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Contact: Melissa Flores
Phone: 916.324.4647
Fax: 916.322.2345
mflores@calhfa.ca.gov
www.calhfa.ca.gov

Preserving Affordable Family Housing in Sacramento

SACRAMENTO, December 23, 2004 – An existing affordable housing complex in North Sacramento will soon receive extensive renovations in order to preserve housing for 144 low income families. The California Housing Finance Agency (CalHFA) Board of Directors has approved a \$12.75 million loan to Northland Village Associates, L.P. to purchase the existing family apartment complex. Northland Village, consisting primarily of townhomes, is less than six miles from downtown Sacramento. The renovation will take approximately 12 months to complete.

Since Northland Village is fully occupied, renovations will take place around the occupied units. The complex will continue to serve the existing families during and after renovation. Families with incomes at or below 50 percent of the Sacramento area median income will be eligible to live in the community, with rents set at less than 80 percent of the market average. Other affordable housing apartment developments are located in the surrounding area, but all of these are fully occupied, with lengthy waiting lists of interested renters.

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Northland Village will be developed by Domus Development, a for-profit affordable housing developer experienced in new construction and rehabilitation projects that are financed with tax-exempt bonds and tax credits. Located on 10.54 acres, the project site consists of 10 two-story apartment buildings and 22 three- and four-bedroom townhouse buildings. Additional site features include a swimming pool, clubhouse, and carports.

The CalHFA financing package provides a Preservation Acquisition Fund loan for \$8.925 million with a four percent fixed-interest rate for a two-year, interest only, term. CalHFA will also administer a Proposition 46 Preservation Opportunity Fund loan for the California Department of Housing and Community Development (HCD), which will provide an additional \$3.825 million with a three percent fixed-interest rate for a two-year, deferred-interest only, term. Permanent funding sources will include HCD's Multifamily Housing Program and a commercial lender.

CalHFA, the state's affordable housing bank, was chartered in 1975 to meet the housing needs of very low, low, and moderate income Californians. Last year, CalHFA's Multifamily Division financed over \$240 million for the construction and permanent financing for new developments, special needs projects, and the preservation of existing affordable rental housing. More information on 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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