

Homeownership Program Overview

SBRHT Board of
Directors

September 17, 2026



LACAHSA Homeownership Program

- **Funding:** \$25 million dollars across two RFP rounds, followed by \$5-\$7 million annually.
- **Timeline:** about \$15M in Q4 2026; another \$10M six months later if round one succeeds
- **Allocation:**
 - **Two-thirds** for buyers-side assistance
 - **One-third** for seller-side assistance
- **Expected Reach:** 159 units for all of LA County
 - **124 units** on the buyers side
 - **35 units** on the seller side

LACAHSA Homeownership Program Update

	Buyer-Side Assistance	Seller-Side Assistance
Products	Closing Assistance <i>Down Payment Assistance Loan</i>	<i>Homeownership Production Grant</i>
	Mortgage Payment Reduction <i>Interest-Rate Buydown Loan</i> <i>Principal-Reduction Loan</i>	
Primary Administrator	Local agencies, nonprofit organizations	LACAHSA
Income Level	80% - 120% Area Median Income (AMI) - Family of four at 80% AMI makes \$133,250/year	
Repayment Method	At sale/refinance	Structured as a loan to the developer
Rate/Payments	0% interest; Fully deferred; No Monthly Payments	

Households Assisted

	Base Case	LACAHSR Downpayment Assistance
Description	No Assistance, Market-rate scenario on L.A County Average Home Price	Funds up to 18% of homebuyer's down payment.
Sale Price	\$750,000	\$750,000
20% Downpayment	<u>\$150,000</u>	<u>\$150,000</u>
2% Buyer Contribution	N/A	\$15,000
9% LACAHSR/SBRHT Match	\$0	\$67,500
9% Administrator Contribution	\$0	\$67,500
Households Helped	N/A	124 homes
Required Monthly Mortgage Payment	\$3,792	\$3,792

- SBRHT 9% contribution here could support 12 first time homebuyers using half of our Flex Funds

Next Steps

- Staff will continue to Monitor LACAHSa NOFA
 - See if any respondents have a geographic reach in the South Bay
 - Opportunity to provide \$67.5k match to help more South Bay households
- Due to the limited number of households we can help annually (12 households), we may want to consider a local workforce preference criteria, i.e. teachers, veterans/military (Airforce Base), city employees, public safety offices, and more
- Staff will also monitor additional funding opportunities to support more first time homebuyers, such as Proposition 1 which includes \$600 million for homeownership

Appendix

Program Specifics

- Amount
 - DPA Loan – Assistance capped at 20% of purchase price (includes 2% buyer-contribution, 9% LACAHSa match)
 - IRBD Loan – Mortgage – Supportable Monthly Payment (35% of household income for PTI, utilities, etc)
 - Loan is capped at 5 points
 - 1 point = 1% of loan (reduce interest rate by 0.25 intervals)
 - PR Loan: Determined by affordability gap remaining after all other sources
- Income-qualified household at or below 120% AMI
- 0% interest; fully deferred; No monthly payments
- Principal due in full upon sale, refinance, or repayment of first the mortgage
 - For Principal-Reduction Loan, LACAHSa recovers its principal plus a proportional share of home appreciation(50% cap)
- All units require restrictive covenants uses a resale or recapture provision
- Grant would be sized, on a per-unit basis, to fill gap between cost to produce home and the price affordable to a household at 120% AMI
- New Construction Units
 - Assistance is structured as a loan during pre-development and construction
 - Require a completion guarantee from a financially strong entity
 - Final assistance is based on final costs, appraisal, sale price, etc.
 - Capped at 30% of total development cost or \$250,000 per unit, whichever is less
- Existing Market-rate units
 - Seller may receive grant based on market value minus the unit's value as restricted at the 120% AMI level