

HOUSING AUTHORITY OF

THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA- 1996

DATE OF FINAL PASSAGE October 31, 2023

A RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF SAN DIEGO APPROVING AMENDMENTS TO SAN DIEGO
HOUSING COMMISSION POLICY PO-LM-600.101, HOUSING
PROGRAM LENDING AUTHORITY, REGARDING THE
CITY OF SAN DIEGO FIRST-TIME HOMEBUYER PROGRAM.

WHEREAS, the San Diego Housing Commission (Housing Commission) has operated a First-Time Homebuyer Program (Program) for the City of San Diego since 1992 to help low and moderate-income households buy homes; and

WHEREAS, the Program provides a deferred down-payment loan of up to 22 percent of the purchase price with the borrower contributing three percent of their own monies toward the down payment; and

WHEREAS, under the Program the borrower's debt-to-income ratio, including the proposed housing payment plus their debts, cannot exceed 45 percent of their gross monthly income; and

WHEREAS, in 2021, the Housing Commission hired Urban Institute (UI) to conduct a study for the feasibility of increasing opportunities for middle-income and Black homebuyers under the Program; and

WHEREAS, in 2022, UI issued a report and recommended review of the eligibility and design of the Program; and

WHEREAS, UI's report states insufficient funds for a down payment is the biggest barrier to accessing homeownership; and

WHEREAS, the Housing Commission surveyed loan officers participating in the Program and 54 percent of respondents identified debt-to-income ratio and down payment as the biggest barriers to low-income homebuyers; and

WHEREAS, according to a report from the California Association of Realtors, over the last 20 years, the median sales price in San Diego increased from \$430,473 as of July 2003 to \$958,250 as of June 2023, an increase of 123 percent. In the past year, 30-year mortgage interest rates have climbed from three percent to seven percent, reaching a 20-year high, according to a recent Redfin report. The historically high home values coupled with the more than doubling of interest rates have priced low-income buyers out of the market; and

WHEREAS, UI's report states several housing organizations have amended the eligibility criteria of their first-time homebuyer programs by changing the maximum debt-to-income ratio and reducing the minimum borrower contribution, for example the programs in San Francisco and Los Angeles allow a minimum of one percent of the purchase price as down payment from the borrower; and

WHEREAS, the California Housing Finance Agency (CalHFA) offers various programs that allow a 50 percent debt-to-income ratio with as little as zero percent down payment from the borrower; and

WHEREAS, on August 8, 2006, the Housing Authority of the City of San Diego (Housing Authority) approved Resolution HA-1314 authorizing the Housing Commission Board to approve amendments to the Program without further Housing Authority approval; and

WHEREAS, on September 15, 2023, the Housing Commission Board approved the following amendments to the Program in accordance with Resolution HA-1314: (1) change the minimum required buyer down payment from three percent of the purchase price to one percent

of the purchase price; (2) increase the maximum debt-to-income ratio from 45 percent to up to 50 percent; and (3) increase the loan assistance from up to 22 percent to up to 25 percent of the purchase price of the property; and

WHEREAS, Housing Commission staff recommends similarly amending Housing Commission Policy PO-LM-600.101, Housing Program Lending Authority, as it relates to the Program to address current housing market conditions and continue to assist individuals and families in purchasing their first home through the Program as follows: (1) change the maximum combined loan-to-value ratio from 97 percent to up to 99 percent, which will effectively reduce the minimum required buyer down payment from three percent of the purchase price to one percent of the purchase price; (2) increase the maximum debt-to-income ratio from 45 percent to up to 50 percent; and (3) increase the loan assistance from up to 22 percent to up to 25 percent of the purchase price of the property; and

WHEREAS, under San Diego Municipal Code section 98.0301(d)(8)(D), the adoption and amendment of Housing Commission policies shall be referred to the Housing Authority for action; and

WHEREAS, Housing Commission staff determined that this activity is not a project as defined by the California Environmental Quality Act (CEQA) section 15378(b)(5) and CEQA Guidelines section 15060(c)(3) and processing under the National Environmental Policy Act (NEPA) is not required as no federal funds are involved in this action; and

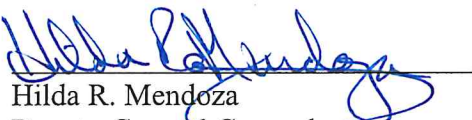
WHEREAS, the Office of the City Attorney has drafted this resolution based on the information provided by Housing Commission staff, and verified by the Housing Commission's General Counsel, with the understanding that this information is sufficient to allow for a proper and complete analysis of this matter; NOW, THEREFORE,

BE IT RESOLVED, by the Housing Authority of the City of San Diego, as follows:

1. The Housing Commission is authorized to amend Housing Commission Policy PO-LM-600.101, Housing Program Lending Authority, to address current housing market conditions and continue to assist individuals and families in purchasing their first home, as set forth in Attachment 1 to this resolution.
2. The Housing Commission President and Chief Executive Officer, or designee, is authorized to alter Housing Commission Policy PO-LM-600.101, Housing Program Lending Authority, only to correct a typographical or clerical error or omission, with the written approval and concurrence of Housing Commission General Counsel, without further action by the Housing Commission Board or the Housing Authority.
3. Housing Commission staff will notify the Housing Authority and the San Diego City Attorney's Office about any subsequent amendments or modifications to Housing Commission Policy PO-LM-600.101, Housing Program Lending Authority.

APPROVED: MARA W. ELLIOTT, General Counsel

By


Hilda R. Mendoza
Deputy General Counsel

HRM:nja

10/06/2023

Attachment 1: San Diego Housing Commission Policy PO-LM-600.101, Housing Program
Lending Authority

Or. Dept: SDHC

Doc. No. 3439969

Passed and adopted by the Housing Authority of the City of San Diego on October 31, 2023, by the following vote:

	Yeas	Nays	Excused	Not Present
Joe LaCava	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Jennifer Campbell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Stephen Whitburn	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Monica Montgomery Steppe	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marni von Wilpert	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chris Cate	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Raul Campillo	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vivian Moreno	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Sean Elo-Rivera	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

[seal]

Jeff Davis

Interim Executive Director of the Housing Authority
of the City of San Diego, California

I HEREBY CERTIFY that the above and foregoing is a full, true and correct copy of
RESOLUTION NO. **1996** passed and adopted by the Housing Authority of the City of San Diego,
California on October 31, 2023.

By:



Scott Marshall

Deputy Secretary of the Housing Authority
of the City of San Diego, California