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Over \$16 Million of Financing for Transitional Housing in Santa Clara County

SACRAMENTO, September 30, 2004 – The California Housing Finance Agency's (CalHFA) Board of Directors has approved a \$16.5 million loan package to South County Housing Development Corporation to construct affordable housing for approximately 60 families in need of transitional and permanent housing in Gilroy. Construction will begin in October 2004 for the Sobrato Transitional Apartments, located in the southern part of Santa Clara County, two miles north of downtown Gilroy on Monterey Avenue.

The 60 units in the Sobrato Transitional Apartments complex will serve families either transitioning from homelessness or at risk of becoming homeless. Family referrals will be made by a county-wide network of social services agencies. Sixty percent of the units will be targeted to special needs families who will have at least one parent suffering from depression or other mental illness, coping with substance abuse, suffering from domestic violence, or physically disabled due to injury or long-term illness. The units will be available to those families that have incomes of no more than 50% of the area median income. Also, in order to remain affordable, 15 units for permanent housing will have rents subsidized with Section 8 vouchers

from the Housing Authority of Santa Clara County, while all other units will have restricted below market rents.

Located on 3.80 acres, the new complex will include four two- and three-story apartment buildings, as well as a separate community center. The complex will include an outdoor court yard with children's play area, a picnic area and basketball court, a computer center, an activity room, a laundry room, and supportive services offices. The complex is located near two shopping centers, a hospital and medical center, schools, and retail shops.

Residents will have access to special needs services, including immediate needs assistance, self-improvement workshops, on-site support groups, and case management programs. Social services programs will be administered by Emergency Housing Consortium (EHC), the largest provider of shelter programs and supportive services for homeless families, youth and individuals in the county.

"CalHFA is proud to partner with Santa Clara County to bring affordable housing to those families that are most in need," said Theresa Parker, CalHFA Executive Director. "Sobrato Transitional Apartments are a valuable contribution to the city of Gilroy and its residents, with a full range of support services and a well thought out design; it's not just housing, but a place to call home."

The CalHFA financing includes a \$10.96 million construction loan package with a blend of tax-exempt and taxable financing at a three percent variable interest rate for a 24-month term and a \$4.5 million bridge loan with a two percent interest rate for a 36-month term. CalHFA will provide an additional \$1.07 million in permanent first mortgage financing, once construction is complete.

CalHFA, the State's affordable housing bank, was chartered in 1975 to meet the housing needs of low and moderate income Californians. More information on the Multifamily Loan Finance programs and the full complement of CalHFA programs is available at 1.800.789.2432 or www.calhfa.ca.gov.

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