

AGENDA #10

Housing Bonds Update

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2026 State Housing Bond Initiatives

Proposition 1 (General Obligation Bonds)

\$11.25B in funding for creating and preserving affordable housing, expanding homebuying opportunities for low- and moderate-income Californians and veterans, and investing in permanent solutions to solve homelessness

CalHFA could receive
\$500M for MyHome

Proposition 37 (Taxable Mortgage Revenue Bonds)

Up to \$25B to launch a “middle-class” homebuyer assistance program

CalHFA would be required to
stand up a new homebuyer
assistance program



Prop 1: California's Veterans and Affordable Housing Bond

Housing Development & Preservation (\$8.9B)

\$5.1B = Multifamily Housing Program (MHP)

\$1.15B = Supportive housing

\$750M = Portfolio Reinvestment Program

\$500M = Infill Infrastructure Grant Program

\$450M = Farmworker housing

\$350M = Affordable student housing projects

\$200M = Anti-displacement & preservation

\$200M = Tribal Housing Grant Program

\$200M = Affordable Housing Innovation Fund

Homeownership (\$2.35B)

\$1.25B = CalVet Home Loans

\$600M = CalHome

\$500M = MyHome



Prop 1: California's Veterans and Affordable Housing Bond

Per LAO, Expected Prop 1 Outcomes:

- Produce more than 40,000 new affordable homes
- Preserve more than 5,500 existing affordable homes
- Create more than 53,000 construction jobs
- Generate \$1.3B in state & local tax revenue

Source: Legislative Analyst's Office (LAO)

CalHFA's Role?

- Administering new MyHome funds
- Existing and new lending products can be paired with multifamily subsidies and programs in the bond



Prop 37: Middle Class Homeownership and Family Home Construction Act

- Creates a statewide program focused on middle income homeownership
- Newly built and first-sale converted homes only
- Down payment assistance loans funded by taxable bond issuance
 - Up to 17% subordinate loan for down payment assistance requiring monthly principal and interest payments
 - Borrowers must contribute 3% of their own funds for down payment
 - Potentially reduces/eliminates mortgage insurance requirements
- Bonds repaid by principal and interest payments on subordinate loans as opposed to General Fund repayment obligation

Program Comparison

	MyHome	Middle Class Homeownership
ELIGIBILITY		
First Time Homebuyer Requirement?	Yes	No
Income Limits	150% AMI (household size of 8)	200% AMI (scaled to household size)
New Construction Only?	No	Yes
FIRST MORTGAGE		
First Mortgage Programs	Government/ Conventional	Conventional
First Mortgage Interest Rate (based on rates for 9/15/2026)	6.750% (Government) 7.125% (Conventional)	7.125%*
Mortgage Insurance Requirement	All (Government) < 80% Equity (Conventional)	< 80% Equity
DOWN PAYMENT		
Borrower Funds for Down Payment Required	0.0%	3.0%
Maximum Down Payment/Closing Cost Assistance Loan Amount	3.5% (Government) 3.0% (Conventional)	17.0%
Monthly Payment on Down Payment Assistance Loan?	No	Yes
Down Payment Assistance Loan Interest Rate	1% Fixed Simple Interest	7-10% (Estimated)

*May be understated. Estimated based on CalHFA Conventional Standard rate. Rate may need to be higher to meet FNMA community second requirements.

Key Implementation Factors and Considerations



Bond market and interest rate uncertainty



Fannie Mae Community Seconds policy compatibility



CalHFA/other resource requirements and implementation costs



Alternative approaches



Questions