



# SAN DIEGO BLACK HOMEBUYERS PROGRAM

Founded & seed funded by The San Diego Foundation Black Community Investment Fund & Sup. Nathan Fletcher  
Administered by LISC San Diego | Powered by the Urban League of San Diego County

## BACKGROUND

For generations, Black Americans have faced systematic oppression and exclusion from access to financing and economic opportunities historically afforded to other demographics. The impact of these histories on Black health and wealth continues to be profound. The Federal Reserve's Survey of Consumer Finances illuminates that the **average Black household has about 1/10th the net worth of the average White household.** One key source of wealth for the average White household was home equity (1). Meanwhile, there has been a 20 to 30 percent gap between Black and White homeownership rates for more than 100 years. Despite Black homeownership increases in the mid-1900s, in more recent decades, Black homeownership rates have been on the decline. The racial homeownership **gap rings true for San Diego County** as well, where studies place the **Black homeownership rate at 31 percent, versus that of White households at 65 percent.**(2)

## INTERESTED HOMEBUYER?

GET STARTED TODAY!

CONTACT AN  
URBAN LEAGUE  
HOUSING COUNSELOR

619-266-6256

[www.sdul.org](http://www.sdul.org)

[housing@sdul.org](mailto:housing@sdul.org)

## OTHER QUESTIONS?

WEBSITE & FAQ

[lisc.org/san-diego/homebuyers](http://lisc.org/san-diego/homebuyers)

CONTACT



LISC San Diego  
[homeownerSD@lisc.org](mailto:homeownerSD@lisc.org)



Urban League of  
San Diego County  
[housing@sdul.org](mailto:housing@sdul.org)

With these sobering facts in mind, a collective including **The San Diego Foundation, the Office of County Supervisor Nathan Fletcher, LISC San Diego** and the **Urban League of San Diego County (ULSDC)**, have united to launch the **San Diego Black Homebuyers Program**, which seeks to improve the racial wealth gap in San Diego by investing in generational wealth building opportunities through Black homeownership. As illustrated, a home is often the first and most consequential asset that one invests in over their lifetime. It is often the gateway to further wealth building and a stabilizing force for family, community, health and self. With an initial pledge of **\$1 million**, The Foundation will support Black, low-to-medium income individuals and families with up to **\$40,000 in grant funds** to be applied toward a down payment and/or closing costs on a first home purchase.

LISC San Diego will be the administrator of funds granted to eligible homebuyers -- including an additional \$250,000 contribution of its own. The Urban League of San Diego County will provide its HUD-certified homeownership counseling services for these homebuyers prior to and post purchase and lead outreach efforts. Lastly, financial institutions are partnering with the coalition as mortgage lenders and grantors. In addition to providing mortgage financing, a participating lender is able to provide at least \$9,000 in grants for qualifying homebuyers and leverage matching grants through sources such as the Federal Home Loan Bank of San Francisco's Workforce Initiative Subsidy for Homeownership (WISH). The WISH program offers eligible low-to-moderate income households 4-to-1 matching grants of up to \$22,000 for down payment and/or closing costs. By working together, **homebuyers may receive over \$70,000 in grant assistance towards the purchase of a home.**

The San Diego Black Homebuyers Program was founded with a \$1 million grant from The San Diego Foundation Black Community Investment Fund and with administrative funding from the County of San Diego, through the office of the Chair, Nathan Fletcher, along with other charitable contributors. The proposed guidelines for this program are in the attachment.

[1] Oliver, M. L., & Shapiro, T. M. (2019). *Disrupting the Racial Wealth Gap*. *Contexts*, 18(1), 16-21

[2] Anderson, D. "Minneapolis, Milwaukee & Salt Lake City Have the Lowest Black Homeownership Rates in the U.S., With Just One-Quarter of Black Families Owning Their Home." *Redfin News*. Updated October 19, 2020, <https://www.redfin.com/news/black-homeownership-rate-across-united-states/>

# SAN DIEGO BLACK HOMEBUYERS PROGRAM

## PROGRAM GUIDELINES

(subject to change)

The San Diego Black Homebuyers Program (the “Program”) is an affirmative, asset-building initiative that provides down payment and/or closing cost assistance for eligible Black first-time homebuyers. LISC is providing grants, seeded by \$1,000,000 from The San Diego Foundation, to advance homeownership and wealth building opportunities for Black individuals and families with low-to-medium incomes. The guidelines below pertain to these grants, which will be provided in conjunction with mortgage financing and additional grants provided by Participating Lenders.

## GENERAL ELIGIBILITY

Applicants/Grantee(s) must be:

- Black or African-American
- A current resident of San Diego County
- A First-Time Homebuyer
- Part of a household earning less than 120% of San Diego Area Median Income

## PURPOSE

To be used toward down payment and/or closing costs on qualifying home purchase transactions to eligible participants. Participating Lenders will determine the extent to which Grant funds may be used to satisfy the minimum equity investment/down payment requirement of such Participating Lender’s mortgage loan program.

## GRANT AMOUNT

Up to \$40,000

## TERMS

This is a Grant funded by The San Diego Foundation via LISC San Diego, a local office of Local Initiatives Support Corporation (“LISC”). There is no repayment requirement. The Grant is not taxable for federal income tax purposes. Grants are limited to one per qualifying household.

## APPROVAL PROCESS

Applicant must:

- ✓ Complete the full suite of homeownership counseling services provided by the Urban League of San Diego County (ULSDC) or any other HUD-certified housing counseling agency. Courses must include:
  - HomeBuyer Education (HBE),
  - Pre-purchase Homeownership Coaching, and
  - Post-purchase Homeownership Coaching
- ✓ Be approved by a Participating Lender for an eligible mortgage product and lender administered down payment assistance grant  
*(If applicant income exceeds 80% AMI, additional home purchase location restrictions apply. Discuss with ULSDC Housing & Mortgage Counselor)*
- ✓ Successfully enter escrow on a home purchase in San Diego County
- ✓ Complete LISC online application which will include submission of: pre-purchase counseling courses completion certificate, household income verification and mortgage approval
- ✓ Complete a virtual Program Question & Answer session with LISC representative

## QUALIFYING TRANSACTION(S)

Purchase of Primary Residences only

## ELIGIBLE LOCATION(S)

San Diego County only

## GRANT DELIVERY

LISC shall wire funds to transaction escrow

### SAN DIEGO BLACK HOMEBUYERS PROGRAM

The San Diego Foundation | LISC San Diego | Urban League of San Diego County

# PROGRAM DEFINITIONS

<b>BLACK/AFRICAN AMERICAN</b>	An individual who self-identifies as Black or African-American
<b>AREA MEDIAN INCOME (AMI)</b>	Area Median Income is the midpoint of a region's income distribution. Half of families in a region earn more than the median and half earn less than the median. These figures are updated every 12-18 months by HUD The SDBHP targets those with incomes at or below 120% of the San Diego County median income; 80% AMI is another common threshold income level for down payment assistance programs, including those administered by Participating Lenders. Mortgage Counselors and ULSDC Housing Counselors are prepared to advise interested buyers on the implications of their respective income level.
<b>PARTICIPATING LENDER</b>	Any mortgage providing institution that: <ol style="list-style-type: none"><li>1) has the ability to provide Grantees with additional down payment grant assistance equal to at least \$9,000, provided the Grantee meets the independent criteria of the participating lender's down payment assistance grant, and</li><li>2) intends to provide the mortgage loan for Grantee to complete the purchase transaction, and</li><li>3) executes a Participating Lender Memorandum of Understanding</li></ol>
<b>FIRST-TIME HOMEBUYER</b>	Defined as at least one of the below per the Federal Home Loan Bank of San Francisco, effective December 6, 2019: <ol style="list-style-type: none"><li>a) The potential homebuyer or spouse has had no ownership in a principal residence for a three-year period ending on the purchase date of the property. If either qualifies under one of these requirements, both are considered First-Time Homebuyers.</li><li>b) The potential homebuyer is a single parent who has only owned a home with a former spouse while they were married.</li><li>c) The potential homebuyer is a displaced homemaker who has only owned a home with a spouse.</li><li>d) The potential homebuyer is an individual who has only owned a principal residence not permanently affixed to a permanent foundation, according to applicable regulations.</li><li>e) The potential homebuyer is an individual who has only owned a property that was not in compliance with state or local building codes and which cannot be brought into compliance for less than the cost of constructing a permanent structure.</li></ol>
<b>PRIMARY/ PRINCIPAL RESIDENCE</b>	The primary location that an Applicant inhabits; may be a single-family house, condominium, townhome, or cooperative housing unit.