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Hercules Awarded \$600,000 for Affordable Housing

SACRAMENTO, February 14, 2006- The California Housing Finance Agency's (CalHFA), Housing Enabled by Local Partnerships (HELP) program has awarded the City of Hercules \$600,000 to help finance the development of a rental project with approximately 70 units. This represents one of nine California localities awarded a total of \$9.1 million in low interest HELP loans to acquire, develop, rehabilitate, or preserve affordable rental or ownership housing.

A \$1.6 million HELP loan commitment was previously awarded for this project, with the original proposal for the development of 50 rental units. The city will leverage the HELP program financing by pooling it with other sources of affordable housing funds. As a result, the complex will be comprised of studio, one- and two-bedroom units. Fifty units will be reserved for households earning 50% of area median income, with the remaining 20 units targeted to households with incomes between 51% and 80% of area median income. This project is part of a 106-acre planned development that includes 335 homes and a retail shopping center with the convenience of a nearby BART station and water taxi service that travels across the Bay.

"The partnership between CalHFA and the City of Hercules is a positive approach to improving the affordability of housing in the community," said Theresa Parker, CalHFA Executive Director.

"Supporting the city's affordable housing goals is a 'win-win' for CalHFA and the community."

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Since 1998, the HELP program has partnered with more than 94 local government entities to fund \$140 million in affordable housing. CalHFA funding provides additional resources to address the localities unmet affordable housing needs by using a competitive process to award loans with repayment terms up to ten years at a 3% percent interest rate. Through the HELP program, CalHFA offers two funding cycles of approximately \$10 million in the fall and spring of each year. Recipients of the semi-annual award are evaluated on six criteria: affordability, cost efficiency, maximization of benefits, implementation readiness, resource impact and comprehensiveness of program design.

The California Housing Finance Agency was established in 1975 to meet the housing needs of low and moderate income Californians. To date, HELP funding has participated in the financing of nearly 18,000 units of affordable housing for Californians that are most in need. More information on the HELP program and the full complement of CalHFA programs is available at 800.789.2432 or www.calhfa.ca.gov.

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