



SAN DIEGO  
HOUSING  
COMMISSION

# REPORT TO THE LAND USE AND HOUSING COMMITTEE

**DATE ISSUED:** June 28, 2022

**REPORT NO:** LUH22-006

**ATTENTION:** Chair and Members of the Land Use and Housing Committee  
For the Agenda of July 14, 2022

**SUBJECT:** First-Time Homebuyer Program Study

**COUNCIL DISTRICT:** Citywide

## **NO ACTION IS REQUIRED ON THE PART OF THE COMMITTEE**

At the request of Committee Chair Councilmember Vivian Moreno, Urban Institute will provide an informational presentation about a First-Time Homebuyer Program Study prepared at the request of the San Diego Housing Commission (Housing Commission), which explores the feasibility of increasing opportunities for Black homebuyers and households with middle income.

No action will be taken on this item.

### **SUMMARY**

The Housing Commission has operated a First-Time Homebuyer Program for the City of San Diego since 1988 to help low- and moderate-income San Diegans achieve homeownership. Since the program's inception, the Housing Commission has provided assistance totaling more than \$190.8 million to help more than 5,900 homebuyers with low- to moderate-income purchase their first home in the City of San Diego.

The program previously included Mortgage Credit Certificates (MCCs), for which households with income up to 140 percent of San Diego's Area Median Income (AMI) were eligible. However, MCCs were dependent on allocations from the California Debt Limit Allocation Committee (CDLAC), which has not allocated resources for MCCs since 2019.

Funding sources for deferred-payment loans and homeownership grants that assist with closing costs currently limit assistance to households with low income, earning up to 80 percent of San Diego's Area Median Income (currently \$104,100 per year for a family of four). Closing cost assistance forgivable loans are available to households earning up to 100 percent of San Diego's Area Median Income (currently \$106,900 per year for a family of four).

To continue to assist individuals and families in purchasing their first home, the Housing Commission's Board of Commissioners on January 7, 2022, approved staff recommendations to modify the deferred-payment loan program to provide a range of assistance between 17 percent and 22 percent of the sales price based on the applicant's need (Report No. HCR22-008). This change was consistent with previous actions the Housing Commission has taken in response to changing market conditions.

In 2021, Committee Chair Councilmember Moreno asked the Housing Commission to conduct a study regarding homeownership opportunities for households with middle income, earning 81 percent to 150 percent of San Diego’s Area Median Income.

In addition, Housing Commission staff decided to include in the study an analysis of the potential to increase opportunities for Black homeownership.

The Housing Commission issued a Request for Quotes to conduct a First-Time Homebuyer Study in July 2021 and received one response. Upon review, the quote submitted by the sole respondent – the nonprofit research organization Urban Institute – was deemed responsive and responsible. The Housing Commission contracted with Urban Institute to conduct the study.

The results and recommendations from the study will be presented to the committee. The Housing Commission is committed to incorporating the recommendations into the program design for the First-Time Homebuyer program, depending on funding availability.

Respectfully submitted,

**Molly Chase**

Molly Chase  
Vice President, Policy  
San Diego Housing Commission

Approved by,

**Jeff Davis**

Jeff Davis  
Interim President & Chief Executive Officer  
San Diego Housing Commission