eligible support staff, directly or indirectly, including through the University of California Home Loan Program Corporation.

(7) "Senior executives" means those executives and senior managers in the University of California's senior management group.

(8) "University of California" or "Regents" means the Regents of the University of California and includes any affiliated mortgage originating entity such as the University of California Home Loan Program Corporation.

(h) The provisions of this measure are severable. If any portion, section, subdivision, paragraph, clause, sentence, phrase, word, or application of this measure is for any reason held to be invalid by a decision of any court of competent jurisdiction, that decision shall not affect the validity of the remaining portions of this measure. The voters hereby declare that they would have adopted, this measure and every portion, section, subdivision, paragraph, clause, sentence, phrase, word,

and application not declared invalid or unconstitutional without regard to whether any portion of this measure or application of this measure would be subsequently declared invalid.

(i) If this measure and another measure or measures relating to the provision of housing loans by the Regents of the University of California to University of California employees appear on the same statewide election ballot, the provisions of the other measure or measures shall be deemed to be in conflict with this measure, and if approved by the voters, the measure receiving the greater number of affirmative votes shall take effect and the other measure shall be null and void notwithstanding its approval by the voters.

(j) This measure shall be liberally construed, interpreted, and implemented in order to achieve the purposes set forth in this measure.