California Housing Bond: Empowering Middle-Class Homeownership

Overview: The proposed $25 billion housing bond, slated for voter approval in 2026, provides down payment assistance to buyers of new construction homes who earn less than 200% of California's median household income (up to ~$193,000). Buyers contribute 3% down, with the state offering a 17% second deed of trust loan (repaid with interest upon sale, refinance, or maturity), and a primary mortgage covering 80%. This structure incurs **no cost to taxpayers**, as the assistance is a secured loan backed by the property ensuring full repayment to the state. By lowering the entry barrier to homeownership, the program helps middle-class families build equity and stability, with fixed mortgage payments becoming more affordable than rising rents over time. Buyers in all scenarios come out ahead of renters after Year 4. This does not account for potential lower interest rates once program is introduced.

City Examples (3-Bedroom New Construction Comparisons): Assumptions include 7% combined mortgage rate over 30 years[1]; total monthly payments (principal + interest on both loans); comparable rentals based on size/beds/baths. Rents may rise, tipping scales toward buying by Year 4.

City	New Home Price (Beds/Baths, Sq Ft)	Monthly Mortgage Payment	Comparable New Rental (Beds/Baths, Sq Ft)	Monthly Rent	Year 1 Difference (Rent - Mortgage)	Federal Housing Finance Limits for 2025[2]	Income Metrics (4-Person Household)
Santa Clarita	$700,000 (3bd/3ba, 2,200 sq ft)	$4,253	3bd/2ba, 1,496 sq ft	$4,050	-$203 (Slightly Higher)	CLL: $1,209,750 125% CLL: 1,512,187	200% AMI: $213,200; Affordable Monthly: $5,330
Palmdale	$700,000 (3bd/3ba, 2,500 sq ft)	$4,253	4bd/3ba, 1,900 sq ft	$3,700	-$553 (Higher Initially)	CLL: $1,209,750 125% CLL: 1,512,187	200% AMI: $213,200; Affordable Monthly: $5,330

[1] Payment estimates are based on conservative market rate assumptions for secondary trustee loans. However, participation by highly capitalized private issuers offering below-market rates could result in significantly lower blended rates and monthly payments.

[2] Conforming Loan Limits (CLL) for each sample county established by the Federal Housing Finance Agency (FHFA) which govern the limits for total loan sizes, not the full home value, guaranteed by government sponsored entities (ie. Fannie Mae and Freddie Mac)

NB: Figures for homeownership include estimates for property tax and insurance but not PMI. Figures for rental do not include insurance

City	New Home Price (Beds/Baths, Sq Ft)	Monthly Mortgage Payment	Comparable New Rental (Beds/Baths, Sq Ft)	Monthly Rent	Year 1 Difference (Rent - Mortgage)	Federal Housing Finance Limits for 2025[2]	Income Metrics (4-Person Household)
Fresno	$466,000 (3bd/2.5ba, 1,538 sq ft)	$2,853	3bd/2.5ba, 1,610 sq ft	$2,732	-$121 (Slightly Higher)	CLL: $806,500 125% CLL: $1,008,125	200% AMI: $177,000; Affordable Monthly: $4,425
Hesperia	$542,900 (3bd/3ba, 2,220 sq ft)	$3,313	4bd/2ba, 2,300 sq ft	$3,200	-$113 (Slightly Higher)	CLL: $806,500 125% CLL: $1,008,125	200% AMI: $207,800; Affordable Monthly: $5,195
Camarillo	$744,900 (3bd/2ba, 1,878 sq ft)	$4,521	3bd/2ba, 1,691 sq ft	$4,500	-$21 (Near Parity)	CLL: $1,077,550 125% CLL: $1,346,937	200% AMI: $262,600; Affordable Monthly: $6,565
San Bernardino	$524,658 (3bd/2.5ba, 1,630 sq ft)	$3,589	3bd/2.5ba, 1,745 sq ft	$3,655	+$66 (Savings on Rent)	CLL: $806,500 125% CLL: $1,008,125	200% AMI: $207,800; Affordable Monthly: $5,195
Riverside County	$569,611 (4bd/2.5ba, 1,650 sq ft)	$3,473	3bd/2.5ba, 1,676 sq ft	$3,399	-$74 (Slightly Higher)	CLL: $806,500 125% CLL: $1,008,125	200% AMI: $207,800; Affordable Monthly: $5,195
San Diego County	$865,900 (2bd/2ba, 1,312 sq ft)	$5,245	3bd/3ba, 1,281 sq ft	$3,884	-$1,361 (Higher Initially)	CLL: $1,077,550 125% CLL: $1,346,937	200% AMI: $261,600; Affordable Monthly: $6,540

NB: Figures for homeownership include estimates for property tax and insurance but not PMI. Figures for rental do not include insurance

City	New Home Price (Beds/Baths, Sq Ft)	Monthly Mortgage Payment	Comparable New Rental (Beds/Baths, Sq Ft)	Monthly Rent	Year 1 Difference (Rent - Mortgage)	2025 FHFA CLL	Income Metrics (4-Person Household)
San Francisco	$1,598,000 (2bd/2ba, 1,400 sq ft)	$10,313	2bd/2ba, 1,400 sq ft	$7,830	-$2,483	CLL: $1,209,750 125% CLL: 1,512,187	200% AMI: $311,720; Affordable Monthly: $7,793
Marin County	$899,000 (3bd/3ba 1,600 sqft.)	$5,727	3bd/2ba, 1,273 sq ft.	$5,284	-$443	CLL: $1,209,750 125% CLL: 1,512,187	200% AMI: $371,400 Affordable Monthly: $9,285

NB: Figures for homeownership include estimates for property tax and insurance but not PMI. Figures for rental do not include insurance