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July 27, 2009

Mr. Stanley Gimont
Office of Block Grant Assistance
Department of Housing and Urban Development
451 Seventh St., SW
Room 7286
Washington, DC 20410

Re: Application 764806908

Dear Mr. Gimont:

Per our conversation with David Noguera on Wednesday, July 22, 2009, we have enclosed corrections to our Neighborhood Stabilization Program (NSP2) application unique application number 764806908. The corrections are:

1. On page ii of the Application Overview and Program Summary, the paragraph describing Strategy 1 under Eligible Activity (B) was inadvertently deleted from the application.
2. The email address for Kevin Zwick on the Applicants page immediately preceding the Factor 1 Narrative was incorrectly typed.
3. The Summary of Citizen Comments page immediately following Appendix 6 included an error on the date that a comment was received, and did not cite the dates that notices were published in local newspapers.

Thank you for your consideration of these corrections. Please feel free to contact us if you have any questions.

Sincerely,

Kevin Zwick
Executive Director

families to purchase foreclosed or abandoned homes in the proposed target geography. The Consortium will allocate \$5,000,000 of the award to this financing mechanism. The PAL will be available for down-payment and closing cost assistance. The assistance will be secured by a 15-year shared-equity promissory note secured by a deed of trust. Neighborhood Housing Services of Silicon Valley, a HUD-certified housing counseling agency will provide mandatory homebuyer counseling to prospective homebuyers. The Consortium expects to assist 100 households with this financing program within three years.

Under NSP2 Eligible Activity (B), the Consortium will allocate up to \$18,000,000 for the acquisition and rehabilitation of foreclosed or abandoned homes and residential properties in the Target Geography Area. This program will expand homebuyer and neighborhood stabilization opportunities that will have a positive impact on 105 foreclosed homes by implementing the following three strategies:

- Strategy 1: The Department of Housing of the City of San Jose will purchase and rehabilitate foreclosed properties utilizing up to \$11,750,000 of NSP2 funds. The City may also issue an RFP to nonprofit and responsible for profit developers to acquire and rehabilitate foreclosed properties. In that case, rehabilitation will be performed under the supervision of the Department of Housing of the City of San Jose. Homes under this program will be sold to individuals and families at or below 120% of Area Median Income for Santa Clara County. For a family of four, this is currently \$126,600.
- Strategy 2: To supplement Strategy 1 above, the Consortium will pursue the implementation of an innovative program that will allow for the purchase of foreclosed, pre-eviction properties for re-sale to the “immediate” former owners. Through its foreclosure prevention counseling program, NHSSV will identify eligible clients under their homebuyer program. Down-payment assistance from NSP2 funds will be made available to NHSSV-approved, income eligible households. This program will maintain home affordability and prevent homelessness, and is in alignment with the efforts of the City’s ForeclosureHelp and Destination Home Initiatives.
- Strategy 3: Twenty-five percent of the total funds requested, \$6,250,000 will be reserved for individuals and families with incomes below 50% of AMI. The Consortium will make these funds available to nonprofit developers of affordable housing for the development of permanent housing. Developers will purchase foreclosed vacant properties for rehabilitation as rentals or for-sale housing.

Implementation of the proposed programs will provide assistance to **205** eligible properties, promote neighborhood stabilization and provide economic benefit to the impacted communities.

Applicants

The Housing Trust of Santa Clara County (Lead) 95 S. Market Street, Suite 550 San Jose, CA 95113 www.housingtrustscc.org	NSP Contact: Kevin Zwick Phone: 408.436.3450 x 225 Fax: 408.436.3545 Email: kevin@housingtrustscc.org
City of San Jose, Housing Department 200 East Santa Clara Street, 12 th Floor San Jose, CA 95113 www.sjhousing.org	NSP Contact: Sandra Murillo Phone: 408.975.4415 Fax: 408.292.6206 Email: Sandra.murillo@sanjoseca.gov
Neighborhood Housing Services Silicon Valley # North 4 th Street San Jose, CA 95112 www.nhssv.org	NSP Contact: Ed Moncrief Phone: 408.279.2600 x 230 Fax: 408.279.4100 Email: emoncrief@nhssv.org

Summary of Citizen Comments

Notice was published in the San Jose Mercury News on 7/6/09, La Oferta (Spanish) on 7/3/09, and Thoi Bao (Vietnamese) on 7/3/09.

1. 7/6/09: Email and phone call
Diana Castillo, Fair Housing Law Project
Requested copy of plan and was directed to Housing Trust website
2. 7/6/09: Email
Jean Dresden, private citizen
Requested copy of plan, was directed to Housing Trust website, and emailed copy of plan.
3. 7/16/09: Attached comment received.

Plan posed on the Housing Trust of Santa Clara County (HTSCC) and City of San Jose Housing website:

www.housingtrustscc.org

www.sjhousing.org