

Santa Cruz to fund \$1 million affordable housing project

The Santa Cruz City Council will loan up to \$1 million for an affordable housing project that may help developers qualify for additional state grants and funding, according to the Santa Cruz Sentinel.

The council voted to defer impact fees and use money from its housing trust fund to improve a current development project, which will provide a 25 percent match to that already being provided by the Department of Housing and Community Development, the news source reports

However, the city will only provide the loan once the developer has all other funding sources in place. As many development agencies have been squeezed by budget cuts and low investor interest, city and state funding may become critical to providing more affordable housing assistance for low-income projects.

“This city contribution brings a lot more money into the community to build that project,” housing director Carol Berg told the Sentinel.

Several housing agencies in California are tackling affordable housing shortages by seeking more funds in the form of grants and loans. For example, NeighborWorks America recently extended \$233,750 in grants to help Mutual Housing California further its energy-efficient affordable housing projects, according to the Sacramento Business Journal.

Founded in 1988, Mutual Housing California develops and operates rental housing for modest-income households. The communities have nearly 3,000 residents, nearly half of whom are children.

Through Mutual Housing’s focus on leadership, the nonprofit also provides training and mentoring as well as educational programs, community-building activities and services for residents and neighbors.



Housing agencies in California are trying to find funding solutions for affordable housing projects.