



# NEWS

## **For Immediate Release**

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## **HOUSING AUTHORITY PROMOTES NEW CONSTRUCTION WITH RELEASE OF UP TO 1,000 ADDITIONAL PROJECT-BASED HOUSING VOUCHERS**

### **Attaching Vouchers to Units Helps Ensure Affordable Housing Remains Available to Low-Income Families Even in Tight Housing Market**

**SAN JOSE, Calif.** — May 19, 2015 — In an effort to help increase the supply of affordable housing and serve more low-income families in Silicon Valley’s increasingly hot rental market, the Housing Authority of the County of Santa Clara (HACSC) today announced plans to begin the process of releasing up to 1,000 additional federal Section 8 project-based rental housing vouchers to selected housing developers and property owners through a competitive request for proposals process.

Under the federally funded Project Based Voucher (PBV) program, housing assistance is attached to a specific rental unit rather than to a family, and that assistance remains with the unit when an assisted family moves out of the unit. Project-based vouchers help ensure that affordable housing will be available to voucher-eligible families even when the rental housing market is tight. This is especially important to families in Santa Clara County, where the monthly average market rent has increased by 48 percent over the last four years and the vacancy rate has declined to about 3 percent, according to RealFacts, an online rental market database.

“About 600 of our families with housing vouchers in hand are searching for units to rent, but the low vacancy rates and high rents are keeping them locked out of the market,” says Alex Sanchez, executive director of HACSC. “While we know the availability of up to 1,000 project-based vouchers will not instantly produce more affordable homes, the development of new housing that stays affordable over time is clearly the best solution to our valley’s housing crisis. State and federal investment in building and preserving affordable housing in California has dropped 69 percent since 2008, so it’s up to local governments, developers, lenders and service providers to fill the void.”

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**PBVs help housing developers attract significant private capital**

Project-based vouchers are a financing tool and means to deepen the affordability of housing. PBV assistance provides housing developers with a steady stream of rental income that can be leveraged, along with other affordable housing development programs such as the federal Low Income Housing Tax Credit program, to bridge funding gaps and to enable the construction and/or rehabilitation of additional affordable housing units. It takes about three to five years to develop and complete new affordable housing projects and about two to three years to rehabilitate existing affordable units.

HACSC will award project-based vouchers to housing projects that best meet the agency's priorities such as housing with services for special needs populations and projects that are ready to begin construction within a short time frame. When all 1,000 PBV units have been constructed and leased, HACSC's annual financial support of the projects through the payment of rent subsidies will be approximately \$14.8 million. Awarded for a term of 15 years (with the option to renew), the additional 1,000 project-based vouchers represents a funding commitment of approximately \$222 million over the 15-year term with the potential of generating an additional \$500 million to \$700 million in private equity and debt for property owners and housing developers.

**PBVs benefit special needs populations and enable faster turnover of voucher waiting list**

Of the 1,000 additional project-based vouchers being made available, HACSC is reserving at least 300 for permanent supportive housing projects. Attaching project-based vouchers to rental units that include supportive services ensures that targeted special needs populations – persons who are chronically homeless and persons with disabilities – will have access to the supportive services they need to help them maintain their housing and become more self-sufficient. In addition, the vouchers will be prioritized to serve other special need populations, such as those at risk of becoming homeless, large families, the elderly and youth transitioning out of foster care.

Project-based vouchers also enable faster turnover of HACSC's Section 8 voucher waiting list. Tenants who have lived in PBV units for more than 24 months and who elect to move may choose to receive a traditional voucher if one is available. Because the project-based voucher stays with the unit, the PBV unit becomes available to another wait-listed household. Approximately 20,000 households are on HACSC's Section 8 voucher waiting list, and the average wait for a household to receive a housing voucher is 10 years.

Property owners and affordable housing developers interested in submitting project proposals should register to receive notification of the competitive solicitation by visiting the Business Opportunities page on HACSC's website at [www.hacsc.org](http://www.hacsc.org).

**About HACSC**

HACSC is the largest provider of affordable housing assistance in Santa Clara County, helping make rental housing safe and affordable for low-income families through Section 8 voucher programs and below-market rental properties. Designated a Moving to Work agency, HACSC provides rental assistance to approximately 17,000 households through the Section 8 program. For more information visit [www.hacsc.org](http://www.hacsc.org).

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