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Home Learning / Reading

- #1 Where is it happening?
- #2 What's the program (how many)
- #3 Any lessons learned
- #4 Any programs @ Eric Moe, Freddie Mac  
what are their eligibility criteria?

ED Week

Lexia Nexia

ED Daily

[www.ncsl.org](http://www.ncsl.org) (education) → staff

NEA + AFT

July 21 (next Friday) → early the week  
of July 24

Aalap

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Ted Hays 901 8378

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9065

Frosty

Ann Marie

PEN ~ Tues night  
can you attend the  
banquet for Koi

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~ Eddie Healds

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- College of Staten Island  
David Sealy  
call 718.982.3917

# Teacher Homebuyer Program

## Question and Answer

**WHAT THE PROGRAM OFFERS**  
**BORROWER ELIGIBILITY QUESTIONS**  
**HOME ELIGIBILITY QUESTIONS**  
**FINANCIAL TERMS QUESTIONS**  
**PROCEDURAL QUESTIONS**

### WHAT THE PROGRAM OFFERS

Deferred payment loan assistance for up to a maximum of \$40,000. A private lender can finance the remainder of the purchase price.

### BORROWER ELIGIBILITY QUESTIONS

1) Who qualifies for the program?

A classroom teacher who:

- Is employed full-time at a public, K-12 school that is either located within the City of San Jose municipal boundaries or other schools where the majority of students served are San Jose residents. Contact the Housing Department for a current list of eligible schools.
- Holds one of the following California teaching credentials:

Emergency Credential, Intern Credential, Preliminary, Permanent, Life or Professional Cleared Credential in one of the following categories:

Single Services	Severely Handicapped
Multiple Subject	Learning Handicapped
Clinical Rehabilitative Services	Standard Elementary
Physically Handicapped	General Elementary
Education Specialist (e.g. Deaf, Visually Impaired)	Standard Secondary
	General Secondary

- Has a household gross income that does not exceed these limits:

Household Size	Maximum Qualifying Income
1	\$73,100
2	\$83,500
3	\$93,950
4	\$104,400

The teacher, other household member(s), and any other co-borrowers must all have credit histories acceptable to the mortgage lender.

2) Is the Program open to other professionals who may hold a teaching credential but are not classroom teachers?

No.

### **ELIGIBILITY OF PROPOSED HOME**

1) Where does the home I buy have to be located?

It must be located within the City of San Jose municipal boundaries.

2) What type of home can I buy?

Single family detached homes, town homes, condominiums and half-plex, Manufactured homes are acceptable but must meet specific mortgage insurance guidelines.

3) What is the maximum allowable home purchase price?

Currently \$292,700, if you make no down payment (pay for closing costs only). Purchase price can be higher if you provide additional funds toward the down payment and income qualify with the private lender.

Home Purchase Price	\$292,700
City Loan (deferred payment)	\$40,00
Private lender (97% of Purchase price)	\$252,700
<b>Your Down Payment</b>	<b>\$0</b>

## FINANCIAL TERMS QUESTIONS

- 1) How much of my own money will be needed to buy the home?

To close, you will need funds up to 3% of the purchase price. You may of course make an additional down payment, to reduce your monthly payments and/or increase the amount of home that you can afford. It is acceptable for the seller to pay closing costs, if the seller is willing to do so.

- 2) How large of a City loan can I qualify for?

The maximum City loan amount is \$40,000. The Housing Department may approve a lower amount, based upon its analysis of the gap between the home's purchase price and the funding that can be obtained from non-City funds. The Housing Department looks at the teacher household income and assets, the size and terms of the non-City loan(s), and whether other homebuyer assistance programs are being used.

- 3) To help buy my home, may I combine the City's Program with other assistance?

Yes, The Housing Department or your lender is available to discuss other options with you.

- 4) What are the loan repayment terms?

The City loan is at zero per cent and is not due and payable until transfer of title to the home in 30 years.

- 5) What happens when I want to resell the home?

You must first notify the Housing Department. You have two resale choices.

If you resell the home to someone who is also eligible for the Program the resale price is restricted. You repay the City the outstanding loan balance only. The buyer cannot assume the City loan. Or you can resell at market price to someone who is **not** eligible for the program, **provided** you repay the outstanding loan amount **and** make an "equity share" payment to the City.

If you want to prepay the City loan and not resell, you must pay the equity share.

- 6) How does the equity share provision work?

You pay the City's proportionate share of the difference between the original purchase price and the resale price (less City approved selling costs and improvements). Here is an example:

Possible resale price	\$300,000
Original sales price	\$240,000
Accrued equity	\$60,000
Less reasonable capital improvements approved by the City	\$2,000
Less reselling costs	\$21,000
Equity subject to sharing	\$37,000
City's share (16.67% of original purchase price--\$40,000 loan)	\$6,168
<b>Teacher-Homebuyer share (83.33% of purchase price)</b>	<b>\$30,832</b>

7) I will need to borrow \$252,700 from a private lender to buy my home. What is the estimated monthly payment?

An estimated \$1,898, assuming a 30 year loan at 8.25% interest (approximate April 2000 rate). The interest rate and monthly payment will vary, depending upon money market conditions and your credit. Please remember that the private lender will add property taxes, homeowners' association dues, and insurance to this figure and look at your other debt in order to determine how large a loan you can qualify for.

8) Can I refinance the non-City loan(s)?

Yes, if the Housing Department gives advance approval. The amount refinanced cannot exceed the outstanding amount of such loan(s) plus loan costs.

**PROCEDURAL QUESTIONS**

1) What lender can I use?

A lender that has participated in a Teacher Homebuyer Program training session and has been approved by the Housing Department. Contact the Housing Department for a list of these lenders.

2) I want to make an offer on a home. How rapidly can I receive the funds to pay for the home?

City loan approval normally will be five working days; funding can occur within 15 days, subject to your meeting our standard loan conditions and our receiving the loan commitment and a complete loan package from your first mortgage lender. Be sure to note the "pending approval of financing" in any offer that you may make, to protect you from loss of a deposit on an offer.

3) I already own a home. Can the program help me buy another home?

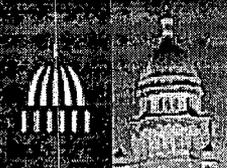
No, if you are currently living in it as your principal residence. The City no longer requires that you not have owned a home as a principal residence within three years of City loan closing.

4) If I am no longer teaching at a San Jose public school during the City loan term, do I have to repay the loan?

No. The City loan only is due and payable in 30 years or upon transfer of title to the home.

5) The program sounds great! What are the next steps?

- o Contact a lender from the Housing Department approved list.
- o Work with the real estate agent of your choice to assist you in the search for your new home.
- o Sign up and complete the required free first-time homebuyer education class. Contact either Consumer Credit Counseling Service (408-988-7881) or your real estate agent or mortgage lender for your free seminar. Be prepared to provide the City and your lender a copy of your certificate of completion.
- o Get final loan approvals from your lender and the Housing Department.
- o Sign the loan documents.
- o Move in and enjoy your new home.

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## Education Program

### Teacher Recruitment

With estimates from the U.S. Department of Education that two million teachers will be needed over the next decade, recruitment issues are growing in importance for schools, districts, and states. Shifts in both the demographics of students and teachers are coming together to create an unprecedented demand for educators:

First, the teaching population is aging rapidly. The percentage of all teachers ages 40-49 in 1966 was only 18 percent whereas 41 percent of all educators were in that age range in 1996. Fully one-quarter of all teachers nationwide are 50 years old or more, and the average age of teachers nationwide is 43. While these figures illustrate a teaching corps with vast experience - nearly one-third of teachers have been in the profession for over 20 years - they also point to new staffing dilemmas for schools.

Second, rising enrollments will necessitate new teachers, especially in the western part of the country. Enrollment is expected to grow by 18 percent nationally at the secondary level over the next decade. California alone will see a 22 percent increase in K-12 enrollment as the result of the baby boom echo, and enrollment is expected to rise 17 percent in the West.

Finally, as class-size reduction grows in popularity, new teachers will be needed to reach mandated teacher-pupil ratios. Twenty states have passed or considered bills mandating smaller classes, most typically at around 20 students in grades K-3. Given the strong support of educators and the public for reducing class sizes, this policy will likely continue to necessitate an expanded teaching work force.

There has been some discussion as to whether this shortage really exists given the approximately 100,000 education bachelor's degrees awarded each year, and the number of certified teachers not in the classroom - of new public school teachers hired in 1993-94, 34 percent were former teachers reentering the profession. But, according to Linda Darling-Hammond, Executive Director of the National Commission on Teaching and America's Future, "the issue of supply in teaching is not one of bodies, since most states are willing to lower standards to fill classrooms, but one of quality." And not only quality, but also distribution of teachers within and across states as well as staffing in high demand fields.

Considerable shortages exist nationally for bilingual education, speech pathology and special education teachers. Some shortages also exist for mathematics, science and computers as well. No fields have considerable surpluses with social studies and physical education having the greatest surpluses of all certification areas.

Other problems result from the distribution of teachers within states. Urban areas in particular are often hard hit by teacher shortages. In a 1996 Recruiting New Teachers, Inc. (RNT) survey of the nation's largest school districts, virtually all districts cited an immediate need for teachers in high-demand areas. Wealthier, often suburban districts with higher property tax bases can pay higher salaries and offer better work environments with smaller classes. Teachers in schools serving a greater proportion of low-income and minority students have a greater proportion of educators

teaching out of their main field and without an advanced degree.

The diversity of the teaching force is also becoming an issue for districts and states, especially given the changing demographics of the student population. Although nearly one-third of the U.S. public school population is minority - children of color and language minority students comprise over 75 percent of the students in the nation's 47 largest urban school districts - only 13.5 percent of educators corps teachers of color. Not surprisingly, in response to the RNT survey, 92 percent of school districts reported an immediate need for teachers of color, and 85 percent cited an immediate need for male teachers.

State legislatures have passed bills attempting to facilitate the entry of minority candidates into the teaching profession. While many states enacted programs in the 1980s, the following actions were taken during the past two years:

- Connecticut provided incentive grants of up to \$20,000 to encourage minority students to become teachers. Grants are available for up to 50 students who enter teacher education programs in their junior or senior years at four-year colleges or who are enrolled in the alternate route to certification program.
- In 1997, Florida established minority teacher scholarships that provide \$4,000 per year to students pursuing a career in education. The law also created the Florida Fund for Minority Teachers, Inc., at the University of Florida's College of Education to administer the program.
- Arkansas requires state-supported colleges and universities to report to the Department of Education the name, address and major of each minority student completing college requirements for licensure as a school teacher- in order to better recruit minority students to teach in the state.
- In 1999, Colorado passed HB 1308 which allows the Department of Education to issue a provisional teacher license to any applicant from another state or country whose qualifications meet or exceed the standards set by the state board of education for the issuance of a teaching license. In a shortage area, the state board of education shall establish responsible criteria for the issuance of a provisional teacher licensure to any applicant from another state or country.
- Connecticut established an incentive program to encourage college students to become bilingual education or English as a second language (ESL) teachers.
- Maryland, in 1999, passed legislation to provide state grants to county boards of education for specified mentoring programs and provides state stipends for bonuses for specific teachers. Also, requires that funding be included in the annual operating budget and allows specified teachers a state income tax credit under specified circumstances.
- Nevada's AB 47 mandated the development of a recruitment program for teachers. The plan, developed by the Department of Education and board of regents, will be designed to encourage licensed teachers to teach in areas of the state where there are shortages of teacher. Also encourages licensed teachers to obtain an endorsement in a field of specialization where a shortage of teachers exists. The plan must be submitted by February 2, 2001.

### ***Salaries and Compensation:***

Compensation for teachers has been viewed by many as the prime reason for not attracting quality teachers. Teaching pays less than other professions requiring similar levels of education. Those who consider a career in teaching must weigh intrinsic rewards and other benefits such as summer vacations against less salaries and fringe benefits and working conditions.

The average teacher salary in 1997 is \$38,436, a 2.2 percent change over the previous year and a greater increase than the change to the Consumer Price Index for the year. This comes after more substantial salary increases throughout the 1980s. While teacher salaries have risen in overall dollars, they have shrunk as a percentage of overall education expenditures consistently since 1960. Whereas the teacher share of K-12 costs was over 50 percent in the 1960s, it is now 37.8 percent.

The benefits of raising teacher salaries as a means of attracting quality teacher applicants can be seen in Connecticut. As part of the 1986 Education Enhancement Act, the state raised salaries, now the

highest in the country with an average salary of \$51,181 in 1996-97. Shortages have been virtually eliminated in both urban and rural communities throughout the state.

States play varying roles in determining the compensation level of educators: Twenty-three states have implemented statewide salary schedules, setting minimum levels of compensation while local districts are allowed to pay beyond these amounts. There is tremendous variation in the schedules used across school districts, even within the same states, as they are most often determined through locally negotiated collective bargaining agreements.

In an effort to attract the best candidates into the profession and retain educators, numerous states have passed legislation to raise teacher compensation. For example:

- As part of the Excellent Schools Act in North Carolina, teacher salaries were raised with a goal of funding a minimum starting salary of \$25,000 by the year 2000. Substantial salary increases for achieving a new standards based master's degree and National Board certification were also enacted.
- Arkansas created a new salary schedule in 1997, requiring a teacher with a master's degree and 15 years experience make greater than or equal to 150 percent of the minimum salary on the pay scale (currently \$20,000).
- Alabama provided K-14 educators with an 8.5 percent cost of living adjustment. The state also passed separate legislation providing a cost of living increase in pension benefits unless that increase would jeopardize Medicaid eligibility.
- Iowa, as part of SF 2366 raised the minimum starting salary of teachers in the state to \$23,000.
- Louisiana allocated \$65.2 million in state funds to give every teacher a raise of approximately \$1,000 as part of the state education appropriations bill.
- California permitted the governing board of a school district, the county superintendents of schools, or the county boards of education to increase, in the 1999-2000 fiscal year, the lowest salary on the salary schedule for a certified employee that meets certain requirements and sets forth procedures for providing per-pupil incentives to local education agencies to provide for this increase.
- Idaho provided a salary bonus of \$2,000 per year for five years for an instruction staff member designated as a master teacher.
- Nevada provided increased salaries for public school teachers with National Board Certification. A school district shall add 5 percent to the salary of a teacher who holds a National Board certificate.
- In 1999, Washington enacted Senate Bill 5180, designating \$100,000 of the general fund for FY 2000 and \$227,000 of FY 2001 solely for a 15 percent salary bonus for teachers who have attained National Board certification.

Rather than raise salaries for all educators, more school districts and states are targeting new teachers through one-time signing bonuses or other rewards to entice quality teachers into harder to staff districts. According to NCES data, the percentage of public school districts offering various financial incentives has increased, but this approach still remains the exception. Only about 10 percent of school districts report the use of cash bonuses, increased on the salary schedule or other salary incentives for recruitment to less desired locations or in shortage fields.

 The Baltimore school district is offering \$5,000 toward the closing costs on a home in the city and \$1,200 to cover relocation expenses to new educators. This is in addition to a \$3,000 starting salary increase to \$27,300. Dallas has granted 900 signing bonuses of \$1500 to new teachers. At the state level, one of the most publicized pieces of legislation in 1998 came from Massachusetts. In response to the poor performance of potential teachers on the state's new certification examination, the Massachusetts legislature enacted SB 2306, creating a \$20,000 signing bonus for 100 of the highest qualified new educators. The bonus, from a \$60 million pool, is allocated over four years.

Another means of targeting individual teachers has been through merit pay. Attempts to compensate teachers based on individual performance had been tried in several forms since the 1920s. The latest increment was in the 1980s through career ladder programs. In 1984, six states authorized and funded

career ladder programs either statewide or through pilot projects. Although some states such as Tennessee and Utah still maintain these ladders, they have largely been reduced to an extra step on the salary schedule in most states.

Not only is it difficult to design an evaluation system that is both objective and designed to assess teaching skills, but new research has demonstrated the effects in creating a competitive work environment. Group-based or school level performance incentives can work to facilitate collegiality as well as help schools develop and implement organizational objectives.

Some districts and states have established school based compensation systems. Six states had enacted and funded incentive programs as of 1994 - Georgia, Indiana, Kentucky, North Carolina, South Carolina, and Texas. Since then, South Carolina discontinued its program and Maryland created school-based incentives. In North Carolina, for example, the ABCs program rewards employees of schools in which student achievement meets predetermined improvement goals. Levels set in the Excellent Schools Act reward all teachers in schools that exceed achievement goals \$1,500 each and meet achievement goals \$750 per teacher.

The Kentucky Accountability Program rewards schools that exceed improvement goals every two years. There are no regulations as to how the school may distribute funds. For 1996 the awards were about \$2,000 per teacher in eligible schools with a state total appropriation of approximately \$27 million. An accountability index is used to measure school improvements and is based on the results of subject area scores on open-ended and multiple choice tests and student portfolios.

Maryland's School Performance Recognition Awards uses results from a school performance assessment to reward elementary and middle schools that make "substantial and sustained" progress. In 1996 nearly half of the schools received recognition with both monetary awards and non-monetary certificates of achievement. About ten percent of schools shared \$2.75 million in bonus funding. Funds are designated specifically for improving schools as opposed to high achieving schools.

### ***Alternative Certification:***

Rising out of the need to bring more teachers into classrooms in the face of projected teacher shortages in the 1980s, alternative routes to achieving teacher certification have grown in popularity across the country. According to polling data from the National Center for Education Information (NCEI), 41 states, plus the District of Columbia, report having some type of alternative teacher certification. States report a total of 117 programs now available for persons with a bachelor's degree desiring to become licensed to teach. NCEI estimates that 75,000 people have been licensed through alternative certification programs.

Alternative certification routes have been controversial despite the number of states adopting programs. Educators have cited a decline in quality with the increased speed of getting teachers into the classroom. Certainly, numerous programs of varying quality fit under the rubric of "alternative," often used to refer to any avenue to become licensed from emergency certification through well-designed programs targeted at paraeducators and mid-career professionals. In fact, some research demonstrates that the maturity, life experience and resilience of mid-career adults make them more effective teachers, particularly for low-income, urban children.

The most important issue is that of quality: rather than waiving licensure requirements, programs need to provide intensive training through internships, mentoring on the job and post baccalaureate teacher programs available at night or on weekends. Alternative licensure programs that eliminate much of the coursework and clinical experience necessary for adequate preparation may have a direct impact on both the retention of teachers and their ability to perform in the classroom.

Regardless of content of these programs, their popularity continues to grow. NCEI reports state legislators in 24 states and higher education officials in schools of education in 19 states have shown greater interest in alternative certification. Further, 25 states report the number of individuals getting licensed to teacher through alternative routes has increased in the last five years with 11 reporting

similar applicant trends while only six site a decrease.

Legislative action from 1997-98 and 1998-99 lends credence to these figures. A spate of bills were considered to allow a more diverse population quicker entry into the teaching profession. For example:

- Kentucky now requires alternative certification candidates to successfully complete a teacher internship program. Another bill that passed in 1998 allows local school districts to request a waiver from administrative regulations on alternative certified teacher evaluation plans. The plans have three phases on evaluation for professional growth, transition, and evaluation for deficiency.
- Wyoming passed a law in 1997 that allows university and community college instructors to teach high school classes without attaining certification. South Dakota attempted to pass a similar measure, allowing certain doctoral graduates to teach without certification, but the bill failed. The state also considered legislation that would have allowed certain persons with special expertise to instruct in the public schools without attaining certification.
- Mississippi clarified its alternate teaching routes, mandating that applicants file an official transcript with evidence of a bachelor's degree from an accredited institution, and pass an examination of achievement. The state also directed the Board of Trustees of state universities to study the feasibility of creating a teacher education cooperative program at regionally accredited institutions of higher learning and community and junior colleges in the state. The program participants would serve as an assistant teacher in a school district having a critical teacher shortage and waive standard student teaching requirements.
- New Mexico, in 1999, established an alternative teacher certification process. The state board shall issue an alternative certificates to applicants who: completed a bachelor of arts or science, a masters, or doctor of philosophy of education, degree at an accredited institution or passed any national teachers exam required by the state board and completed a minimum of sixty actual hours of instruction in teacher principles in a program approved by the state.
- The legislature in Washington passed HB 1374 authorizing an alternate certification program for individuals wanting to teach middle school, junior high, or high school students. The bill, vetoed by Governor Gary Locke, would have required alternate route candidates to meet certain practical and experience requirements as well as complete an assessment of teaching knowledge. After two years of successful teaching under the alternate certificate, and upon passing assessments of subject matter and teaching knowledge, the individual would be issued an initial or residency teaching certificate.

### ***Other Means of Recruiting Teachers:***

While higher salaries and other market based incentives are an importance means of attracting quality teachers into the profession, states have designed many other programs to recruit teachers. One of the main problems in recruitment has been distribution both within and across state borders.

~~Given the disparity in certification requirements between states, it is very difficult for teachers trained in states with an over supply of educators to move to states in desperate need of licensed teachers. States have begun to take actions to facilitate the movement of educators. For example, currently 40 states and the District of Columbia have signed the NASTEC Interstate Contract. The contract assists educators moving to another state by providing a means of recognition of their educational training assuming they have completed state approved teacher education programs or are state certified with adequate experience.~~

Also 33 states are now working with the Interstate New Teacher Assessment and Support Consortium, founded by Connecticut and California in 1997, to create performance based initial licensure standards. Although Connecticut is the only state that currently administers performance assessments for teacher licensure, more states are moving in that direction. Another means of providing reciprocity has been through National Board for Professional Standards certification. Numerous states have passed legislation providing license portability and renewal for National Board certified educators.

State legislatures have attempted to make it easier for out of state teachers to get into the classroom immediately. Missouri passed a bill creating a provisional teaching certificate for out of state teachers. California enacted the Credentialed Out-of-State Teacher Recruitment and Retention Act of 1997, authorizing a school district to employ any teacher holding an elementary, secondary or special education credential for a state other than California.

Problems still exist in moving teachers to hard to staff areas even within states. As discussed earlier, disparities in funding and working conditions creating a situation where the most qualified and senior educators flock to the same district. States and districts not only have tried salary supplements, but work to create a scholarship programs for applicants willing to teach for a number of years in these districts. For example, in 1998, Mississippi established the critical needs teacher scholarship program. Although the bill was not enacted, Maryland considered legislation that would create a teacher education scholarship program to students who pledge to teach in a public school in any county with an overall teacher retention rate of ten percent or less.

States have not only targeted difficult to staff districts, but new pockets of potential new and old teachers. Missouri was one of a handful of states that considered legislation that would allow retired educators to work in schools part-time in various capacities without suspending retirement benefits.

Other legislation has targeted mid-career professionals and paraprofessionals already working in classrooms. While alternative routes to certification help these and other potential educators into the classroom, other state programs are designed to create programs specifically for these populations. California passed two statutes establishing the California School Paraprofessional Teacher Training Program. The program enables 600 paraprofessionals from 24 districts to participate in the program. Florida authorized school districts to adopt programs for the career development of paraeducators in 1998.

Although scholarships have been the means most employed by states to attract potential educators into the profession, some states have designed more comprehensive recruitment programs. The North Carolina Teaching Fellows program was enacted by the legislature in 1986. To date, 4800 scholarships of \$20,000 have been awarded to high school seniors to participate in one of 14 university training programs. Recipients must participate in summer and academic year activities and maintain a 2.5 grade point average. The program is cohort based with only a limited amount of recipients able to participate on each campus. Those recipients not entering the profession must pay back the scholarship plus a 10 percent penalty.

For more information on teacher recruitment, contact Eric Hirsch @ (303) 830-2200 x 177

Additional information on the web:

[Recruiting New Teachers](#)

[Education Week](#)

[National Commission on Teaching and America's Future](#)

[North Carolina Teaching Fellows Program](#)

[South Carolina Teacher Teaching Fellows Program](#)



[Education Home Page](#)

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Any teacher who is employed full-time by a public school, private school or federal, state, county or municipal educational agency and is a state-certified classroom teacher or administrator in grades K-12 is eligible to apply for HUD's Teacher Next Door (TND) initiative.



Teachers can purchase HUD homes at 50 percent off of the list price in HUD-designated revitalization neighborhoods. These are neighborhoods receiving targeted public and private sector assistance that offer significant opportunities for local economic growth. To make properties even more affordable, HUD will reduce the down payment to just \$100 if a teacher purchases a new home with an FHA-insured mortgage.

Homes must be located in the school district in which the teacher is employed. Homes offered for sale were previously insured through HUD's Federal Housing Administration (FHA) and then foreclosed on.

Teachers must live in their new home as their sole residence for at least three years after its purchase.

Teachers may purchase their home directly from HUD or use a real estate broker to arrange the sale. If a broker is used, the teacher's discount will be reduced by any broker or agent commission.

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HEADLINE: Intel Joins Effort to Help Santa Clara, Calif., Teachers Buy Homes

BYLINE: By Lori Aratani

BODY:

At a time when housing prices have climbed out of the reach of many who teach in Silicon Valley's classrooms, high-tech giant Intel is teaming up with the Santa Clara Unified School District to make it easier for teachers to buy homes.

The plan, set to be unveiled at the district office this morning, will allow ~~Santa Clara to assist teachers seeking to buy their first homes by giving them \$500 a month for five years to put toward mortgage payments. It is believed to be the first time a high-tech company has joined forces with a school district in such a venture.~~

"This is a solution to a real problem many districts in this area are facing," said Steve Nachtsheim, vice president for Intel Capital. "Our goal is to help improve the quality of life for teachers."

~~Districts across California are finding it increasingly difficult to attract qualified teachers and the high cost of living in Silicon Valley is making it even harder for local districts to retain those they can hire. This year 24 teachers -- almost equal to the staffing of one elementary school -- left Santa Clara, citing cost of living issues. That's three times the number who last year left the 840-teacher district for the same reason.~~

The 13,600-student district has been at the forefront of those looking for ways to retain good teachers. It was the first district in the Bay Area to announce it would build apartments for teachers.

~~While the district's apartment plan has drawn much attention, district officials quickly realized it wasn't enough. That's when they began considering the idea of offering educators help with buying a home.~~

"I'm very excited about it," said Celia Biggs, who teaches math and reading at Buchser Middle School.

"I have a master's degree and numerous years of education, yet I still can't afford to buy a place," said Biggs, who has taught for seven years. "Although I like the area, I can only afford to stay for so long."

Roger Barnes, the district's director of education partnerships, said the district approached several high-tech companies for financial assistance. Intel stepped forward.

"They jumped on board, because like many high-tech companies in the valley, they're concerned about the quality of education," he said.

The idea behind the program is to help teachers with their down payments until they reach a point where they are making enough money to be able to afford the payments on their own.

Under the plan, Intel will buy a \$10 million bond from the school district for five years at a low interest rate. Santa Clara will invest the money it receives from the sale of that bond and use the interest to provide support for teachers. Barnes said the district expects to create a pool of about \$250,000 per year to share equity with 10 to 15 teachers.

First-year teachers would be eligible, but unlikely to qualify for the program because they don't make enough money, Barnes said. The most likely candidates are educators who have four or more years of experience and are earning between \$45,000 and \$50,000. By taking part in the district program, Barnes said, teachers could buy a house worth anywhere from \$65,000 to \$70,000 more than they might otherwise be able to afford.

The program will be managed by a non-profit foundation and teachers who participate would have to qualify for a loan on their own and find a house within a set amount of time. There are income limits on the program so that it benefits those most in need.

Educators who take part in the program would take out a second mortgage or refinance after five years to reimburse the district for its share of their equity. That money would then go back into the pool to be invested in other teachers' homes.

The district also will repay Intel after five years.

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# News Release

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## HOW THE INTEL TEACHER HOUSING FUND WORKS

**1**

Intel purchases a \$10 million bond from Santa Clara Unified School District (SCUSD). SCUSD invests this money in an AA-rated investment. The District pays interest to Intel at a rate of 4% and repays the principal amount of the bond to Intel in five years.

In the meantime, the school district will earn at least 6% interest on the \$10 million investment. SCUSD will use the "float," the difference between the 4% interest paid to Intel and the 6% or more interest earned on the money, to create a fund to help teachers purchase a house.

**2**

Eligible teachers employed by SCUSD will locate a house or condominium and go through the normal purchase and financing processes with participating lenders.

The teacher will have to qualify for the down payment amount and interest rate based on his or her own credit, but SCUSD will contribute \$500 per month towards the monthly mortgage payment, allowing the teacher buyer to qualify for a higher loan amount.

Example: A home buyer with an annual household income of \$74,000 could qualify for a \$267,000 mortgage. With the availability of an additional \$500 payment per month on the mortgage, the buyer could qualify for a \$338,000 mortgage. In May, 229 homes were sold in Santa Clara County at prices of \$350,000 or less.

**3**

The \$500 per month contribution to the mortgage payment from the District is structured as an equity partnership. As an equity investment by the District, the teacher will not be taxed for additional income, but will be able to deduct the full amount of mortgage interest on income tax returns.

At the end of five years, the District will have contributed \$30,000 to the equity of the teacher's home, and that \$30,000 will be repaid by the teacher, along with any appreciation. Appreciation will be calculated by comparing the median price of homes in the area at the time the Intel Teacher Housing Fund mortgage payment was started for this teacher with the median price of homes at the end of the loan. That increase (or, potentially, decrease) will be compounded monthly to calculate the amount of the District's equity investment. For example, if the median home price has increased 10% over 5 years (or 2% per year), the teacher would repay the District \$31,524. A 10% decrease in median home prices would mean the District would only be repaid \$28,571.

**4**

After five years, the teacher's salary should have increased enough to be able to afford the mortgage payment without the \$500 per month assist from the District. The teacher could buy out the District's equity in the home in a number of ways: through savings, taking out a second mortgage, or refinancing the house (assuming the house has appreciated).

## FREQUENTLY ASKED QUESTIONS INTEL TEACHER HOUSING FUND

**Q1: How many teachers can the Intel Teacher Housing Fund help each year?**

A1: It is expected that the Fund will assist 10 to 15 teachers per year purchase their first home. Over the five years, that means at least 50 to 75 teachers would have the opportunity to buy their own home. Intel will examine the possibility of expanding the program after it is launched this year with Santa Clara Unified School District.

**Q2: How will teachers be selected?**

A2: Teachers must be working for Santa Clara Unified School District and tenured (which means they are in their third year or more with the District). They must be able to qualify for a mortgage with a good credit rating, and be ready to select a home and finalize the transaction within 60-90 days. If more qualified teachers apply than can be assisted, individuals will be selected through a lottery.

**Q3: Are there any limitations on where the home can be located?**

A3: The home must be located within the Santa Clara, Alameda, San Mateo or Santa Cruz counties. It is expected that most of the teachers will select homes located in the cities where SCUSD has schools – Santa Clara, San Jose and Sunnyvale.

**Q4: Are there any limitations on the maximum amount of household income?**

A4: Yes, there will be a limitation that is expected to be about \$135,000 household income or 140% of the median household income for the County.

**Q5: Must this be the teacher's first purchase of a home?**

A5: Yes.

**Q6: Does the teacher have to live in the home?**

A6: Yes. If the teacher sells the home or rents it, the equity must be paid back to SCUSD immediately.

**Q7: How does this program work with first-time homebuyer programs such as the one offered by the City of Santa Clara?**

A7: First-time homebuyer programs have more restrictions for qualifications including a maximum household income and a maximum purchase price of the home. Teachers are able to combine the Intel Teacher Housing Fund with any other housing assistance program they can arrange.

**Q8: Can a married couple of teachers each receive \$500 per month towards a home purchase?**

**A8:** No. The limit is \$500 per month to one home.

**Q9: Does the \$500 payment go to the teacher or the mortgage lender?**

**A9:** The \$500 contribution from the Intel Teacher Housing Fund is paid by a trust account directly to the mortgage lender each month.

**Q10: Wouldn't it be easier to give money directly to the teachers?**

**A10:** Any money received directly by a teacher would be taxable income, which would decrease the actual amount the teacher would realize. A \$500 payment, for example, would be whittled down to about \$350 available for the teacher to use towards housing.

Additionally, direct payments would deplete the fund quickly. This program is ingenious because the District shares in the equity of the property so that the fund available for housing assistance maintains (or grows if housing continues to appreciate) at a consistent level, allowing more teachers to be financially assisted.

**Q11: What happens if the teacher no longer teaches for SCUSD?**

**A11:** If the teacher leaves the District for any reason, the equity must be paid back to SCUSD immediately

**Q12: What happens if the borrower cannot repay SCUSD at the end of five years?**

**A12:** Should this situation arise, it will be evaluated on a case-by-case basis.

**Q13: What are the risks of equity sharing?**

**A13:** Equity sharing relies on property values maintaining or appreciating. If the value of a home decreases, then the District would be reimbursed by the teacher less than it has contributed towards the purchase of the home. At the same time, if the value of a home decreases, the teacher could have more difficulty in arranging for a loan to pay off the District at the end of the five-year term.

**Q14: Why is this program piloted with Santa Clara Unified School District?**

**A14:** Intel Corporation works closely with many school districts in the South Bay in its effort to support and improve education. The program with Santa Clara Unified School District is a pilot of an effort that Intel hopes to make available to other school districts who are experiencing difficulty in retaining talented teachers.

**Q15: Why limit the program only to teachers?**

**A15:** Intel is committed to supporting the quality of education in the communities where it is located because education so strongly impacts the future workforce and the economic vitality of the region. There are always many opportunities to put corporate donations to good use in the community and it is always difficult to choose. This program offers a direct solution to a specific problem.

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## News Release

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### **INTEL, SANTA CLARA UNIFIED SCHOOL DISTRICT ANNOUNCE PILOT PROGRAM TO RETAIN TEACHERS**

#### **Fund Aimed at Helping K-12 Teachers Purchase Homes**

SANTA CLARA, Calif., June 19, 2000 – Intel Corporation today announced the launch of a new community program that will help public school teachers buy a home of their own in the nation's most expensive housing market.

Using the \$1.25 million Intel Teacher Housing Fund, Santa Clara Unified School District will pay \$500 a month towards each eligible teacher's mortgage payment for up to five years and share in each home's appreciation (or depreciation) as an equity investor. At the end of five years, or sooner if the teacher leaves the district, the home owner repays the District and the funds are re-used to help another teacher buy his or her first home.

The goal is to retain talented teachers in Silicon Valley, many of whom are tempted to relocate to other areas of the state and country where housing costs are more reasonable for a teacher's salary.

The money for the Intel Teacher Housing Fund is generated through an innovative financial transaction that begins with Intel's purchase of a \$10 million bond from the school

-- more --

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district. Intel has agreed to receive below-market interest on the bond. The difference between the below-market rate and the rate the district can earn on the money becomes the Intel Teacher Housing Fund. Over the five-year term of the bond, Intel will have contributed \$1.25 million to the fund.

"Quality education begins with bright, experienced teachers," said Steve Nachtsheim, corporate vice president, Intel. "We expect a lot from our school teachers in preparing today's youngsters to be tomorrow's workforce. Intel is committed to quality education and is pleased to be able to help teachers stay in our community and enjoy the benefits of home ownership."

The pilot program, if successful, may be replicated with other school districts in Silicon Valley facing similar difficulties in retaining top-notch teachers.

"We were looking for a way Intel could support education with a program that has tangible benefits, creatively uses the company's investment, and is self-sustaining over the long term," said Nachtsheim. "At the same time, the District wanted to create an incentive to keep teachers but needed to be cautious with public funds. The idea behind the Intel Teacher Housing Fund meets these needs."

"We have an attractive package for recruiting new teachers, but once they have two or three years of experience and are ready to 'drop anchor' in the community and buy a house, there is nothing they can afford," said Paul Perotti, superintendent of the Santa Clara Unified School District.

### **How the Program Works**

To be eligible for mortgage assistance from the Intel Teacher Housing Fund, teachers must be tenured in the Santa Clara Unified School District and able to qualify for loans on the merit of their personal credit rating. If more qualified teachers apply than can be assisted, a lottery will determine the first year's homebuyers.

If the teacher leaves the district or moves from the home, the District must be immediately reimbursed for the amount invested in mortgage payments, plus or minus any appreciation or depreciation on the value of the home.

Mortgage lenders typically presume that a borrower can afford a mortgage payment equal to about one-third of his or her monthly income. A \$500 monthly contribution to the mortgage payment by the District, in effect, allows the teacher to qualify for a home as if his or her salary were \$1,500 per month higher than it is.

Intel/Page 3

"This means that one of our teachers with a household income of \$74,000 per year could qualify for a \$338,000 mortgage with the assistance of the Intel Teacher Housing Fund," Perotti said. "Otherwise, the teacher would only be able to qualify for a \$267,000 mortgage and there just aren't many properties at this price available any more in Silicon Valley." In May, 229 homes in Santa Clara County sold at prices of \$350,000 or less.

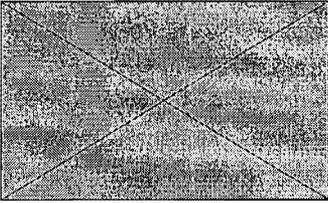
With standard annual pay increases, the teacher's salary will have increased enough at the end of five years to be able to afford the mortgage payments without outside assistance, Perotti explained. "This program stabilizes the home purchase price. Otherwise, with the rapid rise of real estate prices in this area, homes become less and less affordable to teachers every day," he said.

### **Other Affordable Housing Options**

"Once again, Intel is leading the way in innovative solutions to our region's most pressing problems," said Carl Guardino, CEO of the Silicon Valley Manufacturing Group. "I hope the Intel Teacher Housing Fund is only 'Version 1.0' and that other companies will also step forward with similar out-of-the-box proposals."

The Intel Teacher Housing Fund is one of several efforts being made by Intel and the Santa Clara Unified School District to offer affordable housing options to local teachers. Intel was one of the first corporations to invest \$1 million in the Housing Trust which will help teachers and other moderate-income individuals and families buy homes in the Valley. The District is also building apartments that will be rented at below-market rates to new teachers.

Intel, the world's largest chip maker, is also a leading manufacturer of computer, networking and communications products. Additional information about Intel is available at [www.intel.com/pressroom](http://www.intel.com/pressroom).



## CITY OF SAN JOSÉ, CALIFORNIA

City of San Jose, Department of Housing  
P.O. Box 1837  
San Jose, CA 95109-1837  
408.277.4747; Fax:408. 277.3197

DEPARTMENT OF HOUSING

April 2000

Dear San Jose Public School Teacher:

Thank you for your interest in the Teacher Home Buyer Program for San Jose public school teachers. This program is designed for credentialed and emergency credentialed full time teachers who teach grades K through 12 in San Jose. I am enclosing the following information for your convenience:

- Program Information Brochure
- Teacher Homebuyer Program Questions and Answers
- Instructions for completing the application
- Program Application
- List of Lenders

The City will provide a deferred payment loan of up to \$40,000 to assist in purchase of a home in San Jose. You finance the rest of the purchase price from a private lender and other sources. If you pay 0% down, the maximum purchase price is \$292,700. You may purchase a home that sells for more than this amount if you provide additional funds toward the down payment.

Please complete the enclosed application form and be sure to include all required documents (see attached list).  
Mail your application packet to:

**Department of Housing**  
**City of San Jose**  
**P.O. Box 1837**  
**San Jose, California 95109-1837**

We will be happy to assist you in any way possible. If you have questions concerning the program or need assistance in completing the application, please call Mark Brogan at 408-277-8486 ([mark.brogan@ci.sj.ca.us](mailto:mark.brogan@ci.sj.ca.us)) or Tom Cook at 408-277-2266 ([tom.cook@ci.sj.ca.us](mailto:tom.cook@ci.sj.ca.us)).

Enclosures

## **City of San Jose Teacher Homebuyer Program Application Completion Instructions**

The application package consists of a completed and signed Teacher Homebuyer Program Application and the following attachments. The application must be filled out completely by you and any co-borrower.

### **REQUIRED ATTACHMENTS TO YOUR APPLICATION FORM**

A copy of your teaching credential(s).

- > The most recent Federal Income Tax Returns for both you, any co-borrowers and anyone in your household over 18 years of age (if they filed separate income tax returns). Please include supporting schedules.
- > W-2 statements, 1099s and any supporting schedules attached to these returns for you, your co-borrower's and any other household members who are 18 years of age or older.
- ▷ Your last three paycheck stubs with year-to-date income and other current income statements (e.g., interest, dividends, pension and soc security payments) for each household member who is age 18 years or older.
- ▷ A letter from your school district indicating that you are employed full-time as a public school teacher (grades K-12) at a school that either located within the City of San Jose municipal boundaries or a public school where the majority of students served are San Jose residents.

# APPLICATION FORM

Borrower's Name (Print) \_\_\_\_\_

Co-Borrower's Name (Print) \_\_\_\_\_

Current Address: \_\_\_\_\_

Address of Home You Propose to Buy: \_\_\_\_\_

Amount of City of San Jose Teacher Homebuyer Program loan requested \_\_\_\_\_

Phone: Home \_\_\_\_\_

Work \_\_\_\_\_

E-mail Address \_\_\_\_\_

Which teaching credential(s) do you hold? \_\_\_\_\_

Name and Address of the school where you teach \_\_\_\_\_

Are you employed full time as a credentialed or emergency credentialed public school teacher (grades K-12) at a school that is located within the City of San Jose municipal boundaries or other public school where the majority of students served are San Jose residents? Yes \_\_\_\_\_ No \_\_\_\_\_

What is the number of persons in your household? \_\_\_\_\_

What is your Annual Household Income (include all parties age 18 years or older)? \_\_\_\_\_

**The undersigned specifically acknowledge(s) and agrees that:**

- 1) The property will not be used for any illegal or prohibited use;
- 2) The property will be occupied by applicant(s) solely as a private residence;
- 3) All statements made in this application are made for the purposes of obtaining the loan indicated herein;
- 4) Verification of any information contained in the application may be made at any time by the City;
- 5) The City will rely on the information contained in the application;
- 6) I/we have a continuing obligation to amend and/or supplement the information provided in this application if any of the material fact which I/we have represented herein should change prior to closing;
- 7) My/our gross annual household income does not exceed 120% of median income, adjusted for household size;
- 8) I/We do not currently own a home as my/our principal residence.
- 9) I/we hold a current teaching credential that is eligible under the Program and is/are employed full-time as a public school teacher (grades K-12) at a school that is located within the City of San Jose municipal boundaries or at another public school where the majority of students served are San Jose residents.
- 10) I/We further understand that certain restrictions concerning occupancy and resale will be recorded against the property.

I/We certify that the information provided in this application is true and correct as of the date set forth opposite my/our signature(s) on this application.

\_\_\_\_\_  
Borrower's Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Co-Borrower's Signature

\_\_\_\_\_  
Date

## Teacher Homebuyer Program Questions and Answers

April 13, 2000

**HOUSING PROGRAM STAFF:** Mark Brogan -408.277.8486 (e-mail: Mark.Brogan@ci.sj.ca.us) or Tom Cook-408.277.2266 (e-mail: Tom.Cook@ci.sj.ca.us)

### WHAT THE CITY PROGRAM OFFERS

Deferred payment loan assistance for up to a maximum of \$40,000.  
A private lender can finance the remainder of the purchase price.

### BORROWER ELIGIBILITY QUESTIONS

#### Who qualifies for the program?

A classroom teacher who:

-Is employed full-time at a public, K-12 school that is either located within the City of San Jose municipal boundaries or other schools where the majority of students served are San Jose residents. Contact the Housing Department for a current list of eligible schools).

-Holds one of the following California teaching credentials:

Emergency Credential, Intern Credential, Preliminary, Permanent, Life or Professional Cleared Credential in one of the following categories:

Single Services	Severely Handicapped
Multiple Subject	Learning Handicapped
Clinical Rehabilitative Services	Standard Elementary
Physically Handicapped	General Elementary
Education Specialist (e.g. Deaf, Visually Impaired)	Standard Secondary
	General Secondary

-Whose household's gross income does not exceed these limits:

Household Size	Maximum Qualifying Income
1	\$ 73,100
2	\$ 83,500
3	\$ 93,950
4	\$104,400

The teacher, other household member(s), and any other co-borrowers must all have credit histories acceptable to the mortgage lender.

**Is the Program open to other professionals who may hold a teaching credential but are not classroom teachers e.g. school nurses, counselors?**

No

## **ELIGIBILITY OF PROPOSED HOME**

**Where does the home I buy have to be located?**

It must be located within the City of San Jose municipal boundaries.

**What type of home can I buy?**

Single family detached homes, town homes, condominiums and half-plex. Manufactured homes are acceptable but must meet specific mortgage insurance guidelines.

**What is the maximum allowable home purchase price?**

Currently \$292,700, if you make no down payment (pay for closing costs only). Purchase price can be higher if you provide additional funds toward the down payment and income qualify with the private lender.

Home Purchase Price	\$292,700
City Loan (deferred payment)	\$ 40,000
Private Lender (market rate loan)	\$252,700
<b>Your Down Payment</b>	<b>\$ 0</b>

## **FINANCIAL TERMS**

**How much of my own money will be needed to buy the home?**

To close, you will need funds of up to 3% of the purchase price. You may of course make an additional down payment, to reduce your monthly payments and/or increase the amount of home that you can afford. It is acceptable for the seller to pay closing costs, if the seller is willing to do so.

**How large of a City loan can I qualify for?**

The maximum City loan amount is \$40,000. The Housing Department may approve a lower amount, based upon its analysis of the gap between the home's purchase price and the

funding that can be obtained from non-City funds. The Housing Department looks at the teacher household income and assets, the size and terms of the non-City loan(s), and whether other homebuyer assistance programs are being used.

**To help buy my home, may I combine the City's Program with other assistance?**

Yes. The Housing Department or your lender is available to discuss other options with you.

**What are the City loan repayment terms?**

The City loan is at zero per cent and is not due and payable until transfer of title to the home or in 30 years.

**What happens when I want to resell the home?**

You must first notify the Housing Department. You have two resale choices.

If you resell the home to someone who is also eligible for the Program the resale price is restricted. You repay the City the outstanding loan balance only. The buyer cannot assume the City loan. Or you can resell at market price to someone who is **not** eligible for the program, **provided** you repay the outstanding loan amount **and** make an "equity share" payment to the City.

If you want to prepay the City loan and not resell, you must pay the equity share.

**How does the equity share provision work?**

You pay the City's proportionate share of the difference between the original purchase price and the resale price (less City approved selling costs and improvements). Here is an example:

Possible resale price	\$300,000
Original sales price	<u>240,000</u>
Accrued equity	60,000
Less reasonable capital improvements approved by City	2,000
Less reselling costs	<u>21,000</u>
Equity subject to sharing	37,000
City's share (16.67% of original purchase price--\$40,000 loan)	6,168
Teacher-Homebuyer share (83.33% of purchase price)	30,832

**I will need to borrow \$252,700 from a private lender to buy my home. What is the estimated monthly payment?**

An estimated \$1898, assuming a 30 year loan at 8.25% interest (approximate April 2000 rate). The interest rate and monthly payment will vary, depending upon money market conditions and your credit. Please remember that the private lender will add property taxes, homeowners' association dues, and insurance to this figure and look at your other debt in order to determine how large a loan you can qualify for.

### **Can I refinance the non-City loan(s)?**

Yes, if the Housing Department gives advance approval. The amount refinanced cannot exceed the outstanding amount of such loan(s) plus loan costs.

## **PROCEDURAL QUESTIONS**

### **What lender can I use?**

A lender that has participated in a Teacher Homebuyer Program training session and has been approved by the Housing Department. Contact the Housing Department for a list of these lenders.

### **I want to make an offer on a home. How rapidly can I receive the City funds to pay for the home?**

City loan approval normally will be five working days; funding can occur within 15 days, subject to your meeting our standard loan conditions and our receiving the loan commitment and a complete loan package from your first mortgage lender. Be sure to note the "pending approval of financing" in any offer that you may make, to protect you from loss of a deposit on an offer.

### **I already own a home. Can the program help me buy another home?**

No, if you are currently living in it as your principal residence. The City no longer requires that you not have owned a home as a principal residence within three years of City loan closing.

### **If I am no longer teaching at a San Jose public school during the City loan term, do I have to repay the loan?**

No. The City loan only is due and payable in 30 years or upon transfer of title to the home.

### **The program sounds great! What are the next steps?**

- Contact a lender from the Housing Department approved list.
- Work with the real estate agent of your choice to assist you in the search for your new home.

Teacher Homebuyer Program

Questions and Answers

April 13, 2000

Page

- Sign up and complete the required free first-time homebuyer education class. Contact either Consumer Credit Counseling Service (408-988-7881) or your real estate agent or mortgage lender for your free seminar. Be prepared to provide the City and your lender a copy of your certificate of completion.
- Get final loan approvals from your lender and the Housing Department.
- Sign the loan documents.
- Move in and enjoy your new home.

## *How Well the Teacher Next Door Program is Working*

In short, it hasn't been working. Since the program started in March 2000, there have only been 200 sales to teachers. This is for a wide variety of reasons. One of the problems is that there are limited homes available:

- 1) Of the 38,000 HUD homes currently available, only 10% are in the designated revitalization areas. Currently, there are only 670 of these areas across the country and 20 states do not have any (the document after this is a list of all the areas).
- 2) Of the approximately 3,800 HUD homes in revitalization areas, only 1,500 are currently listed as eligible houses for purchase. The other homes have title problems that prevent them from being offered.
- 3) These 1,500 homes are used as part of both the Teacher Next Door Program and the Officer Next Door program (policemen can buy homes at 50% discount). There are 4 million school teachers and 1 million officers.

The limited number of homes in general and the fact that teachers in 20 states cannot participate in the program are parts of the problem but they are not the key part. Even though there are 1,500 homes available for teachers and officers, teachers have so far only purchased 200. This is for a lot of different reasons:

- 1) The rules for purchasing a home is restrictive. To buy a HUD home, prospective homeowners bid on it and the house goes to the highest bidder. Even in the revitalization areas, private citizens can bid on the home. As there are no income limits, these people often have higher salaries than the teachers. Furthermore officers can bid on the homes as well. All this means that teachers often lose out.
- 2) The even bigger problem is that many teachers are not interested in a HUD home. For one thing, they are generally less attractive than a regular home. Furthermore, teachers rightfully have a sense of status and probably do not like the notion of subsidized housing.
- 3) Another problem relates to high-cost housing areas. As you know, HUD homes are ones that have been foreclosed on by FHA. According to Art Agnos (CA Director of HUD), FHA is too good a deal to pass up in high-cost areas so very few homes are available for teachers in these areas. Because of this, Agnos has for high-cost areas in CA encouraged school boards to build affordable housing as a way to maintain their teacher base. He has also supported them by backing their loan with FHA mortgage insurance. This could probably easily be done in other high-cost areas as well and could be the basis for a small program.

Despite all these problems, the program has received a tremendous amount of interest. Dennis White, a program specialist for the Teacher Next Door, says he receives hundreds of emails or voice calls a day from teachers about the program. There is definitely hope that if the program were reformed or expanded, it could have a great impact. As to whether or not HUD leaders have any interest in trying to change the program, I was fortunate to have talked to White. Because he's leaving HUD in a few weeks, I was able to find out some interesting things. He told me that he has repeatedly come up against a wall when trying to change the program and that he feels that HUD leaders have no interest in improving the program. He says there's a lot of frustration among the program's workers as to HUD leaders handling of the program. According to White, HUD built up teachers' expectations but never carried through.

LEVEL 1 - 1 OF 25 STORIES

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<=1> View Related Topics

July 16, 2000 Sunday, CHICAGOLAND FINAL EDITION

SECTION: Education Today; Pg. 5; ZONE: C

LENGTH: 420 words

HEADLINE: CHIPPING AWAY AT HOUSING COSTS

BYLINE: Reuters.

DATELINE: SANTA CLARA, Calif.

BODY:

Silicon Valley may be a magnet for the brightest minds from around the world, but its staggeringly high real estate prices are driving away some of the people it needs most: teachers.

Intel Corp. and the Santa Clara Unified School District recently unveiled a mortgage assistance fund aimed at helping the nation's high-tech heartland attract and retain teachers by making it easier for them to buy homes.

"We expect a lot from our schoolteachers in preparing today's youngsters to be tomorrow's workforce," Steve Nachtsheim, vice president of Intel Capital, the giant chip maker's investment arm, said in a statement.

"Intel is pleased to be able to help teachers stay in our community and enjoy the benefits of home ownership."

Those benefits have seemed increasingly out of reach for schoolteachers around the San Francisco Bay area, where the high-tech and stock market booms have created some of the most expensive real estate in the country.

The average teacher's salary in Santa Clara County is \$37,744, while the median home price in the county recently topped \$500,000--an almost insurmountable gap that is driving experienced teachers out of the region and stopping new teachers from moving in, officials say.

The Intel Teacher Housing Fund, believed to be the first of its kind in the country, is aimed at narrowing the gap. Under the program, the fund would pay \$500 a month toward each eligible teacher's mortgage for five years, effectively allowing them to qualify for a home as if their salaries were \$1,500 per month higher than they actually are.

Annual pay raises over five years are expected to bring teachers up to the level where they can carry the mortgage payments themselves, officials said.

District officials hope the \$1.25 million fund, which Intel is putting together by buying a \$10 million bond from the district at below-market interest, will prevent an outflow of teaching talent from the region's classrooms.

In Santa Clara County, 24 teachers who resigned this year cited the high cost of living--three times the number who left last year for the same reason.

"We have an attractive package for recruiting new teachers, but once they have two or three years of experience and are ready to 'drop anchor' in the community and buy a house, there is nothing they can afford," Supt. Paul Perth said.

Intel said the housing fund may be expanded to include other regional

school districts if the Santa Clara program is successful.

SPECIAL SECTION. Education Today.

LANGUAGE: ENGLISH

LOAD-DATE: July 16, 2000

LEVEL 1 - 6 OF 7 STORIES

Copyright 2000 The San Diego Union-Tribune  
The San Diego Union-Tribune

June 4, 2000, Sunday

SECTION: REAL ESTATE;Pg. H-12

LENGTH: 922 words

HEADLINE: San Francisco area teachers to receive subsidized housing

BYLINE: Diana Walsh; SAN FRANCISCO EXAMINER

BODY:

SAN FRANCISCO -- San Francisco's public school teachers will be the first in the nation to receive federally subsidized public housing, an idea embraced by local union leaders but opposed by some of the educators it's designed to benefit.

Long associated with those on the lower end of the economic spectrum, the housing will be offered to San Francisco teachers under a pioneering project known as the Teacher Housing Initiative.

"The housing market here is so difficult for people in an income range like teachers . . . it forces us to care about our community and education, and to recognize what the market doesn't: Teachers are an important part of the value of this city," said Art Agnos, West Coast representative for the U.S. Department of Housing and Urban Development. "This is not a radical idea in the field of housing, but it is for education."

Agnos announced the program at a regularly scheduled meeting of the San Francisco school board.

The project, which will include 43 one-, two- and three-bedroom rental units in the Sunset neighborhood, was two years in the making. HUD officials agreed to a 40-year loan guarantee after officials in the San Francisco Unified School District offered land near the site of a local school.

Agnos said the proposed units, to be completed in 18 months and awarded by lottery, will be top-of-the-line rentals, but will go for \$700 to \$1,100 a month, or one-third to one-half of market rates.

HUD officials currently are talking to other Bay Area localities about the possibility of expanding this kind of project to other areas.

"It's the department's intention to create a model working with these communities that could be applicable to other high-cost areas in California, but right now the focus is in the Bay Area," said Alex Sachs of the HUD San Diego office.

There is, however, a nationwide program that recently started, which allows teachers to purchase HUD-owned homes in designated revitalization areas at a 50 percent discount off the asking price. That program is open to teachers in San Diego County. The homes purchased must be located in the school district where the teacher is employed.

The houses offered for sale were previously insured through HUD's Federal Housing Administration and later taken over by the housing agency after being foreclosed on.

Bay Area shortages

While housing has become increasingly unaffordable for teachers, the problem is particularly acute in the Bay Area.

For years, teachers and school district officials have complained that the

escalating cost of housing in San Francisco, among the highest in the country, has made the task of recruiting and keeping teachers almost impossible.

Young teachers wanting to buy a home often find jobs in outlying areas, where the cost of living is more affordable.

"It's not just the issue of attracting new teachers, but also retaining the teachers we have . . . we are losing mid-career teachers," said Kent Mitchell, president of the teachers union. "People reach their fifth to 10th year and begin families, and look to see their options for purchasing a house and say, 'I'd rather go to the Central Valley' or where there is a chance for a more stable existence."

Mitchell said the proposed apartments are just part of a comprehensive school district housing plan, which he hopes will eventually include more rental units and opportunities for the district's 4,000 teachers to own their homes.

Although both private and public universities and colleges have offered subsidized housing to faculty for decades, some San Francisco teachers were angered by the plan.

"I'm profoundly disappointed. I think it's just reinforcement that, rather than pay teachers a competitive salary, we put them in a special class," said Mary Thomas, a first-year teacher at International Studies Academy, a high school.

Thomas, who has a graduate degree in education from Harvard, makes \$31,000 a year and spends \$700 a month for a two-bedroom apartment shared with two roommates. She sleeps in the dining room, which has been converted into a third bedroom.

"I'm very disappointed by subsidized housing for teachers as well as tax cuts (as proposed recently by Gov. Davis)," Thomas said. "It's telling me where I have to live. It's like a project."

#### Moonlighting

Kindergarten teacher Steven Herraiz moonlights as a bartender on weekends to pay the mortgage on the two-unit Potrero Hill home he bought with his sister. Now in his fifth year as a teacher at John Muir Elementary, he will spend the summer looking at nonteaching jobs before deciding whether to stay in the classroom.

Like Thomas, he would prefer to see the money spent on housing put toward salaries.

"We don't want breaks, we just want to be paid as much as other civil servants," said Herraiz.

Starting teachers with college degrees in San Francisco earn \$31,000 a year and work their way up to \$40,000 in five years. By comparison, police officers start at \$48,000 and after five years are taking home \$66,000 a year.

"You don't see police officers and firefighters having to get discounts on rental units to live in San Francisco," Herraiz said.

The school district, union leaders and HUD officials said the housing subsidies aren't being offered instead of salary.

"None of this is educational money. It's housing money," said Agnos. "The money we are going to use for this housing could not be used for books, supplies, building a school or teacher salaries."

LANGUAGE: ENGLISH

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**For More Information:**  
 NEA Communications: 202 822-7200

**FOR IMMEDIATE RELEASE**  
**March 13, 2000**

**Statement**

**Statement of Bob Chase  
 President, National Education  
 Association  
 On HUD's "Teacher Next Door"  
 Initiative**

**Washington, D.C.** - The Department of Housing and Urban Development today announced a program, the "Teacher Next Door" initiative, which will enable thousands of teachers to purchase HUD-owned homes for half price in economically distressed neighborhoods in the school districts where they work. The initiative will offer an estimated 8,000 to 10,000 single family houses, townhouses and condominiums for sale to teachers at 50 percent discounts every year in HUD-designated revitalization areas. In addition to the 50 percent discount on the price of a home, teachers buying homes with mortgages insured by the Federal Housing Administration can make the purchase with downpayments as low as \$100 under the initiatives. FHA can also insure mortgages that cover cost of rehabilitating homes in need of repair. More information about the program can be found on the HUD web side: [www.hud.gov/teacher](http://www.hud.gov/teacher) and [www.hud.gov/news/html](http://www.hud.gov/news/html). The site includes a list of communities.

**NEA President Bob Chase made the following comments at a news conference to announce the program:**

~~"I congratulate and commend Secretary Cuomo and the Clinton Administration for their efforts to support America's teachers."~~

"There is no question that we are facing a looming teacher shortage in this country. With retirements and the boom in our student population, we're going to need to hire more than 2 million teachers over the next ten years. The need is

especially great in high-poverty urban and rural districts, where more than 700,000 teachers will be needed in the next decade.

"At the same time, we need to do a better job of keeping the good teachers we already have in the profession. It's a sorry commentary that nationally, 20 percent of new teachers leave, within three years. It's even worse in urban areas, where 1 in 2 leave within their first five years in the classroom."

"There are many things we need to do to recruit and retain good teachers, because every child in America deserves a quality teacher in his or her classroom. One way is through more -- and better -- professional support, like mentoring for all new teachers. Another way, obviously, is to make sure teachers are paid as the professionals they are. And the National Education Association will continue to work hard for better salaries for all education employees.

"But we need to look at other incentives to encourage talented men and women to take on the enormously important job of educating our children. This new HUD program is an innovative way to help motivate talented individuals into the classroom. Too many of our teachers who rely solely on their own incomes cannot afford the American dream of owning a home. The Teacher Next Door program not only offers educators a chance to achieve that dream, but it helps build important ties between teachers and their communities.

"When teachers are a part of the community in which they work, stronger bonds are built between schools and families. Relationships and trust are developed, and in the end, teachers, students, and communities all win.

"Secretary Andrew Cuomo's Teacher Next Door initiative is smart, community-friendly government at its best. It says that HUD values our teachers in a special way and is ready to help them get a piece of the American dream. It's a program whose time has come, and I strongly encourage eligible teachers to apply. The National Education Association is proud to back this terrific initiative."

###

*The National Education Association is the nation's largest professional employee organization, representing more than 2.4 million elementary and secondary teachers, higher education faculty, education support personnel, school administrators, retired educators, and students preparing to become teachers.*

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**nea** | 1201 16TH STREET, NW  
WASHINGTON, DC 20036  
202.833.4000

To: JB  
From: Randy  
Re: Teacher Housing Initiatives

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Across the country there is a teacher shortage. At all levels of government different programs have been initiated in order to manage the problem. Of the different initiatives, the most exciting programs involve home ownership. The programs that facilitate home ownership for teachers are particularly compelling because they make it easier for teachers to live the Dream; despite the shortage of teachers it has become more and more difficult for teachers to live the Dream because of their low salaries.

### **HUD –Teacher Next Door Program**

The Teacher Next Door is an exciting new HUD initiative that will offer thousands of teachers highly discounted homeownership opportunities while also strengthening the communities where they work. The Teacher Next Door will offer an estimated 8,000 to 10,000 single-family houses, townhouses and condominiums for sale to teachers at 50 percent discounts every year in specially designated revitalization areas.

Secretary Cuomo said ““By making it more attractive for teachers to live and work in school districts where they're needed most, we can build better futures for children and neighborhoods in need. A good teacher can make a great neighbor -as a mentor, an inspiring role model, and as a living link between the classroom and the community.”

Any teacher who is employed full-time by a public school, private school or federal, state, county or municipal educational agency and is a state-certified classroom teacher or administrator in grades K-12 is eligible to apply for HUD's Teacher Next Door (TND) initiative.

Teachers can purchase HUD homes at 50 percent off of the list price in HUD-designated revitalization neighborhoods. These are neighborhoods receiving targeted public and private sector assistance that offer significant opportunities for local economic growth. To make properties even more affordable, HUD will reduce the down payment to just \$100 if a teacher purchases a new home with a FHA-insured mortgage.

Homes must be located in the school district in which the teacher is employed. Homes offered for sale were previously insured through HUD's Federal Housing Administration (FHA) and then foreclosed on.

Teachers must live in their new home as their sole residence for at least three years after its purchase. Teachers may purchase their home directly from HUD or use a real estate broker to arrange the sale. If a broker is used, the teacher's discount will be reduced by any broker or agent commission.

[www.hud.gov/tnd](http://www.hud.gov/tnd)

The Teacher Next Door Program is the only national program of its kind. Attached are some FAQ's and a listing of revitalization areas across the nation, organized by state and zip code. A statement from Bob Chase, president of the NEA is also attached.

### **Silicon Valley, California**

While the new economy has ushered in an era of unprecedented growth and prosperity it has also seen a dramatic rise in property values and made the cost of living in Silicon Valley astronomical. Incidentally, "the average teacher's salary in Santa Clara County is \$37, 744 while the median home price in the county recently topped \$500,000 –an almost insurmountable gap that is driving experienced teachers out of the region and stopping new teachers from moving in.<sup>1</sup>"

### *San Jose*

The City of San Jose is now offering a new and improved home buyer program to assist San Jose public school teachers in the purchase of a home in San Jose. This program was created specifically for San Jose school teachers. The City loan within this program now provides up to \$40,000 to assist in purchasing a single-family residence, town home, or condominium. Many of these program changes were a direct result of feedback from teachers concerning our initial home loan program. This updated program will significantly boost teacher-buying power.

Households can now earn up to 120% of current Santa Clara County Median-Income Limits. This allows a two-person household with a gross income of \$83,500 to qualify for funding assistance.

The City of San Jose Department of Housing will provide loan assistance, up to \$40,000. This loan is offered at 0% interest and not due and payable until transfer of title to the home or in 30 years.

The participating Mortgage Lender will finance the remainder of the purchase price.  
[www.sjhousing.org/thp/thp\\_index.htm](http://www.sjhousing.org/thp/thp_index.htm)

Attached are FAQ's about the program and the eligibility criteria.

### *Santa Clara Unified School District*

Santa Clara Unified and The Intel Corporation have partnered up to create the Intel Teacher Housing Fund. The Intel Teacher Housing Fund, believed to be the first of its kind in the country, is aimed at narrowing the gap. Under the program, the fund would pay \$500 a month toward each eligible teacher's mortgage for five years, effectively allowing them to qualify for a home as if their salaries were \$1,500 per month higher than they actually are.

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<sup>1</sup> Reuters, "Chipping away at housing costs" The Chicago Tribune: July 16, 2000.  
A copy of this article is also attached.

Annual pay raises over five years are expected to bring teachers up to the level where they can carry the mortgage payments themselves, officials said.

District officials hope the \$1.25 million fund, which Intel is putting together by buying a \$10 million bond from the district at below-market interest, will prevent an outflow of teaching talent from the region's classrooms.<sup>2</sup>

Attached are two Press releases by Santa Clara Unified and Intel regarding the program and FAQ's. Attached is also a story from the San Jose Mercury News that ran on the day Santa Clara Unified announced the partnership and a story from the .

### **Other Teacher Housing Initiatives**

In addition to these home ownership initiatives there are some rental programs for teachers out there. Incidentally, Santa Clara Home Ownership program grew out of a rental program, which was not nearly as comprehensive or attractive as the home ownership program. Nevertheless, Santa Clara Unified was essentially building apartment complexes within the district offering teachers substantial discounts on the rents. Similar programs are also happening in and around the rest of the Valley in places like San Francisco and San Jose.

In Aspen the superintendent runs a "program" where teachers can rent properties owned by the district. I hesitate to call this a program, as the people I spoke to in the office were scant to label it as such as it is very informal and not very well regulated. Apparently, there is no application process save knowing the superintendent and the superintendent knowing your particular situation.

In Baltimore, the school district offers \$5000 toward the closing costs on a home in the city and \$1200 to cover relocation expenses to new educators. This is an addition to a \$3000 starting salary increase to \$27,300.

### **Lessons Learned**

Educators like these kinds of programs. It communicates a message that they are valuable members of the community and that the community is grateful to them. Despite the somewhat arbitrary nature of the Aspen "system" the people at the district report an increase in morale. Ironically, we've found that some educators are against rental programs in the subsidized apartment complexes for various reasons but essentially because they create "teacher projects." In addition to the concern over the projects, some teachers have expressed a desire to want to be able to afford homes of their choice wherever they choose to live, not in subsidized housing. Furthermore, some would rather not live with other teachers, exclusively –as these complexes will end up being. They argue that the money that is being invested in the creation of said complexes would be better spent on increasing their salaries. At bottom, some of the money in question is allocated specifically for housing and can not be used to fund anything else.

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<sup>2</sup> Ibid.

**1. How much of a discount do I get on my home?**

HUD's Teacher Next Door discount is 50 percent off the sales price of the home. For example, if you bid successfully on a Teacher Next Door home listed at \$100,000, your sales price is \$50,000.

**2. Who is eligible for HUD's Teacher Next Door initiative?**

Any state-certified classroom teacher or administrator employed full-time by a public school, private school or federal, state, county or municipal educational agency is eligible to buy a Teacher Next Door home.

**3. Where are the Teacher Next Door homes located?**

In specially designated revitalization areas. The home must also be located in the school district where you work. There are over 600 revitalization areas across the country. Under HUD's Dollar Homes Initiative, teachers may have an opportunity to purchase HUD homes outside revitalization areas after an offering to local governments.

**4. Can I get a HUD/FHA loan for a Teacher Next Door home?**

Yes, if you qualify, HUD's Federal Housing Administration (FHA) offers low down payment loans. Your down payment can be as low as \$100 if you purchase your TND home with an FHA-insured mortgage. Call us at 1.800.217.6970 to learn more about these loans.

**5. Can HUD help me pay for improvements on my Teacher Next Door home if necessary?**

Yes, HUD has a loan program – 203(k) – designed especially to help homebuyers both purchase and rehabilitate a home. For more information about the 203(k) program and whether you qualify, ask a Teacher Next Door Specialist or call us at 1.800.217.6970.

**6. How long do I have to live in my Teacher Next Door home?**

Three years, as your sole residence.

**7. Do I have to use a realtor to buy a Teacher Next Door home?**

Most people use a realtor when buying a home, but you are not required to. You may buy your Teacher Next Door home directly from HUD or use a realtor to arrange the sale for you, but you must pay the realtor's fees.

**8. Can a teacher purchase a property at the 50% discount outside of the area where he/she is employed.**

No. The Teacher must purchase a home in the school district/jurisdiction in which they are employed.

For more information on HUD's Teacher Next Door Program, call 1.800.217.6970 or send us an e-mail at [teacher\\_next\\_door@hud.gov](mailto:teacher_next_door@hud.gov).

Content last modified: May 1, 2000

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# revitalization areas

Select a state to see information about your community

Alaska

City	Zip Code	City	Zip Code
<b>Alaska</b>		<b>North Carolina</b>	
ANCHORAGE	99501	ASHEVILLE	28801
ANCHORAGE	99503	FAYETTEVILLE	28301
ANCHORAGE	99504	<b>Nebraska</b>	
ANCHORAGE	99508	OMAHA	68102
ANCHORAGE	99517	OMAHA	68107
<b>Arkansas</b>		OMAHA	68111
JONESBORO	72402	OMAHA	68131
LITTLE ROCK	72201	<b>New Hampshire</b>	
LITTLE ROCK	72202	MANCHESTER	03103
LITTLE ROCK	72204	NASHUA	03060
LITTLE ROCK	72206	<b>New Jersey</b>	
LITTLE ROCK	72209	ASBURY PARK	07712
WEST MEMPHIS	72301	ATLANTIC CITY	08401
<b>Arizona</b>		BRIDGETON	08302
MESA	85201	CAMDEN	08102
PHOENIX	85003	CAMDEN	08103
PHOENIX	85004	CAMDEN	08104
PHOENIX	85006	CAMDEN	08105
PHOENIX	85007	EAST ORANGE	07017
PHOENIX	85009	EAST ORANGE	07018
PHOENIX	85012	IRVINGTON	07111
PHOENIX	85014	JERSEY CITY	07304
PHOENIX	85017	JERSEY CITY	07305
PHOENIX	85019	JERSEY CITY	07306
PHOENIX	85020	MILLVILLE	08332
PHOENIX	85034	NEWARK	07104
PHOENIX	85040	NEWARK	07106
TUCSON	85701	NEWARK	07108
TUCSON	85705	NEWARK	07112
TUCSON	85706	PATERSON	07501
TUCSON	85713	PATERSON	07522
TUCSON	85714	PLAINFIELD	07060
TUCSON	85745	PLAINFIELD	07062
<b>California</b>		PLEASANTVILLE	08232
BAKERSFIELD	93301	TRENTON	08607
BAKERSFIELD	93305	TRENTON	08610
BAKERSFIELD	93307	TRENTON	08629
BLOOMINGTON	92316	TRENTON	08648
BRAWLEY	92227	VINELAND	08360
CATHEDRAL CITY	92234	WILLINGBORO	08046
COLTON	92324	<b>Nevada</b>	
COMPTON	90220	HENDERSON	89015
COMPTON	90221	LAS VEGAS	89101
COMPTON	90222	LAS VEGAS	89102
ESCONDIDO	92025	LAS VEGAS	89104
ESCONDIDO	92026	LAS VEGAS	89106
ESCONDIDO	92027	LAS VEGAS	89110
FONTANA	92335	LAS VEGAS	89115
FRESNO	93650	NORTH LAS VEGAS	89030

FRESNO	93701	<b>New York</b>	
FRESNO	93702	ALBANY	12202
FRESNO	93703	ALBANY	12203
FRESNO	93706	ALBANY	12204
FRESNO	93710	ALBANY	12206
FRESNO	93721	ALBANY	12207
FRESNO	93727	ALBANY	12208
FRESNO	93728	ALBANY	12209
HIGHLAND	92346	ALBANY	12210
LONG BEACH	90806	AMSTERDAM	12010
LONG BEACH	90813	AUBURN/OWASCO	13021
LOS ANGELES	90001	BAY SHORE	11706
LOS ANGELES	90002	BINGHAMTON	13905
LOS ANGELES	90003	BRENTWOOD	11717
LOS ANGELES	90011	BRONX	10451
LOS ANGELES	90016	BRONX	10452
LOS ANGELES	90037	BRONX	10453
LOS ANGELES	90043	BRONX	10454
LOS ANGELES	90044	BRONX	10455
LOS ANGELES	90059	BRONX	10456
LOS ANGELES	90061	BRONX	10457
LOS ANGELES	90062	BRONX	10459
MODESTO	95350	BRONX	10460
MODESTO	95351	BRONX	10468
MODESTO	95354	BRONX	10472
MODESTO	95358	BRONX	10473
NATIONAL CITY	91950	BRONX	10474
OAKLAND	94601	BROOKLYN	11205
OAKLAND	94603	BROOKLYN	11206
OAKLAND	94607	BROOKLYN	11207
OAKLAND	94621	BROOKLYN	11208
OCEANSIDE	92054	BROOKLYN	11210
OCEANSIDE	92057	BROOKLYN	11212
ONTARIO	91762	BROOKLYN	11213
ONTARIO	91764	BROOKLYN	11216
PACOIMA	91331	BROOKLYN	11217
PANORAMA CITY	91402	BROOKLYN	11220
PERRIS	92570	BROOKLYN	11221
PITTSBURG	94565	BROOKLYN	11224
POMONA	91767	BROOKLYN	11231
POMONA	91768	BROOKLYN	11233
RANCHO CORDOVA	95670	BROOKLYN	11237
REDLANDS	92374	BROOKLYN	11238
RIALTO	92376	BUFFALO	14201
RICHMOND	94801	BUFFALO	14202
RICHMOND	94804	BUFFALO	14204
RIVERSIDE	92501	BUFFALO	14206
RIVERSIDE	92503	BUFFALO	14207
RIVERSIDE	92504	BUFFALO	14208
RIVERSIDE	92507	BUFFALO	14209
SACRAMENTO	95814	BUFFALO	14210
SACRAMENTO	95815	BUFFALO	14211
SACRAMENTO	95816	BUFFALO	14212
SACRAMENTO	95817	BUFFALO	14213
SACRAMENTO	95820	BUFFALO	14214
SACRAMENTO	95822	BUFFALO	14215
SACRAMENTO	95823	CENTRAL ISLIP	11722
SACRAMENTO	95824	COHOES	12047
SACRAMENTO	95828	DUNKIRK	14048
SACRAMENTO	95838	FAR ROCKAWAY	11691

SAN BERNARDINO	92404	FAR ROCKAWAY	11692
SAN BERNARDINO	92405	FREEPORT	11520
SAN BERNARDINO	92408	HEMPSTEAD	11550
SAN BERNARDINO	92410	HOOSICK FALLS	12090
SAN BERNARDINO	92411	HORNELL	14843
SAN DIEGO	92101	HUDSON	12534
SAN DIEGO	92113	JAMAICA	11412
SAN DIEGO	92114	JAMAICA	11420
SAN JUAN CAPISTRANO	92675	JAMAICA	11429
SAN YSIDRO	92173	JAMAICA	11432
SANTA ANA	92701	JAMAICA	11433
SANTA ANA	92706	JAMAICA	11435
STOCKTON	95205	JAMAICA	11436
STOCKTON	95206	JAMESTOWN	14701
VALLEJO	94590	KINGSTON	12401
VALLEJO	94591	MASTIC	11950
VISTA	92084	MASTIC BEACH	11951
WALNUT GROVE	95690	NEW YORK	10002
<b>Colorado</b>		NEW YORK	10026
COLORADO SPRINGS	80905	NEW YORK	10027
DENVER	80205	NEW YORK	10029
DENVER	80207	NEW YORK	10030
DENVER	80216	NEW YORK	10031
PUEBLO	81003	NEW YORK	10032
<b>Connecticut</b>		NEW YORK	10033
BRIDGEPORT	06604	NEW YORK	10036
BRIDGEPORT	06605	NEW YORK	10037
BRIDGEPORT	06606	NEW YORK	10038
BRIDGEPORT	06607	NIAGARA FALLS	14301
BRIDGEPORT	06608	NIAGARA FALLS	14302
BRIDGEPORT	06610	NIAGARA FALLS	14303
EAST HARTFORD	06108	NIAGARA FALLS	14304
EAST HARTFORD	06118	NIAGARA FALLS	14305
HARTFORD	06106	POUGHKEEPSIE	12601
HARTFORD	06112	RENSSELAER	12144
HARTFORD	06120	ROCHESTER	14605
MANCHESTER	06040	ROCHESTER	14606
MERIDEN	06450	ROCHESTER	14607
MERIDEN	06451	ROCHESTER	14608
MIDDLETOWN	06457	ROCHESTER	14609
NEW BRITAIN	06053	ROCHESTER	14611
NEW HAVEN	06511	ROCHESTER	14613
NEW HAVEN	06513	ROCHESTER	14619
NEW HAVEN	06519	ROCHESTER	14620
NEW LONDON	06320	ROCHESTER	14621
NORWICH	06360	ROME	13440
WATERBURY	06704	ROOSEVELT	11575
<b>District of Columbia</b>		SCHENECTADY	12303
WASHINGTON	20001	SCHENECTADY	12304
WASHINGTON	20002	SCHENECTADY	12305
WASHINGTON	20011	SCHENECTADY	12306
WASHINGTON	20019	SCHENECTADY	12307
WASHINGTON	20032	STATEN ISLAND	10301
<b>Florida</b>		STATEN ISLAND	10302
APOPKA	32703	STATEN ISLAND	10304
FORT LAUDERDALE	33311	STATEN ISLAND	10310
HIALEAH	33015	SYRACUSE	13203
MIAMI	33142	SYRACUSE	13204
MIAMI	33147	SYRACUSE	13205
MIAMI	33150	SYRACUSE	13206

MIAMI	33168	SYRACUSE	13207
OPA LOCKA	33054	SYRACUSE	13208
OPA LOCKA	33055	TROY	12180
ORLANDO	32805	UTICA	13501
ORLANDO	32819	WYANDANCH	11798
SAINT PETERSBURG	33701	<b>Ohio</b>	
SAINT PETERSBURG	33705	AKRON	44301
SAINT PETERSBURG	33712	AKRON	44302
SANFORD	32771	AKRON	44305
WEST PALM BEACH	33404	AKRON	44306
WEST PALM BEACH	33407	AKRON	44307
<b>Georgia</b>		AKRON	44311
ATLANTA	30310	AKRON	44314
ATLANTA	30314	AKRON	44320
ATLANTA	30315	BARBERTON	44203
ATLANTA	30316	CANTON	44702
ATLANTA	30317	CANTON	44703
ATLANTA	30318	CANTON	44704
AUGUSTA	30906	CANTON	44705
<b>Illinois</b>		CANTON	44706
CALUMET CITY	60409	CANTON	44707
CARPENTERSVILLE	60110	CANTON	44709
CHICAGO	60608	CANTON	44710
CHICAGO	60609	CLEVELAND	44102
CHICAGO	60617	CLEVELAND	44103
CHICAGO	60619	CLEVELAND	44104
CHICAGO	60620	CLEVELAND	44105
CHICAGO	60621	CLEVELAND	44106
CHICAGO	60624	CLEVELAND	44108
CHICAGO	60628	CLEVELAND	44109
CHICAGO	60629	CLEVELAND	44110
CHICAGO	60636	CLEVELAND	44111
CHICAGO	60637	CLEVELAND	44112
CHICAGO	60639	CLEVELAND	44113
CHICAGO	60643	CLEVELAND	44118
CHICAGO	60644	CLEVELAND	44119
CHICAGO	60647	CLEVELAND	44120
CHICAGO	60649	CLEVELAND	44127
CHICAGO	60651	CLEVELAND	44128
CHICAGO	60653	CLEVELAND	44144
CICERO	60804	COLUMBUS	43201
EAST SAINT LOUIS	62201	COLUMBUS	43202
EAST SAINT LOUIS	62202	COLUMBUS	43204
EAST SAINT LOUIS	62203	COLUMBUS	43205
EAST SAINT LOUIS	62204	COLUMBUS	43206
EAST SAINT LOUIS	62205	COLUMBUS	43207
EAST SAINT LOUIS	62206	COLUMBUS	43211
EAST SAINT LOUIS	62207	COLUMBUS	43213
HARVEY	60426	COLUMBUS	43219
MAYWOOD	60153	COLUMBUS	43223
PEORIA	61602	COLUMBUS	43227
PEORIA	61603	ELYRIA	44035
PEORIA	61605	KENT	44240
PEORIA	61606	LORAIN	44052
PEORIA	61607	LORAIN	44055
PEORIA	61614	TOLEDO	43602
PEORIA	61615	TOLEDO	43604
<b>Indiana</b>		TOLEDO	43605
EVANSVILLE	47710	TOLEDO	43607
EVANSVILLE	47713	TOLEDO	43608

GARY	46402	TOLEDO	43610
GARY	46404	TOLEDO	43620
GARY	46407	TOLEDO	43624
GARY	46409	WARREN	44484
INDIANAPOLIS	46201	WARREN	44485
INDIANAPOLIS	46202	YOUNGSTOWN	44503
INDIANAPOLIS	46205	YOUNGSTOWN	44502
INDIANAPOLIS	46208	YOUNGSTOWN	44505
INDIANAPOLIS	46218	YOUNGSTOWN	44506
INDIANAPOLIS	46221	YOUNGSTOWN	44507
INDIANAPOLIS	46222	YOUNGSTOWN	44509
SOUTH BEND	46613	<b>Oklahoma</b>	
SOUTH BEND	46616	MUSKOGEE	74401
SOUTH BEND	46617	MUSKOGEE	74403
SOUTH BEND	46619	OKLAHOMA CITY	73102
<b>Kansas</b>		OKLAHOMA CITY	73103
KANSAS CITY	66101	OKLAHOMA CITY	73104
KANSAS CITY	66102	OKLAHOMA CITY	73105
KANSAS CITY	66103	OKLAHOMA CITY	73106
KANSAS CITY	66104	OKLAHOMA CITY	73108
KANSAS CITY	66105	OKLAHOMA CITY	73109
<b>Massachusetts</b>		OKLAHOMA CITY	73111
BOSTON	02121	OKLAHOMA CITY	73117
BROCKTON	02401	OKLAHOMA CITY	73119
FALL RIVER	02720	OKLAHOMA CITY	73129
FITCHBURG	01420	TULSA	74106
LAWRENCE	01840	TULSA	74110
LAWRENCE	01841	TULSA	74126
LAWRENCE	01843	TULSA	74130
LOWELL	01851	<b>Pennsylvania</b>	
LYNN	01902	ALLENTOWN	18101
NEW BEDFORD	02740	ALLENTOWN	18102
PITTSFIELD	01201	ALLENTOWN	18103
SPRINGFIELD	01104	BRADDOCK/RANKIN	15104
SPRINGFIELD	01109	CHESTER	19013
WORCESTER	01604	CLAIRTON	15025
WORCESTER	01605	DUQUESNE	15110
WORCESTER	01608	HOMESTEAD	15120
WORCESTER	01610	LANCASTER	17602
<b>Maryland</b>		LANCASTER	17603
ANNAPOLIS	21401	MC KEES ROCKS	15136
BALTIMORE	21202	MC KEESPORT	15132
BALTIMORE	21205	PHILADELPHIA	19119
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BALTIMORE	21214	PHILADELPHIA	19138
BALTIMORE	21215	PHILADELPHIA	19140
BALTIMORE	21216	PHILADELPHIA	19141
BALTIMORE	21217	PHILADELPHIA	19144
BALTIMORE	21218	PHILADELPHIA	19150
BALTIMORE	21223	PITTSBURGH	15206
BALTIMORE	21224	PITTSBURGH	15208
BALTIMORE	21229	PITTSBURGH	15212
BALTIMORE	21230	PITTSBURGH	15214
BALTIMORE	21231	PITTSBURGH	15219
BLADENSBURG	20710	READING	19601
BRENTWOOD	20722	READING	19602
BROOKLYN	21225	READING	19604
CAPITOL HEIGHTS	20743	WILKINSBURG	15221
CURTIS BAY	21226	YORK	17403

DISTRICT HEIGHTS	20747	YORK	17404
DUNDALK	21222	<b>Rhode Island</b>	
EDGEWATER	21037	CENTRAL FALLS	02863
ESSEX	21221	PROVIDENCE	02903
GWYNN OAK	21207	PROVIDENCE	02904
HALETHORPE	21227	PROVIDENCE	02905
HYATTSVILLE	20783	PROVIDENCE	02907
HYATTSVILLE	20785	PROVIDENCE	02908
MONTGOMERY CTY	20874	PROVIDENCE	02909
MONTGOMERY CTY	20886	WOONSOCKET	02895
MOUNT RAINIER	20712	<b>South Carolina</b>	
RIVERDALE	20737	ANDERSON	29624
ROCKVILLE	20850	CHARLESTON	29405
SILVER SPRING	20902	COLUMBIA	29203
SILVER SPRING	20903	SUMTER	29150
TAKOMA PARK	20912	<b>Tennessee</b>	
<b>Maine</b>		CHATTANOOGA	37403
AUBURN	04210	JOHNSON CITY	37601
AUGUSTA	04330	JOHNSON CITY	37604
BANGOR	04401	KNOXVILLE	37902
LEWISTON	04240	KNOXVILLE	37917
PORTLAND	04101	KNOXVILLE	37921
PORTLAND	04102	MEMPHIS	38104
<b>Michigan</b>		MEMPHIS	38105
BATTLE CREEK	49015	MEMPHIS	38106
BATTLE CREEK	49017	MEMPHIS	38107
BENTON HARBOR	49022	MEMPHIS	38109
DETROIT	48201	MEMPHIS	38114
DETROIT	48202	MEMPHIS	38126
DETROIT	48204	<b>Texas</b>	
DETROIT	48205	DALLAS	75228
DETROIT	48206	FORT WORTH	76119
DETROIT	48207	HOUSTON	77051
DETROIT	48208	ORANGE	77630
DETROIT	48209	SAN ANTONIO	78203
DETROIT	48210	SAN ANTONIO	78237
DETROIT	48211	<b>Utah</b>	
DETROIT	48213	OGDEN	84401
DETROIT	48214	SALT LAKE CITY	84104
DETROIT	48215	SALT LAKE CITY	84105
DETROIT	48216	SALT LAKE CITY	84106
DETROIT	48217	SALT LAKE CITY	84111
FLINT	48504	SALT LAKE CITY	84115
FLINT	48505	SALT LAKE CITY	84116
FLINT	48506	<b>Virginia</b>	
GRAND RAPIDS	49503	CLIFTON	20124
GRAND RAPIDS	49504	HAMPTON	23661
GRAND RAPIDS	49505	MANASSAS	20110
GRAND RAPIDS	49506	MANASSAS	20111
GRAND RAPIDS	49507	NEWPORT NEWS	23605
HAMTRAMCK	48212	NEWPORT NEWS	23607
HIGHLAND PARK	48203	NORFOLK	23503
JACKSON	49201	NORFOLK	23508
JACKSON	49202	NORFOLK	23513
JACKSON	49203	PETERSBURG	23803
KALAMAZOO	49001	PETERSBURG	23805
KALAMAZOO	49007	PORTSMOUTH	23704
KALAMAZOO	49008	RICHMOND	23222
LANSING	48906	RICHMOND	23223
LANSING	48910	RICHMOND	23224

LANSING	48912	RICHMOND	23230
LANSING	48915	VIRGINIA BEACH	23451
LANSING	48917	VIRGINIA BEACH	23452
LANSING	48933	VIRGINIA BEACH	23456
MUSKEGON	49441	VIRGINIA BEACH	23462
MUSKEGON	49442	WOODBRIIDGE	22191
MUSKEGON	49443	<b>Vermont</b>	
MUSKEGON	49444	BURLINGTON	05401
NILES	49120	<b>Washington</b>	
<b>Minnesota</b>		SPOKANE	99201
MINNEAPOLIS	55407	SPOKANE	99202
MINNEAPOLIS	55411	SPOKANE	99205
MINNEAPOLIS	55412	SPOKANE	99207
ST PAUL	55101	SPOKANE	99212
ST PAUL	55103	TACOMA	98404
ST PAUL	55104	TACOMA	98405
ST PAUL	55106	TACOMA	98408
ST PAUL	55117	<b>Wisconsin</b>	
<b>Missouri</b>		MILWAUKEE	53204
SAINT LOUIS	63101	MILWAUKEE	53206
SAINT LOUIS	63103	MILWAUKEE	53208
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SAINT LOUIS	63130		
SAINT LOUIS	63140		
SAINT LOUIS	63143		



U. S. Department of Housing and Urban Development  
Washington, D.C. 20410-1000

OFFICE OF THE ASSISTANT SECRETARY FOR  
CONGRESSIONAL AND INTERGOVERNMENTAL RELATIONS

OFFICE OF LEGISLATION  
Facsimile Transmission

Date: 8/2/00

TO: RANDY QUEZADA FROM: JERRY BROWN

FAX: 456-5581

FAX: (202) 708-3794

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PHONE: (202) 708-0005

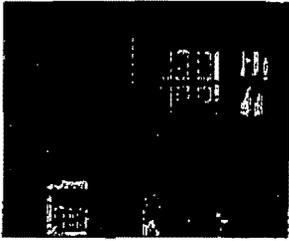
Number of pages (including cover) 5

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COMMENTS/MESSAGES:

Teacher Next Door

<http://www.hud.gov/tn/>



teacher next door

teacher next door

good teachers  
make great neighbors



[secretary's message](#)[about teacher next door](#)[questions and answers](#)[press release](#)[hud property listings](#)[revitalization areas](#)[e-mail a teacher next door specialist](#)

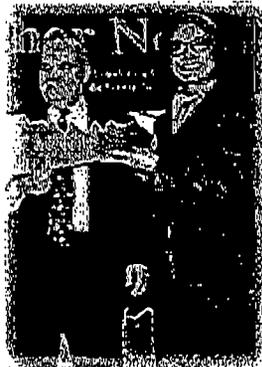
The **Teacher Next Door** is an exciting new HUD initiative that will offer thousands of teachers highly discounted homeownership opportunities while also strengthening the communities where they work. The **Teacher Next Door** will offer an estimated 8,000 to 10,000 single-family houses, townhouses and condominiums for sale to teachers at **50 percent discounts** every year in specially designated revitalization areas.

Secretary Cuomo held a national announcement of the **Teacher Next Door** on March 13, 2000 at Burrville Elementary School in Washington, D.C.

Secretary Cuomo said, "By making it more attractive for teachers to live and work in school districts where they're needed most, we can build better futures for children and neighborhoods in need. A good teacher can make a great neighbor - as a mentor, an inspiring role model, and as a living link between the classroom and the community."



Secretary Cuomo was joined by Burrville Principal Gwendolyn Baccus and leader of the nation's two largest teacher's groups - American Federation of Teachers President, Sandra Feldman and National Education Association President, Robert Chase.



Feldman said: "HUD's **Teacher Next Door** initiative will help teachers buy a home and live in the community where they teach. It is an innovative, positive program that will benefit teachers, the children they educate and the communities they serve."

Chase said: "Secretary Cuomo's **Teacher Next Door** initiative is smart, community-friendly government at its best. It says that HUD values our teachers in a special way and is ready to help them get a piece of the American dream. I strongly encourage teachers to apply."

If you'd like more information on HUD's **Teacher Next Door** program, visit [About](#)

[Teacher Next Door](#) or [Questions and Answers](#).

OR

Send an e-mail to a Teacher Next Door Specialist at [teacher\\_next\\_door@hud.gov](mailto:teacher_next_door@hud.gov).

Content last modified: May 1, 2000

[good neighbor initiatives](#) | [officer next door](#) | [dollar homes](#) | [sales to nonprofits](#)



Any teacher who is employed full-time by a public school, private school or federal, state, county or municipal educational agency and is a state-certified classroom teacher or administrator in grades K-12 is eligible to apply for HUD's Teacher Next Door (TND) initiative.



Teachers can purchase HUD homes at 50 percent off of the list price in HUD-designated revitalization neighborhoods. These are neighborhoods receiving targeted public and private sector assistance that offer significant opportunities for local economic growth. To make properties even more affordable, HUD will reduce the down payment to just \$100 if a teacher purchases a new home with an FHA-insured mortgage.

Homes must be located in the school district in which the teacher is employed. Homes offered for sale were previously insured through HUD's Federal Housing Administration (FHA) and then foreclosed on.

Teachers must live in their new home as their sole residence for at least three years after its purchase.

Teachers may purchase their home directly from HUD or use a real estate broker to arrange the sale. If a broker is used, the teacher's discount will be reduced by any broker or agent commission.

Content last modified: May 1, 2000

[secretary's message](#) | [about teacher next door](#) | [questions and answers](#)  
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**1. How much of a discount do I get on my home?**

HUD's Teacher Next Door discount is 50 percent off the sales price of the home. For example, if you bid successfully on a Teacher Next Door home listed at \$100,000, your sales price is \$50,000.

**2. Who is eligible for HUD's Teacher Next Door Initiative?**

Any state-certified classroom teacher or administrator employed full-time by a public school, private school or federal, state, county or municipal educational agency is eligible to buy a Teacher Next Door home.

**3. Where are the Teacher Next Door homes located?**

In specially designated revitalization areas. The home must also be located in the school district where you work. There are over 600 revitalization areas across the country. Under HUD's Dollar Homes Initiative, teachers may have an opportunity to purchase HUD homes outside revitalization areas after an offering to local governments.

**4. Can I get a HUD/FHA loan for a Teacher Next Door home?**

Yes, if you qualify, HUD's Federal Housing Administration (FHA) offers low down payment loans. Your down payment can be as low as \$100 if you purchase your TND home with an FHA-insured mortgage. Call us at 1.800.217.6970 to learn more about these loans.

**5. Can HUD help me pay for improvements on my Teacher Next Door home if necessary?**

Yes, HUD has a loan program – 203(k) – designed especially to help homebuyers both purchase and rehabilitate a home. For more information about the 203(k) program and whether you qualify, ask a Teacher Next Door Specialist or call us at 1.800.217.6970.

**6. How long do I have to live in my Teacher Next Door home?**

Three years, as your sole residence.

**7. Do I have to use a realtor to buy a Teacher Next Door home?**

Most people use a realtor when buying a home, but you are not required to. You may buy your Teacher Next Door home directly from HUD or use a realtor to arrange the sale for you, but you must pay the realtor's fees.

**8. Can a teacher purchase a property at the 50% discount outside of the area where he/she is employed.**

No. The Teacher must purchase a home in the school district/jurisdiction in which they are employed.

For more information on HUD's Teacher Next Door Program, call 1.800.217.6970 or send us an e-mail at [teacher\\_next\\_door@hud.gov](mailto:teacher_next_door@hud.gov).

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LEVEL 1 - 3 OF 7 STORIES

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<=1> View Related Topics

June 25, 2000 Sunday, CHICAGOLAND FINAL EDITION

SECTION: REAL ESTATE; Pg. 9D; ZONE: C

LENGTH: 796 words

HEADLINE: APPLE POLISHERS;  
IN SOME LOCALES, SCHOOL BOARDS HELP TEACHERS FIND HOMES

BYLINE: By Ann Grimes, Wall Street Journal.

DATELINE: SAN FRANCISCO

BODY:

Returning to the old frontier practice of building a house for the town school teacher, San Francisco plans to construct federally subsidized housing for its teachers.

The project is believed to be the first of its kind in the nation, and it illustrates a huge headache that local officials here and in nearby Silicon Valley confront because of prosperity: Life has gotten too expensive for a growing pool of professionals vital to the region's long-term health.

With the median price of Bay Area housing approaching \$500,000, teachers simply can't afford to live in -- or even near -- the communities where they work.

Their salaries start at \$31,000, qualifying them for public-housing assistance here.

"High-tech has done some wonderful things, but if you aren't making the big bucks, you're in trouble," says Paul Perotti, superintendent of Santa Clara County schools in the epicenter of Silicon Valley.

Under the housing proposal, the San Francisco Unified School District will join with the United States Department of Housing and Urban Development to build a \$15 million, 43-unit rental apartment house on surplus land adjacent to a new elementary school in the Sunset District on the west side. When it's done, teachers will pay \$700 a month for one-bedroom apartments, compared with a market rate of \$1,900.

Of course, it isn't just teachers who are struggling to find affordable housing around here. Firefighters, police officers and registered nurses have barely kept up with inflation since the economic expansion began in 1991, statistics show.

In Atherton, Calif., home to some of Silicon Valley's wealthiest tech tycoons, members of the police force live hours away.

"If a major disaster happened at night or on the weekend, we would not have any reinforcement for days because our average cop has a 30-mile commute," says town manager Nan Chapman.

And Atherton isn't unique. Communities between San Francisco and San Jose have begun home-loan programs and other forms of relief targeted at emergency personnel.

But nowhere has the issue raised more worries than in schools. In San Jose, Mayor Ron Gonzales is already exploring various affordable housing options, including housing for municipal workers -- half of them teachers. He is also

encouraging landlords to give teachers breaks on security deposits and launched a \$2 million first-time loan program for city teachers.

"One of the main reasons teachers leave is they are ready to buy their first home and they can't do it here," says Betsy Doss, the mayor's education policy adviser.

Perotti and the Santa Clara district have also talked with HUD about subsidized housing for other teachers who work in the 16,000-student district. Their plan calls for 40 one- and two-bedroom apartments to be built near an old school at a cost of \$5 million.

"What this says is, 'We value teachers and believe they bring value and stability to neighborhoods,'" says Arthur Agnos, the former San Francisco mayor who is now the regional director for HUD. The program, he says, basically extends HUD's long-established Federal Housing Authority program to a new customer base: school districts.

With statistics showing that teacher pay nationally has risen only an inflation-adjusted 2.6 percent since 1991, the housing problem is not confined to the Bay Area.

In Bellevue, Wash., home to another set of high-tech moguls, state legislators have proposed housing allowances for teachers modeled after the military's, which are also pegged to regional housing markets.

In New Mexico, the Santa Fe school district has purchased rental housing at below market rates for school personnel and has asked the legislature for funds to build low-cost teacher housing.

Similar proposals are on the books in Alaska and Texas, where many rural districts use housing -- dubbed "teacherages" -- to lure educators to remote areas.

In San Francisco, Douglass Bates, 29, shares an apartment with a friend and drives 30 miles to Burlingame, Calif., to teach art in a public junior high school.

In exchange for rent, he does grocery shopping, errands, cooking and laundry for his Pacific Heights landlords.

"Otherwise we couldn't manage," he says. "Subsidized housing sounds good to me."

But not everyone thinks such special treatment is a good idea. Veteran teachers in the Oak Grove school district near San Jose opposed the concept because it wasn't expansive enough, says deputy superintendent Hardy Childers: "We were excited about the concept, but it's been put on the back burner."

Floyd Gonella, superintendent of the San Mateo, Calif., county school district, is concerned that school districts aren't prepared to be developers.

"There are ingredients we as educators do not fully understand," he says.

LANGUAGE: ENGLISH

LOAD-DATE: June 25, 2000



Aalap Akshay Mahadevia <mahadev@fas.harvard.edu>  
07/14/2000 08:16:21 PM

Record Type: Record

To: Randolph D. Quezada/OPD/EOP

cc:

Subject: Re: story

---

Thanks! The school board's idea is really good, this should be a fun thing to work on. I'll check back with you Monday or Tuesday and let you know what I've found out.

Enjoy the weekend,  
Aalap

On Fri, 14 Jul 2000 Randolph\_D.\_Quezada@opd.eop.gov wrote:

>  
> aalap,  
> the link that i sent you doesnt work!  
> sorry... apparently the sjmercury news charges people for using their  
> archive. i looked up the article in lexis nexis and copied it here to  
> you.  
>  
> randy  
> LEVEL 1 - 4 OF 8 STORIES  
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>  
> June 19, 2000, Monday  
>  
> KR-ACC-NO: SJ-HOUSING  
>  
> LENGTH: 1445 words  
>  
> HEADLINE: Santa Clara, Calif., School Proposes Plan to Give Teachers  
> Affordable  
> Housing  
>  
> BYLINE: By Lori Aratani  
>  
> BODY:  
>  
>  
> For Santa Clara Unified Superintendent Paul Perotti, the drill has

> become  
> altogether too familiar: A gifted new teacher is hired into the district.  
> Her  
> students adore her, her bosses praise her. And two years later she's gone.  
>  
> Santa Clara's novel solution -- building affordable apartments to lure  
> and  
> keep teachers -- is spreading throughout the Bay Area and across the  
> country in  
> communities where rents and home prices are driving new faculty away  
> faster than  
> schools can recruit them.  
>  
> Last October, a day after Perotti first presented the idea to the  
> board, the  
> district was inundated with calls. Now at least two other Bay Area  
> districts  
> -- San Francisco and San Jose unified -- say they, too, want to build  
> housing  
> for their teachers. And in Aspen, Colo., the school district already has  
> built  
> not just apartments for teachers but also homes they can buy.  
>  
> The apartments are part of two-pronged strategy the district is using  
> to keep  
> good teachers in the area. Today, the district also plans to announce a  
> venture  
> with chip-maker Intel Corp. that will help teachers buy homes in Silicon  
> Valley.  
>  
> Nationwide, a massive teacher shortage has made it difficult to find  
> qualified educators to teach in public schools. But in affluent areas like  
> Silicon Valley, school districts face an additional hurdle: rents and  
> housing  
> prices so high that many job candidates won't even consider coming.  
>  
> In Santa Clara County, the average teacher makes \$ 37,744 a year, but  
> needs  
> an income of more than \$ 123,000 to be able to buy a median-priced home.  
> And  
> rents in the valley have climbed to more than \$ 1,000 for a one-bedroom  
> apartment.  
>  
> Even if districts are able to hire teachers, mentor and train them,  
> many end  
> up leaving after a few years for more affordable places like Fresno and  
> Bakersfield -- communities where they can afford to buy a house and raise  
> a  
> family.  
>  
> "We have become the training ground for the Central Valley," said  
> Perotti.  
> "And that has got to stop."  
>

- > Simply put, the district wants to offer its teachers a place to live at
- > a
- > price that won't mean they have to eat beans every night. The reason is
- > clear. As the pressure mounts on the state's public schools to
- > improve student achievement or face the possibility of being shut down,
- > few can
- > afford to have teachers constantly moving through a revolving door. It has
- > become more critical than ever for districts to have smart, well-trained
- > educators in the classroom.
- >
- > "If we can't recruit and retain teachers, our kids are at a
- > disadvantage,"
- > said Carl Guardino, president and CEO of the Silicon Valley Manufacturing
- > Group,
- > which first broached the idea of providing teacher housing in Bay Area
- > districts. "As we all know from our own jobs, the first year or two you're
- > learning. And so if we're losing more than one-third in their first few
- > years,
- > we're not capturing them during their best years."
- >
- > Turnover is high in the profession anyway. According to the California
- > Research Bureau, between 30 and 50 percent of educators leave teaching
- > within
- > their first five years. The high cost of living in Silicon Valley makes
- > matters
- > worse.
- >
- > In Santa Clara, 24 teachers resigned this year -- saying they were
- > driven out
- > because of the region's high cost of living. That's three times the number
- > who
- > left for the same reason last year.
- >
- > The district's plan calls for the construction of a 40-unit apartment
- > complex
- > on the site of the former Curtis School at Pomeroy and Brookdale drives.
- > Teachers would be selected by lottery and could rent the one- and
- > two-bedroom
- > units at a substantial discount. The board is expected to choose a
- > developer
- > this month and Perotti said they hope to have the apartments ready for
- > teachers
- > by the spring of 2002. Santa Clara teachers see positives and negatives.
- > On one hand, the offer of
- > low-cost housing might make it easier for the district to recruit new
- > teachers,
- > particularly those coming from out of state, said Michelle Oberie, who
- > teaches
- > third grade at Haman School. But the downside is that not all teachers can
- > or
- > will want to take advantage of the offer of low-cost housing.
- >
- > "What does it say about teachers when they have to live in subsidized
- > housing?" Oberie said.

>  
> Jamie Gardiner, who teaches a kindergarten-first-grade combination  
> class,  
> likened it to living in dorms.  
>  
> "I'm not sure teachers will want to live with only teachers," she said.  
>  
> District officials say they understand the teachers' concerns. Perotti  
> stressed that the apartments will be top-notch developments, not "teacher  
> slums."  
>  
> "This will be high-end professional living," he said. "People will be  
> amazed  
> by the quality."  
>  
> Colleges and universities long have provided campus housing for their  
> faculty. And while many kindergarten through 12th-grade districts often  
> provide  
> homes for superintendents, the idea of providing housing for teachers has  
> only  
> recently been considered.  
>  
> "From our view Santa Clara is a model," said Guardino, whose  
> organization  
> worked closely with Santa Clara in the beginning.  
>  
> San Francisco Unified officials announced last month that they will  
> build a  
> 43-unit apartment complex near a campus in the city's Sunset District with  
> help  
> from the Department of Housing and Urban Development, which has given its  
> backing to bank loans. School systems in Seattle and Boston also are  
> interested  
> in the HUD-backed housing plan.  
>  
> In San Jose Unified's case, it was a private developer who brought the  
> idea  
> to school officials. The district is mulling over the proposal to build  
> apartments that could be marketed to teachers on a parcel across from the  
> district office.  
>  
> "It's something we're really excited about," said Bill Erendson, San  
> Jose  
> Unified's director for external programs and community development.  
>  
> Guardino said his group is working with at least a half-dozen other  
> school  
> districts on potential teacher housing projects.  
>  
> Art Agnos, HUD's Western regional director, said his staff also is  
> encouraging more districts to explore the idea of building housing for  
> their  
> workers.  
>

> "School districts aren't used to thinking this way," Agnos said. "What  
> we're  
> telling them is that it's not that hard to do and we're willing to help."  
>  
> Still, there are some who aren't thrilled with the idea of school  
> districts  
> getting into the real estate business.  
>  
> "We're kind of hot and cold on idea, because ideally if teachers got  
> paid a  
> decent salary they wouldn't need help in this area," said Bob Nichols of  
> the  
> California Teachers Association. But Nichols said such proposals do at  
> least  
> show that officials are trying to find ways to resolve the housing crisis.  
>  
> "In general, anything that helps us keep teachers in this area is going  
> to be  
> helpful," he said.  
>  
> In Aspen, where the homes start at \$ 1 million and rents at \$ 1,000 for  
> a  
> one-bedroom apartment, the question of where teachers would live has been  
> the  
> district's biggest challenge. Even though Aspen's starting salary of \$  
> 27,000 is  
> one of the highest in Colorado, it's not nearly enough to pay for housing  
> in the  
> upscale resort community. After years of talk, the district this year  
> finally began renting teachers  
> apartments and condominiums -- and even offering them homes to buy. The  
> savings  
> are significant. A teacher who would pay more than \$ 2,500 a month for a  
> three-bedroom apartment can rent one from the district for only \$ 1,300.  
>  
> Aspen Superintendent Tom Farrell said the initiative has done wonders  
> for  
> morale. He's been able to hire more than half a dozen teachers who never  
> would  
> have considered Aspen without the offer of low-cost housing.  
>  
> "It has made all the difference," he said. "You put something out on  
> the  
> Internet and you mention housing and you're set."  
>  
> Initially, Farrell worried there wouldn't be enough interest among  
> staff. But  
> already, about a quarter of his staff is in district housing and there's a  
> waiting list.  
>  
> That's good news for Santa Clara, which will build its apartment  
> complex with  
> money it earned from selling excess property. By law that money can be  
> used only

- > for building projects. It cannot be used to buy books or pay teachers.
- >
- > Once built, the complex will be managed by a private firm.
- >
- > District officials say the project's costs could be recovered through
- > rents.
- > A memo that outlined the project also noted there's a strong possibility
- > that
- > the value of the project could double in seven years.
- >
- > "I didn't get on the school board to be in the real estate business,"
- > said
- > Santa Clara Trustee Ed Whitehead. "But this is the right thing to do."
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