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## Buying 'affordable' has ups, downs

Qualifying to buy affordable housing is a Catch-22: You can't make too much money, but you have to have enough to qualify for the loan

In Santa Cruz County, the maximum family income is \$48,000 for a family of two or \$60,000 for a family of four - 120 percent of the median income in the county.

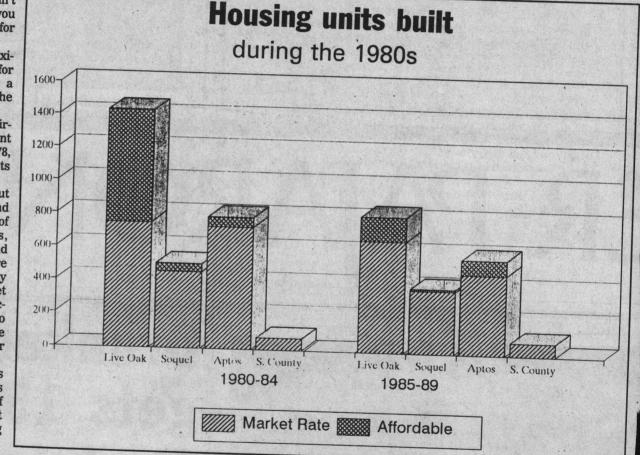
Since the county started requiring developers to make 15 percent of their units affordable in 1978, there have been 365 such units built

Measure J units sell for about 60 percent of market value, and have current maximum prices of \$137,000 for two bedrooms, \$152,000 for three bedrooms, and \$165,000 for four bedrooms. There is one exception: The county Housing Authority was able to get financing that allows it to set prices at \$70,000 to \$170,000 for Arroyo Verde, the all-affordable 101-home project on Green Valley Road near Pinto Lake.

The first phase of 29 units is under construction, and buyers have been signed up for all of those, plus the first five of the next phase, said Mary James, Housing Authority executive director.

For the family that qualifies, Measure J is a good deal to start with. It's better housing than they'd get by renting at market rate, and the down payment and the monthly payments are low.

But when it comes time to sell,



the Measure J family doesn't do as well as the market-rate buyer.

The market-rate homeowner is entitled to profit from the home's appreciation, which will be subthe late '80s, when appreciation was rapid.

The Measure J homeowner is also entitled to profit from his home's appreciation, but in a limstantial if he owned the home in ited way. The maximum resale

price is set by the Housing Authority, so the home remains in the price range for Measure J qualifiers. Only those who qualify for Measure J can buy the home.

-Lane Wallace