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New Affordable Family Housing in Galt

SACRAMENTO, May 4, 2005 – A new affordable housing complex will soon be built in the City of Galt, bringing the cost of rental housing within the reach of more than four dozen low income families living in Sacramento County. The California Housing Finance Agency (CalHFA) Board of Directors has approved \$10.6 million in loans to Mercy Housing California to construct 54 units of affordable family rental housing. Grizzly Hollow is located 25 miles from Sacramento and 3 miles from downtown Galt. Walsh & Forrester, Inc., the project contractor, is expected to start construction in July 2005, with units available for rent beginning around August 2006.

Families with incomes ranging from 30 to 60 percent of the Sacramento area median income will be eligible to live in the new community. Few affordable housing opportunities are located in the surrounding area, and all of these are fully occupied, with lengthy waiting lists of interested renters.

Grizzly Hollow will be developed by Mercy Housing West and the Rural California Housing Corporation, both of which have more than 30 years of affordable housing experience in California. Located on 8 acres, the project site will accommodate 18 detached, single-family-

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style homes and 18 duplex-style homes, containing one- and two-bedrooms. A community building will contain child care space, a community kitchen, meeting facilities, and computer rooms.

The CalHFA construction loan package of \$10.6 million provides \$9.9 million in tax-exempt financing with a variable interest rate for an 18-month, interest-only, term. CalHFA will also provide \$950,000 in permanent, tax-exempt first mortgage financing once construction is complete. Additional funding will be provided by the Joe Serna Farmworker Program, the California Department of Housing and Community Development's Multifamily Housing Program and other community organizations.

Established in 1975, The California Housing Finance Agency is celebrating 30 years of providing affordable housing in California. CalHFA has invested over \$13 billion in non-taxpayer funds to help more than 160,000 families purchase a home with a mortgage they can afford or find an affordable rental to call home. 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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