

PROGRESS



THE HOUSING TRUST OF SANTA CLARA COUNTY'S NEWSLETTER FOR AUGUST 2011

Affordable Homes for Silicon Valley Families

Our Progress through August 1, 2011

TOTAL INVESTMENT:

\$42.3

MILLION

TOTAL LEVERAGE:

\$1.88

BILLION

TOTAL HOUSING OPPORTUNITIES:

9,218

Neighborhood Stabilization: Where are we now?

In the past two years, we've heard variations of the same question, "With all the foreclosures in our area, is the issue of affordable housing a moot point? Home buyers of low and moderate means are able to find and purchase affordable homes now, aren't they?" Without even addressing the drastic increases in rents over the past year, the answer is clearly no. While it is true that lower priced homes are available in our area, investors with ready cash are picking off these homes, easily outbidding conventional homebuyers. These investors have very few restrictions to complicate their offers, making them very attractive to banks. More frustrated than ever, lower income homebuyers -- many who had been sitting on the sidelines while prices were inflated -- are now filled with frustration as deal after deal is lost, more often than not to investors.

The Housing Trust of Santa Clara County along with the City of San Jose and Neighborhood Housing Services Silicon Valley formed the San Jose Consortium with the goal of helping to mitigate the effects of the foreclosure crisis in our area. The number one strategy in our Neighborhood Stabilization programs has been to give tools and resources to low and moderate income homebuyers in our community to purchase foreclosed homes in the hardest hit neighborhoods in San Jose. What these neighborhoods need most are local families occupying these homes -- not letting them linger in a bank's foreclosure inventory or purchased by an out-of-area investor. Our Consortium has two programs that address this -- the Purchase Assistance Loan (PAL) and the Dream Home program.

Housing Trust's Purchase Assistance Loan (PAL) program provides up to \$50,000 at 0% interest to help low and moderate income households purchase foreclosed or distressed properties in San Jose. Currently, we have helped 18 households acquire new homes in areas hardest hit by the foreclosure crisis, and plan to assist 65 more households over the next 18 months. New PAL loan recipient Dirk Martin adds, "the PAL Loan program is a very worthy program, putting people in the position to be able to qualify and purchase a home that they might otherwise not qualify for." The PAL loan program is gaining traction as the Housing Trust Homebuyer Team conducts frequent workshops throughout the county, aimed at informing first-time homebuyers as well as educating Realtors and lenders, about program guidelines and scope. Please contact us if you'd like a presentation at your business or in your community.

Larger Endeavors

The NSP2 program is providing much-needed capital to move forward two new rental developments that will rehabilitate and redevelop two important sites in San Jose and provide new affordable rental opportunities to families earning up to 50% of the area median income (\$51,800 for a family of four). One such project is the Taylor Oaks Apartments development, which will receive \$5.25 million in permanent financing from the San Jose Consortium for the rehabilitation of an existing, distressed 59 unit apartment complex which had been in disrepair and neglect for many years. *For The Future Housing's* President Robert Putnam, the developer for this project, notes that "These residents struggle to provide their families with the most basic necessities and will benefit not only from the dramatic physical improvements to the site and units, but the addition of crucial social service programs such as after-school tutoring and career counseling. Without NSP2 funding, none of this would be possible." Taylor Oaks is expected to break ground this October.



Taylor Oaks Apartments, artist's rendering, an NSP2 funding project.

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The mission of the Housing Trust of Santa Clara County is to make Silicon Valley a more affordable place to live. The Housing Trust makes loans and grants to increase the supply of affordable housing, assist first-time homebuyers, prevent homelessness and stabilize neighborhoods.

Neighborhood Stabilization: Where are we now?

(continued from front)

Dream Homes with Green Building Focus

Another exciting new program, currently underway through the City of San José is the Dream Home program, aimed at mitigating blighted areas by renovating and reselling homes using Green Building techniques, making them available to low- and moderate-income homebuyers. June 9th marked the date the first buyer was accepted into this program, two other offers have been accepted on completed homes, with all three properties due for a mid-August close date. Five more homes will be on the market in the next few weeks, and as of mid-July, 19 properties have closed, with seven more due to close soon. Check out www.sjnsphomes.com for more information on homes available.

Partner of the Month: City of San Jose Housing Department

Projects partnerships like the NSP2 Consortium can only be successful through cooperation and teamwork, and this month we honor our friends and partners at the City of San José Housing Department headed by long time affordable housing advocate, Leslye Corsiglia, Director of Housing, and her dedicated team. San Jose has grown rapidly in recent decades, and with this growth affordable housing quickly became scarce. The City responded to this need, and since 1988 has created more than 18,200 units of affordable housing, with over 4,500 of those completed since 2005. These figures include new construction, acquisition/rehabilitation, preservation, inclusionary, redevelopment agency units and shelter beds. Thank you to all the Housing staff who have worked on the NSP2 consortium with us, including Jacky Morales-Ferrand, Dave Bopf, James Stagi, Don Ludwig, Ron Eddow, Dan Beaton, Sandra Murillo, Wayne Chen, and countless others.

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In Memorium ~ We were saddened by the news that Ron Swegles passed away July 20th. Ron was a long-serving board member and a dedicated public servant, and he will be missed by all of us here at the Housing Trust.

Homebuyer Workshops

Wednesday	August 24th	6 - 8 pm	NSP, PAL and San Jose Dream Homes workshop Berryessa Branch Library, 3355 Noble Ave., San José, CA 95132
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First-Time Homebuyers	Rental Housing Units	Homelessness Prevention Grants
INVESTMENT \$18.4 MILLION	INVESTMENT \$22.1 MILLION	INVESTMENT \$1.8 MILLION
HOMES 2192 PURCHASED	UNITS 3499 CREATED	PEOPLE 3527 HELPED