

File No. 211055

Committee Item No. _____

Board Item No. 60 _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: _____
Board of Supervisors Meeting

Date: _____
Date: October 19, 2021

Cmte Board

<input type="checkbox"/>	<input checked="" type="checkbox"/>	Motion
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Resolution
<input type="checkbox"/>	<input type="checkbox"/>	Ordinance
<input type="checkbox"/>	<input type="checkbox"/>	Legislative Digest
<input type="checkbox"/>	<input type="checkbox"/>	Budget and Legislative Analyst Report
<input type="checkbox"/>	<input type="checkbox"/>	Youth Commission Report
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Introduction Form
<input type="checkbox"/>	<input type="checkbox"/>	Department/Agency Cover Letter and/or Report
<input type="checkbox"/>	<input type="checkbox"/>	MOU
<input type="checkbox"/>	<input type="checkbox"/>	Grant Information Form
<input type="checkbox"/>	<input type="checkbox"/>	Grant Budget
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<input type="checkbox"/>	<input type="checkbox"/>	Contract/Agreement
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OTHER

<input type="checkbox"/>	<input checked="" type="checkbox"/>	S. 2797
<input type="checkbox"/>	<input type="checkbox"/>	_____
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Prepared by: Jocelyn Wong
Prepared by: _____

Date: October 15 , 2021
Date: _____

1 [Supporting the Low-Income First-Time Homebuyers Act and Establishing a Municipal Bank]

2

3 **Resolution supporting the Low-Income First-Time Homebuyers (LIFT) Act; urging the**
4 **Mayor's Office of Housing and Community Development to work with the Treasurer and**
5 **Tax Collector's Office to identify ways to help low-income residents obtain low-interest**
6 **loans to purchase their first home; and urging the Treasurer and Tax Collector's Office**
7 **to continue working with the Reinvest in San Francisco Working Group, the Board of**
8 **Supervisors, and the Local Agency Formation Commission to establish a Municipal**
9 **Bank in San Francisco.**

10

11 WHEREAS, Home equity accumulation is one of the best ways to build generational
12 wealth for working class and middle class families across America; and

13 WHEREAS, Families of color have faced discrimination and exclusion from our nation's
14 housing market due to racism and structural inequalities, preventing them from building equity
15 and security, and widening the racial wealth gap; and

16 WHEREAS, Senators Mark Warner (D-VA), Chris Van Hollen (D-MD), Rev. Raphael
17 Warnock (D-GA), Jon Ossoff (D-GA), and Tim Kaine (D-VA), introduced the Low-Income
18 First-Time Homebuyers (LIFT) Act with the goal of helping low-income, first-time home buyers
19 build equity quickly; and

20 WHEREAS, The Low-Income First-Time Homebuyers (LIFT) Act would create a new
21 20-year mortgage loan for first-time, first-generation homebuyers with median incomes less
22 than or equal to 120% of their area's median income; and

23 WHEREAS, The LIFT Act would create a program through the Department of Housing
24 and Urban Development and in partnership with the Treasury Department to subsidize
25 interest rates and origination fees associated with these 20-year mortgages, so that the

1 monthly payment would be in line with a new 30-year Federal Housing Agency (FHA)-backed
2 mortgage; and

3 WHEREAS, The similar monthly payments and accelerated amortization schedule
4 would allow qualified homebuyers in the program to build equity and wealth at twice the rate
5 of a conventional 30-year mortgage; and

6 WHEREAS, The LIFT Act aims to close a racial homeownership gap that has persisted
7 for decades, with the homeownership rate among black Americans plateauing about 42%,
8 while white American homeownership increased to around 73% in 2019, according to the
9 National Community Reinvestment Coalition; and

10 WHEREAS, The LIFT Act is specifically geared toward first-generation homebuyers,
11 addressing concerns of a bill being too broad and potentially resulting in minority homebuyers
12 getting pushed out of purchasing a home; and

13 WHEREAS, Blacks, Latinos, and Native Americans are underrepresented in California
14 mortgage lending and are more often rejected from bank loans; and

15 WHEREAS, Public banking efforts have highlighted opportunities for financial services
16 for underserved communities and invest in affordable housing; and

17 WHEREAS, On November 2019, former Supervisor Sandra Lee Fewer introduced
18 legislation to set up a working group to create a business plan for the creation of a public
19 bank; now, therefore, be it

20 RESOLVED, That the San Francisco Board of Supervisors supports the Low-Income
21 First-Time Homebuyers (LIFT) Act; and, be it

22 FURTHER RESOLVED, That the Board urges the Mayor's Office of Housing and
23 Community Development to work with the Treasurer and Tax Collector's Office to identify
24 ways to help low-income residents obtain low-interest loans to purchase their first home; and,
25 be it

1 FURTHER RESOLVED, That the Board urges the Treasurer and Tax Collector's Office
2 to continue working with the Reinvest in San Francisco Working Group, the Board of
3 Supervisors, and the Local Agency Formation Commission (LAFCo) to establish a Municipal
4 Bank in San Francisco.

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117TH CONGRESS
1ST SESSION

S. 2797

To establish a program to provide low- and moderate-income first-time, first-generation homebuyers with access to affordable and sustainable wealth-building home loans.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 22 (legislative day, SEPTEMBER 21), 2021

Mr. WARNER (for himself, Mr. VAN HOLLEN, Mr. WARNOCK, Mr. Kaine, and Mr. OSBOFF) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To establish a program to provide low- and moderate-income first-time, first-generation homebuyers with access to affordable and sustainable wealth-building home loans.

1 *Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Low-Income First-
5 Time Homebuyers Act of 2021” or the “LIFT Home-
6 buyers Act of 2021”.

7 **SEC. 2. WEALTH-BUILDING HOME LOAN PROGRAM.**

8 (a) ESTABLISHMENT OF LIFT HOME FUNDS.—

13 (b) USE OF FUNDS.—

23 (A) the amount the Secretary of the Treas-
24 ury estimates to be necessary for the purchase
25 of securities under the Program during the pe-

1 riod for which the funds are intended to be
2 available;

3 (B) the difference between—

4 (i) the Secretary of the Treasury's re-
5 ceipts from the sale or other disposition of
6 securities acquired under the Program;
7 and

8 (ii) the Secretary of the Treasury's
9 costs in purchasing such securities; and

10 (C) the Department of the Treasury's ad-
11 ministrative expenses related to the Program.

12 (2) CREDIT SUBSIDY.—Such portion of the
13 amount made available to each Secretary under this
14 section as may be necessary may be used for the
15 cost to the respective Loan Guarantee Agency of
16 guaranteed loans under this section. Such costs, in-
17 cluding the costs of modifying such loans, shall be
18 as defined in section 502 of the Congressional Budg-
19 et Act of 1974 (2 U.S.C. 661a).

20 (c) ESTABLISHMENT OF THE LIFT HOME PRO-
21 GRAM.—Each Secretary shall establish, and carry out,
22 with respect to any mortgage with a case number issued
23 on or before December 31, 2025, that is subsequently in-
24 sured or guaranteed by such Secretary, a program to
25 make covered mortgage loans available to eligible home-

1 buyers to purchase a single-family residence for use as
2 their principal residence (referred to in this section as the
3 “Program”), under which—

4 (1) the Secretary of the Treasury—

5 (A) shall act as a purchaser, on behalf of
6 the Secretary of Housing and Urban Develop-
7 ment, of securities that are secured by covered
8 mortgage loans;

9 (B) may designate financial institutions,
10 including banks, savings associations, trust
11 companies, security brokers or dealers, asset
12 managers, investment advisers, and other insti-
13 tutions and such institutions shall—

14 (i) perform all reasonable duties re-
15 lated to this section as a financial agent of
16 the United States as may be required; and

17 (ii) be paid for such duties using ap-
18 propriations available to the Secretary of
19 the Treasury to reimburse financial insti-
20 tutions in their capacity as financial agents
21 of the United States;

22 (C) may use the services of any agency or
23 instrumentality of the United States or compo-
24 nent thereof on a reimbursable basis, and any
25 such agency or instrumentality or component

1 thereof is authorized to provide services as re-
2 quested by the Secretary using all authorities
3 vested in or delegated to that agency, instru-
4 mentality, or component;

5 (D) may manage, and exercise any rights
6 received in connection with, any financial in-
7 struments or assets purchased or acquired pur-
8 suant to the authorities granted under this sec-
9 tion;

10 (E) may establish and use vehicles to pur-
11 chase, hold, and sell financial instruments and
12 other assets; and

13 (F) may issue such regulations and other
14 guidance as may be necessary or appropriate to
15 carry out the authorities or purposes of this
16 section;

17 (2) each Secretary of a Loan Guarantee Agency
18 shall—

19 (A) establish pricing terms for covered
20 mortgage loans such that the covered mortgage
21 loans carry a monthly mortgage payment of
22 principal and interest that is not more than 110
23 percent and not less than 100 percent of the
24 monthly payment of principal, interest, and
25 periodic mortgage insurance premium or loan

1 guarantee fee associated with a newly origi-
2 nated 30-year mortgage loan with the same
3 loan balance insured or guaranteed by the Loan
4 Guarantee Agency as determined by each Sec-
5 retary, or such pricing terms as are determined
6 by each Secretary to be necessary to develop li-
7 quidity for securities backed by covered mort-
8 gage loans and expand Program participation
9 by eligible homebuyers; and

10 (B) establish an outreach and counseling
11 program to increase stakeholder awareness of
12 the Program; and

13 (3) the Secretary of Housing and Urban Devel-
14 opment shall—

15 (A) in consultation with the Secretary of
16 Treasury, establish the pricing terms for the
17 purchase of securities guaranteed by the Asso-
18 ciation secured by covered mortgage loans such
19 that the covered mortgage loans carry a month-
20 ly mortgage payment of principal and interest
21 that is not more than 110 percent and not less
22 than 100 percent of the monthly payment of
23 principal, interest, and periodic mortgage insur-
24 ance premium or loan guarantee fee associated
25 with a newly originated 30-year mortgage loan

1 with the same loan balance insured or guaran-
2 teed by the Loan Guarantee Agency, or such
3 pricing terms as are determined by the Secre-
4 taries to be necessary to develop liquidity for
5 securities backed by covered mortgage loans
6 and expand Program participation by eligible
7 homebuyers;

8 (B) have the authority to designate mort-
9 gage bankers, financial institutions, including
10 banks, savings associations, trust companies,
11 security brokers or dealers, asset managers, in-
12 vestment advisers, and other institutions and
13 such institutions shall—

14 (i) perform all reasonable duties re-
15 lated to this section as an agent of the
16 United States as may be required; and
17 (ii) be paid for such duties using ap-
18 propriations available under this section to
19 the Secretary of Housing and Urban De-
20 velopment to reimburse these entities in
21 their capacity as agents of the United
22 States;

23 (C) have the authority to use the services
24 of any agency or instrumentality of the United
25 States or component thereof on a reimbursable

1 basis, and any such agency or instrumentality
2 or component thereof is authorized to provide
3 services as requested by the Secretary of Hous-
4 ing and Urban Development using all authori-
5 ties vested in or delegated to that agency, in-
6 strumentality, or component;

7 (D) operate the Program in coordination
8 with the Association, the Federal Housing Ad-
9 ministration, the Rural Housing Service, and
10 the Secretary of the Treasury so as to dem-
11 onstrate feasibility and workability to market
12 participants, including—

13 (i) originators and servicers of mort-
14 gages;

15 (ii) issuers of mortgage-backed securi-
16 ties; and

17 (iii) investors; and

18 (E) gain price discovery experience by in-
19 structing the Secretary of the Treasury, fol-
20 lowing consultation with the Secretary of Treas-
21 ury to sell acquired securities described in sub-
22 paragraph (A) as soon as practicable, thereby
23 hastening the development of liquidity for secu-
24 rities backed by covered mortgage loans.

11 (d) DEFINITIONS.—In this section:

12 (1) ASSOCIATION.—The term “Association”
13 means the Government National Mortgage Associa-
14 tion

15 (2) COVERED MORTGAGE LOAN.—

21 (i) is insured or guaranteed by the
22 Federal Housing Administration pursuant
23 to section 203(b) of the National Housing
24 Act, subject to the eligibility criteria set
25 forth in this subsection, and has a case

1 number issued on or before December 31,
2 2025;

3 (ii) is made for an original term of 20
4 years or for an original term determined
5 by the Secretary to be necessary to develop
6 liquidity for securities backed by covered
7 mortgage loans and expand Program par-
8 ticipation by eligible homebuyers;

9 (iii) subject to subparagraph (C) of
10 this paragraph and notwithstanding sec-
11 tion 203(b)(2)(C) of the National Housing
12 Act (12 U.S.C. 1709(b)(2)(C)), has a
13 mortgage insurance premium of not more
14 than 4 percent of the loan balance that is
15 paid at closing, financed into the principal
16 balance of the loan, paid through an an-
17 nual premium, or a combination thereof;

18 (iv) involves a rate of interest that is
19 fixed over the term of the mortgage loan;
20 and

21 (v) is secured by a single-family resi-
22 dence that is the principal residence of an
23 eligible homebuyer.

24 (B) The term “covered mortgage loan”
25 means, for purposes of the Program established

1 by the Secretary of Agriculture, a loan guaranteed
2 under section 502(h) of the Housing Act
3 of 1949 (42 U.S.C. 1472(h)) that—

4 (i) notwithstanding section
5 502(h)(7)(A) of the Housing Act of 1949
6 (42 U.S.C. 1472(h)(7)(A)), is made for an
7 original term of 20 years or for an original
8 term determined by the Secretary to be
9 necessary to develop liquidity for securities
10 backed by covered mortgage loans and ex-
11 pand Program participation by eligible
12 homebuyers; and

13 (ii) subject to subparagraph (C) of
14 this paragraph and notwithstanding sec-
15 tion 502(h)(8)(A) of the Housing Act of
16 1949 (42 U.S.C. 1472(h)(8)(A)), has a
17 loan guarantee fee of not more than 4 per-
18 cent of the principal obligation of the loan.

19 (C) WAIVER OF MORTGAGE INSURANCE
20 PREMIUM REQUIREMENT.—Each Secretary, in
21 consultation with the Secretary of the Treasury,
22 and notwithstanding section 502(h)(8)(A) of
23 the Housing Act of 1949 (42 U.S.C.
24 1472(h)(8)(A)) for purposes of the Program es-
25 tablished by the Secretary of Agriculture, may

1 waive the mortgage insurance premium cap or
2 loan guarantee fee cap under subparagraphs
3 (A)(iii) and (B)(ii) with respect to covered
4 mortgage loans insured or guaranteed by the
5 Loan Guarantee Agency of which that Sec-
6 retary is the head if necessary to protect the
7 solvency of the associated insurance fund.

8 (3) DEPARTMENT.—Unless otherwise specified,
9 the term “Department” means the Department of
10 Housing and Urban Development or the Department
11 of Agriculture, as appropriate.

12 (4) ELIGIBLE HOMEBUYER.—The term “eligible
13 homebuyer” means an individual who—

14 (A) for purposes of the Program estab-
15 lished by the Secretary of Housing and Urban
16 Development—

17 (i) has an annual household income
18 that is less than or equal to—

19 (I) 120 percent of median income
20 for the area, as determined by the
21 Secretary of Housing and Urban De-
22 velopment for—

23 (aa) the area in which the
24 home to be acquired using such
25 assistance is located; or

(bb) the area in which the

place of residence of the home-

buyer is located; or

(II) if the homebuyer is acquiring

an eligible home that is located in a

high-cost area, 140 percent of the me-

dian income, as determined by the

Secretary, for the area within which

the eligible home to be acquired using

assistance provided under this section

is located;

(ii) is a first-time homebuyer, as de-

fined in paragraph (6) of this subsection;

and

(iii) is a first-generation homebuyer as

defined in paragraph (5) of this subsection;

(B) for purposes of the Program estab-

lished by the Secretary of Agriculture—

(i) meets the applicable requirements

in section 502(h) of the Housing Act of

1949 (42 U.S.C. 1472(h)); and

(ii) is a first-time homebuyer as de-

fined in paragraph (6) of this subsection

and a first-generation homebuyer as de-

fined in paragraph (5) of this subsection.

4 (A) an individual—

5 (i) whose living parents or legal
6 guardians do not, to the best of the indi-
7 vidual's knowledge, have any present fee
8 simple ownership interest in a principal
9 residence in any State, excluding owner-
10 ship of heir property;

11 (ii) if no parents or legal guardians
12 are living upon acquisition of the eligible
13 home to be acquired using such assistance,
14 to the best of the individual's knowledge,
15 whose parents or legal guardians did not
16 have any ownership interest in a principal
17 residence in any State at the time of their
18 death, excluding ownership of heir prop-
19 erty; and

20 (iii) whose spouse, or domestic part-
21 ner has not, during the 3-year period end-
22 ing upon acquisition of the eligible home to
23 be acquired using such assistance, had any
24 present ownership interest in a principal
25 residence in any State, excluding owner-

1 ship of heir property, whether the individual
2 is a co-borrower on the loan or not;
3 or

4 (B) an individual who has at any time
5 been placed in foster care or institutional care
6 whose spouse or domestic partner has not, dur-
7 ing the 3-year period ending upon acquisition of
8 the eligible home to be acquired using such as-
9 sistance, had any ownership interest in a prin-
10 cipal residence in any State, excluding owner-
11 ship of heir property, whether such individuals
12 are co-borrowers on the loan or not.

11 (e) RELIANCE ON BORROWER ATTESTATIONS.—No
12 additional documentation beyond the borrower's attesta-
13 tion shall be required to demonstrate eligibility under
14 paragraph (4) of subsection (e) and no State, eligible enti-
15 ty, or creditor shall be subject to liability, including mone-
16 tary penalties or requirements to indemnify a Federal
17 agency or repurchase a loan that has been sold or
18 securitized, based on the provision of assistance under this
19 section to a borrower who does not meet the eligibility re-
20 quirements under paragraph (4) of subsection (e) if the
21 creditor does so in good faith reliance on borrower attesta-
22 tions of eligibility required under such paragraph.

23 (f) IMPLEMENTATION.—The Secretary of Housing
24 and Urban Development, the Secretary of Agriculture,
25 and the Secretary of Treasury shall have authority to issue

1 such regulations or other notices, guidance, forms, in-
2 structions, and publications as may be necessary or appro-
3 priate to carry out the programs, projects, or activities au-
4 thorized under this section, including to ensure that such
5 programs, projects, or activities are completed in a timely
6 and effective manner.

7 (g) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to the Secretary of
9 Housing and Urban Development and the Secretary of
10 Agriculture such sums as may be necessary to carry out
11 the LIFT HOME Program.

○

Introduction Form

By a Member of the Board of Supervisors or Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning :"Supervisor" inquiries"
- 5. City Attorney Request.
- 6. Call File No. from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission
- Youth Commission
- Ethics Commission
- Planning Commission
- Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.

Sponsor(s):

Chan; Preston

Subject:

Supporting the Low-Income First-Time Homebuyers Act and Establishing a Municipal Bank

The text is listed:

Resolution supporting the Low-Income First-Time Homebuyers (LIFT) Act; urging the Mayor's Office of Housing and Community Development to work with the Treasurer and Tax Collector's Office to identify ways to help low-income residents obtain low-interest loans to purchase their first home; and urging the Treasurer and Tax Collector's Office to continue working with the Reinvest in San Francisco Working Group, the Board of Supervisors, and the Local Agency Formation Commission (LAFCo) to establish a Municipal Bank in San Francisco.

Signature of Sponsoring Supervisor: /s/ Connie Chan

For Clerk's Use Only