



News Release

For Immediate Release:

January 14, 2010

Contact:

Kevin Zwick, 408. 335. 3124
Executive Director
Housing Trust of Santa Clara County

Jacky Morales-Ferrand, 408.535.3855
Assistant Director
City of San José – Housing Department

HUD Awards San José \$25 Million for Neighborhood Stabilization

San José - The Department of Housing and Urban Development, (HUD) awarded \$25 million to the San José NSP2 Consortium which is comprised of the Housing Trust of Santa Clara County, Neighborhood Housing Services Silicon Valley and the City of San José Housing Department. Under the Neighborhood Stabilization Program (NSP2) this award is funded through the American Recovery and Reinvestment Act of 2009 (Recovery Act). "San José has been one of the hardest hit areas in the State in this recent foreclosure crisis. The Housing Trust is excited to team with the City of San José and Neighborhood Housing Services Silicon Valley to secure these much-needed federal resources to help address neighborhoods negatively affected by foreclosures," said Kevin Zwick, Executive Director of the Housing Trust of Santa Clara County

The Consortium will use the awarded funds to reduce the number of foreclosed and abandoned homes, residential properties, and to stabilize surrounding neighborhoods. Additionally, the Consortium will provide secondary financing for income eligible purchasers of foreclosed homes and will purchase and rehabilitate foreclosed and abandoned homes in targeted areas in the City of San José. Targeted areas have been identified as those hardest hit by foreclosures in need of stabilization.

The Consortium will allocate \$5,000,000 of the award to finance the Purchase Assistance Loan (PAL) program that will enable approximately 100 low- and moderate income households to receive down-payment and closing cost assistance for the purchase of foreclosed and abandoned homes in targeted areas. For example, to be eligible for PAL, the income for a household of four cannot exceed \$126,600.

Neighborhood Housing Services of Silicon Valley (NHSSV), a HUD-certified housing counseling agency will provide homebuyer counseling to prospective homebuyers.

The Consortium will also allocate up to \$18,000,000 for the acquisition and rehabilitation of foreclosed or abandoned homes and residential properties in targeted areas for re-sale. Of these funds, \$6,250,000 will be used for the acquisition of multi-family rental housing for income-eligible households. For example, to be eligible for this program, the income for a household of four cannot exceed \$53,050.

Under the NSP2 award, approximately 250 foreclosed units will be acquired, rehabilitated and made available to promote neighborhood stabilization and to provide economic benefit to impacted communities

###