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Pasadena Nonprofit to Begin Construction of Two Affordable Housing Developments in Pasadena and Glendale

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PASADENA, CA -- Projects are the Largest for Both Cities Today, Heritage Housing Partners (HHP) completed the purchase of two real estate properties in the cities of Glendale and Pasadena that will be transformed into affordable housing developments involving 61 for-sale homes to low and moderate income homebuyers. HHP together with the Clearinghouse Community development Financial Institution (CDFI) and Commercial Capital Bank developed the finance package by leveraging city housing subsidies with federal New Markets Tax Credits and, county and state funding sources.

Just last week, the City Councils of Pasadena and Glendale approved the development of these projects and led the way for the final purchase of the properties. "Heritage Housing Partners is grateful to the Cities of Pasadena and Glendale for their approval of the loan agreements to begin construction of these projects. Their leadership as well as the enthusiasm of our lender partners proves that affordable, for-sale housing is possible with the right partners. We see these two developments as models for future affordable housing projects in public private partnerships," said Charles Loveman, Executive Director of Heritage Housing Partners.

"This is the largest ownership project we have done," said City of Glendale City Manager Jim Starbird. "That's remarkable considering that it is very hard to do affordable housing in the Glendale, Pasadena and Burbank areas, first because the land is so expensive and second because construction costs are so high."

Central to the funding of these projects is the innovative use of the New Market Tax Credits (NMTC) program. The purpose of the NMTC is to spur private investment in low-income urban and rural communities based on the idea that there are viable business opportunities in these areas. The NMTC provide an attractive incentive to investors by giving a 39-cent tax credit for every dollar invested and allows the developer to secure low-interest construction loans.

"This project represents the first use of public subsidies leveraged with New Markets Tax Credits to create for-sale affordable housing in the nation," said Doug Bystry, President and CEO of Clearinghouse CDFI. "We applaud HHP, Glendale, Pasadena, and Commercial Capital Bank for their leadership and vision in structuring this transaction."

The Pasadena project, located on Fair Oaks Avenue in Northwest Pasadena will break ground in the spring of 2006. The 1 acre Glendale project on West Doran Street, will commence in the fall of 2007 after land use entitlements are obtained.

Heritage Housing Partners (HHP) was incorporated in 1998 as a 501(c)(3) non-profit. Its mission is serve low income communities and promote affordable housing and neighborhood revitalization through the preservation of existing historic homes and new construction of single-family residences. HHP provide affordable homeownership opportunities to low and moderate income first-time home buyers and preserves the density and integrity of existing neighborhoods by allowing long-term renters to become homeowners, encouraging neighborhood revitalization through the pride of homeownership. For more information please visit www.heritagehousingpartners.org

Source: Heritage Housing Partners