

**~\$215K/yr**

Income needed to buy  
median LA home

**\$90K–\$128K**

Moderate-income  
households earn  
Up to 120% AMI (1–4 person HH)

**\$45K–\$70K**

Minimum cash needed at  
closing  
Down payment + closing costs on  
~\$900K home

## 1. Why Moderate-Income Housing Programs Are Needed

### The 'Missing Middle' Crisis

- Essential workers — teachers, nurses, first responders, firefighters, and public employees — are being priced out of the communities they serve.
- Moderate-income households (up to 120% AMI, earning ~\$90K–\$128K/year) earn roughly half of what is required to purchase a median-priced home in LA County (~\$879K).
- These households earn too much to qualify for traditional low-income affordable housing programs, yet far too little to buy in today's market.

### The Numbers Are Clear

- **~\$215,000/yr** Income needed to buy median LA County home.
- **~\$128,000/yr** Moderate-income ceiling (120% AMI, 4-person household).
- LA home values exceed local incomes by more than 10-to-1 — vs. ~4-to-1 nationally.
- Even if monthly payments were somehow achievable, buyers still face \$45,000–\$70,000 in upfront down payment and closing costs.

### The Consequence of Inaction

- Workforce displacement from high-cost regions.
- Longer commutes, reduced economic stability, and hollowed-out local service capacity.
- Without targeted tools, regional housing trusts cannot address this documented gap.

## 2. We Are Only Asking for Authority — Not Money

This amendment does not request, appropriate, or obligate any state funds. It is purely an authorization question.

- No new state funding is required or requested.
- No existing funding streams are redirected.
- All programs would comply fully with applicable state and federal funding restrictions.
- Moderate-income programs would be funded through local, flexible, or non-restricted sources only.

*The amendment simply clarifies that the Trust has the legal authority to design and administer such programs — it creates no fiscal obligation for the state whatsoever.*

To address concerns about scope, this authority can be narrowly tailored to:

- Limit eligibility strictly to households at or below 120% AMI.
- Explicitly state that no new state funding is being requested in this bill.

## 3. We Are Not Asking for a Special Exception

This amendment does not seek preferential treatment. It asks that the South Bay Regional Housing Trust be treated the same as other trusts that were not formed by legislation.

### The Inequity Under Current Law

- Regional housing trusts formed under the Joint Exercise of Powers (JEP) Act — before SB 20 imposed additional restrictions — retain the full authority of their member agencies.
- Member cities and counties already have statutory authority to provide housing assistance to households up to 120% AMI.
- The Gateway Cities Affordable Housing Trust, established before SB 20, retains this broader authority because SB 20 did not retroactively restrict pre-existing JPAs.
- The South Bay Regional Housing Trust, formed after SB 20, is now operating under more constrained authority — even though the underlying policy need is identical.

### The Ask: Parity, Not Privilege

- The amendment would not create a new power — it would clarify and align authority so the South Bay Regional Housing Trust can address the workforce housing need of its communities, just as those formed prior to SB 20 can.
- LA County's Measure A already explicitly authorizes programs for low- and moderate-income homeownership, including down payment assistance. This confirms a concept that is already embedded in California's statutory and policy framework.
- The JEP Act itself grants JPAs the power to exercise any authority common to their member agencies — the proposed amendment simply removes an inadvertent asymmetry created by SB 20's prospective application.

### Summary: Three Core Points

1. **The need is real.** Moderate-income essential workers are structurally locked out of homeownership in LA County.
2. **This costs the state nothing.** We are asking for legal authority only — no state funds are involved.
3. **This is not an exception — it is equal treatment.** Other pre-SB 20 trusts already have this authority. We ask only for parity.