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San Diego Housing Commission (SDHC) CalHome Funding Application Presentation to the SDHC Board of Commissioners January 17, 2025

Sujata Raman
Vice President, Single-Family Housing Finance
Real Estate Division



SDHC – CalHome Funding Application 2024 Notice of Funding Availability (NOFA)

- The California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability on December 12, 2024.
- Applications are due March 13, 2025.
- SDHC intends to apply for the maximum allocation of \$5 million in CalHome funds.



SDHC – CalHome Funding Application First-Time Homebuyer Program

- Funding would be deployed through SDHC’s existing First-Time Homebuyer Program to eligible households earning up to 80 percent of San Diego’s Area Median Income.
 - Currently \$121,250/year for a family of four
- Eligible households receive a 3 percent simple interest, deferred-payment loan of up to 25 percent of the purchase price.
 - Not to exceed \$125,000
- Eligibility:
 - Property must be located in the City of San Diego.
 - Borrower(s) must meet SDHC’s eligibility and underwriting guidelines.
- The loan will be fully deferred with no payment due until the 30-year maturity date or if the borrower sells or rents the property.



*First-Time Homebuyer Program participants
October 17, 2024*



SDHC – CalHome Funding Application Accessory Dwelling Unit (ADU) Finance Program

- Some funding would also be deployed through SDHC’s existing ADU Finance Program to eligible households earning up to 150 percent of San Diego’s Area Median Income (AMI).
- Eligible households receive a construction-to-permanent loan of up to \$250,000.
- Eligibility:
 - Property must be located in the City of San Diego.
 - Borrower(s) must meet SDHC’s eligibility and underwriting guidelines.
- The ADU is deed-restricted for seven years, during which the unit can only be rented to households earning up to 80 percent of AMI.



SDHC – CalHome Funding Application

Households Assisted

- Infusion of \$5 million would benefit approximately 30 low-income and moderate-income families with either downpayment assistance for purchase of a home or to build an ADU.
 - Based on Fiscal Year 2024 year-to-date average SDHC-funded, deferred-payment loan of \$121,000 through the First-time Homebuyer program.
 - Based on construction-to-permanent ADU loan amount of \$250,000.
- Upon payoff, the principal and interest received are recycled back to the First-Time Homebuyer Program and redeployed to assist additional households.
- Since 2001, SDHC has received eight CalHome awards totaling \$12.07 million.
 - Helped 212 households with low income purchase their first home in the City of San Diego.
- With CalHome loan repayments, SDHC has assisted 41 additional households with \$2.5 million in first-time homebuyer assistance.



SDHC – CalHome Funding Application Staff Recommendations

That the SDHC Board of Commissioners recommend that the Housing Authority of the City of San Diego take the following actions:

- 1) Approve the submission of an application to the California Department of Housing and Community Development (HCD) for up to \$5 million in CalHome Program funds.
- 2) Authorize Lisa Jones, SDHC's President and Chief Executive Officer (President & CEO), or designee, to execute all necessary documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and to take such actions as are necessary and/or appropriate to implement these approvals. SDHC staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.



SDHC – CalHome Funding Application Staff Recommendations (Continued)

- 3) Authorize the President & CEO, or designee, to amend the Homeownership Loan and Grant budget to include the CalHome funds, if and as awarded.

HCD has confirmed there are errors in the Notice of Funding Availability (NOFA) application, which are affecting the calculation of scores. HCD has promised to rectify the errors, but such revision is not currently finalized. This issue is not caused in any way by SDHC. SDHC seeks, by this action, the authority to establish the allocation of up to \$5,000,000 by the determination of the President and CEO, or designee, upon the advice of General Counsel, without further action of either the SDHC Board or the Housing Authority. Housing Authority Resolution HA-1569 allows SDHC to apply for grants and accept the same and to amend the SDHC budget without action by either the SDHC Board or the Housing Authority as long as the terms of the grant are reflected within the reports required by HA-1569. However, HCD requires a grant specific resolution that meets all of HCD's requirements for this NOFA application.



SDHC – CalHome Funding Application

Questions & Comments

