



JIM DESMOND
SUPERVISOR, FIFTH DISTRICT
SAN DIEGO COUNTY BOARD OF SUPERVISORS

AGENDA ITEM

DATE: March 24, 2026

25

TO: Board of Supervisors

SUBJECT

RESTORING HOMEOWNERSHIP FOR SAN DIEGANS (DISTRICTS: ALL)

OVERVIEW

Homeownership has long been a cornerstone of economic stability and upward mobility in the United States, yet in the County of San Diego, the traditional “American Dream” of owning a home is becoming increasingly unattainable for many young and moderate-income families. As of 2025, according to the California Association of Realtors, only 13% of San Diego County households can afford to purchase a median-priced home. Persistently high home prices, stagnant wage growth, limited housing inventory, and escalating interest rates have combined to push homeownership out of reach for a significant portion of the local population.

In San Diego County, the median price of a home has hovered near or above the million-dollar mark, placing ownership well beyond the financial grasp of most households. As a result, only a small fraction of residents earn enough to afford the monthly mortgage payments required for a median-priced home. This dynamic disproportionately impacts first-time buyers—particularly younger adults and moderate-income families—who face steeper barriers in saving for down payments, qualifying for competitive loans, and successfully navigating a tight and increasingly competitive housing market.

The limited ability to purchase a home has broader implications for economic mobility, workforce retention, community stability, and long-term financial security. When families are priced out of homeownership, they face increased cost burdens in the rental market, reduced stability, and diminished opportunities to build wealth or remain rooted in the communities they serve.

Today’s action directs the Chief Administrative Officer to conduct a feasibility study of establishing a County-funded and County-administered pilot program to support first-time homebuyers in the unincorporated area. Owning a home is more than a financial milestone, it represents stability, dignity, and a foundation on which families can build their future.

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**RECOMMENDATION
SUPERVISOR JIM DESMOND**

1. Direct the Chief Administrative Officer to evaluate the feasibility of establishing a County-funded and County-administered pilot program to support first-time homebuyers in the unincorporated area, and to report back to the Board within 120 days. The feasibility analysis should include, but not be limited to, the following:
 - a. Opportunities for public-private partnerships, including collaboration with financial institutions to secure better terms for program applicants.
 - b. Potential down payment assistance funding.
 - c. Interest rate buy-down options to improve mortgage affordability.
 - d. Eligibility criteria designed to complement, and not duplicate, the two first-time homebuyer programs currently administered by the County—the Down payment and Closing Cost Assistance Program and the Moderate Income Down payment Assistance Program.
 - e. An indication of how many first-time homebuyers any proposed budget can assist.
 - f. Include safeguards and risk mitigation strategies for the County’s financial investment.

EQUITY IMPACT STATEMENT

The rising cost of homeownership in San Diego County disproportionately impacts young adults and working families. Establishing a County-administered pilot program to support first-time homebuyers would advance housing equity by creating new pathways to homeownership for moderate-income households in the unincorporated area. This effort aligns with the County’s commitment to dismantling barriers to opportunity and providing all residents a fair chance at long-term financial security and community stability.

SUSTAINABILITY IMPACT STATEMENT

The proposed feasibility study supports several County of San Diego Sustainability Goals, including providing just and equitable access to housing, enhancing economic opportunity, and promoting the long-term well-being of residents. Increasing homeownership opportunities contributes to regional sustainability by fostering stable communities, reducing displacement, and encouraging local investment. This pilot program would support social and economic sustainability while aligning with the County’s broader housing, climate, and quality of life goals.

FISCAL IMPACT

Funds for this request to conduct a feasibility study are included in the Fiscal Year 2025-26 Operational Plan based on existing staff time in Housing & Community Development Services funded by existing General Purpose Revenue. The Chief Administrative Officer will return to the Board with future related recommendations to implement a pilot program, including any associated funding needs and/or staffing impacts for the Board’s consideration. There will be no change in net General Fund cost and no additional staff years associated with today’s recommendation.

BUSINESS IMPACT STATEMENT

N/A

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ADVISORY BOARD STATEMENT

N/A

BACKGROUND

Homeownership has historically been one of the most reliable pathways to financial stability and community investment. In the County of San Diego, however, that pathway has become increasingly inaccessible to young adults, working families, and moderate-income residents. The cumulative effect of rising housing prices, stagnant wage growth, limited housing production, and high borrowing costs has priced a growing share of San Diegans out of the market entirely. As a result, the traditional “American Dream” of owning a home is slipping further from reach for large segments of the population.

As of late 2025, the median home price in San Diego County stands at approximately \$975,000, with many communities seeing prices exceeding \$1 million. According to the California Association of Realtors’ Housing Affordability Index, only 13% of households in the region can afford a median-priced home under current lending conditions. This marks one of the lowest affordability rates in the state and is significantly below the historical average.

Over the past five years, home prices in San Diego County have increased by more than 30%, while median household income has grown by less than 10% during the same period. This widening gap places first-time buyers—especially younger adults and moderate-income families—at a severe disadvantage in accumulating the savings necessary for down payments or qualifying for mortgages in a high-cost market. Even among dual-income households, the combination of high monthly mortgage payments, rising interest rates, and property taxes makes homeownership unattainable without significant outside financial assistance.

These trends have direct and compounding consequences for long-term community stability and local economic vitality. Households that would otherwise be in a position to purchase a home remain in rental housing, where they face higher cost burdens and lower housing security. According to regional data, more than half of renter households are considered “cost burdened,” meaning they spend more than 30% of their income on housing. At the same time, San Diego’s homeownership rate is approximately 55%, significantly below the national average, reflecting a regional economy increasingly inaccessible to the very workforce that sustains it.

The County’s unincorporated communities are not immune to these pressures. In fact, limited housing supply and infrastructure constraints in these areas often lead to fewer attainable ownership opportunities. Without targeted interventions, young families and essential workers will continue to be priced out of the communities they serve, further exacerbating regional displacement and commuting burdens.

Currently, the County administers two First Time Homebuyer programs, the Down Payment Closing Cost Assistance Program (DCCA) and Down Payment Assistance (DPA). In FY 2024/2025, these two programs assisted 18 households obtain first homeownership. In FY 2025/2026, HCDS anticipates exceeding this and assisting more than 25 households. These long-standing programs have been successful; however, they rely on federal and state funding sources

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and must operate within the boundaries of these funding source regulations. A county funded pilot program is not intended to duplicate either of these programs but to expand the populations able to benefit and enhance first time homebuyer supports. The flexibility of a local funded program may help us to achieve this farther reach and support additional households in the unincorporated areas.

Today's action proposes a critical step forward: to conduct a feasibility study of a County-funded and County-administered pilot program to support first-time homebuyers in the unincorporated area. This study would examine program design, eligibility criteria, potential funding sources, and implementation mechanisms, with the goal of expanding access to homeownership for those who are currently locked out of the market. By evaluating the viability of this approach, the County can better understand how it might strategically invest in solutions that promote housing stability, local opportunity, and long-term economic well-being for working families.

LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN

This action supports the County's 2026-2031 Strategic Plan initiatives of Equity, Community and Sustainability. By examining ways to prioritize homeownership for local residents, today's action promotes financial inclusion, long-term housing affordability, and overall stability and well-being for families throughout the County.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jim Desmond". The signature is fluid and cursive, with the first name "Jim" and last name "Desmond" clearly distinguishable.

JIM DESMOND
Supervisor, Fifth District

ATTACHMENT(S)

N/A