



SAN MATEO COUNTY COMMUNITY COLLEGE DISTRICT

San Mateo County Community College District

Rental/Homebuyer Programs for Faculty and Staff

"Two Steps to Home Ownership"

In response to regional housing costs that are among the highest in the country, the San Mateo County Community College District (SMCCCD) has developed an innovative transitional rental/home ownership program that is designed to help faculty and staff achieve the dream of owning a home. Under direction of the College District Board of Trustees, the District administration developed a "two steps to homeownership program" that involves a District-owned and operated rental residential community and a below-market second home loan program which are described below.

The First Step: College Vista

College Vista—a 44-unit multi-family rental housing development for faculty and staff—opened in December, 2005 on the College of San Mateo campus and the District is currently accepting names of interested employees who might like to live there in the future. *College Vista* is a craftsman-inspired, two and three-story complex with stunning views of the Bay and south San Mateo County. Units at *College Vista* are tastefully appointed and include wood entry floors, large windows and sliding glass doors, patios and decks and their own washer and dryer. Most units also have their own private garage. Although this is a first-class, luxury type apartment complex, rents for the units are significantly below market rate, which will give residents the opportunity to save for a down payment on a home.

The College District is able to offer below-market rents because 1) it owns the land and, therefore, land cost does not need to be included in the cost of ownership or operations; 2) it is financing the project with a tax-exempt issue; and 3) it does not have a profit motive. Rents from the project are sufficient to pay all costs of construction, financing, maintenance, (including deferred maintenance) and operations.

Step Two: Second Home Loan Program

Two years ago, the College District Board established a first-time homebuyer program that provides a second loan of up to \$75,000 at very competitive terms. The District loan, which is available to all permanent employees of the District, is interest and payment free for five years, and carries a 1:1 appreciation share. After the end of the no payment period the loan is amortized at 4% simple interest. If the employee sells the home, refinances it or leaves employment with the District, the loan must be repaid and the District's share of appreciation is paid at that time.

The subsidy provided through the second home loans allows employees to qualify for higher mortgage amounts and brings the dream of homeownership in San Mateo County within reach for many moderate-income employees. Also, because the principal and interest payments on the loan are deferred for five and ten years, respectively, the employee is given time to adjust to the higher payments, and presumably, the employee's income will increase over the five-to-ten year period making repayment easier.

For more information about either of these housing options, contact Barbara Christensen at christensen@smccd.edu.