

THE MODESTO BEE

40-acre 'sweat-equity' housing development breaks ground in Patterson

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By: Deke Farrow

Where the wind whipped Friday morning to stir up dust on an undeveloped piece of land in Patterson, a young couple who've lived in the West Side community all their lives envisioned a home to call their own.

Letty Ortiz and Jorge Rivera, with their sons, Jorge and Jionni, attended the ceremonial groundbreaking of Stonegate Shire, a neighborhood to be built at North First Street and Walnut Avenue. It's a project of Self-Help Enterprises, a nonprofit, Visalia-based community development organization that works with low-income families.

As its name indicates, it helps families who help themselves. In its neighborhoods like Stonegate Shire, eight to 12 families are grouped together and agree to help one another build their houses with skilled supervision from Self-Help Enterprises construction staff.

Each family is required to contribute at least 40 hours a week working on all the homes for a period of 9 to 12 months. These labor hours, or "sweat equity", are used as the down payment, reducing costs for a new home they could otherwise not afford.

Ortiz, 28, and Rivera have been looking to buy a home in Patterson for about two years, with no luck finding anything they can afford, she said. They applied Friday for acceptance into the Self-Help program. "It would mean a lot to us if we could build our home."

Rivera has experience in construction, Ortiz said, and she's confident he'll "do great" if they get into the program. "It's gonna be a great experience to pass something on to our kids, leave a legacy behind," Rivera said. "That way, we don't throw our money away paying rent like a majority of the people do, who don't realize they could buy a home. I'm excited for this opportunity."

Friday's groundbreaking was for the first phase of Stonegate Shire: 41 single-family homes. When future phases are added, the project will consist of 120 homes, all through the neighbors-working-together program, plus up to 138 affordable rental apartments. A community park also is shown on the subdivision map.

Self-Help Enterprises has built nearly 700 homes through the self-help program in Stanislaus County, spokeswoman Sonia Sanchez said. Its work is in Patterson, Newman, Grayson, Riverbank, Modesto, Waterford, Turlock, Denair and other communities, she said.

Throughout the San Joaquin Valley, it has completed more than 6,200 homes and 1,300 apartment units. Stonegate Shire is among the most ambitious in scale, said Tom Collishaw, president and CEO of Self-Help Enterprises. "It's quite big for us. Overall, it probably ranks up there in the top four for total size."

The 40-acre Stonegate Shire is the affordable portion of the broader Villages of Patterson project, Collishaw said. There are seven house plans for the subdivision, ranging from 1,300 to 1,450 square feet. All have three or four bedrooms. There are different facades, elevations and color combinations, so it will not feel like tract housing," he said.

The apartments will be one to three bedrooms. It's a dense development — a minimum of 20 units per acre — Collishaw said, "which for Patterson is on the higher end of the density." But the buildings are attractive, he said, with tuck-under parking so cars won't be visible from the street, "just beautiful two-story apartments."



Children whose families are applying to be part of Self-Help Enterprises' Stonegate Shire subdivision at Walnut Avenue and North First Street in Patterson, Calif. play with shovels after the ceremonial groundbreaking Friday, June 29, 2018. Deke Farrow jfarrow@modbee.com



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Mortgage numbers on the single-family homes are being finalized, Collishaw said. "We believe the families will get a hard cost close to \$200,000. What will make it affordable to them will be the secondary gap financing loans that we're able to get them," he said. "For the first 41 units, that's actually going to come from the city of Patterson. We have \$760,000 they've committed to the project, coming from in-lieu fees other builders have paid for the past 10 years.

"Those will act as secondary mortgages families don't have to make a payment on. They'll be owed if and when they sell their home or transfer the property. That will allow them to afford their first mortgage from the USDA. We can get that mortgage down to as low as \$140,000."

Depending on a family's income, the USDA mortgage program can subsidize a payment down to as low as, effectively, 1 percent, Collishaw said. At that low end, families could expect to pay roughly \$500 a month toward principal and interest, with taxes and

insurance atop that, he said. "That's important, because often we're working with families who make as little as \$24,000, \$25,000."

When families are accepted into Self-Help Enterprises projects, Collishaw said, they'll basically be working two jobs for the 10 to 12 months it takes to build their homes. And none of the eight to 12 families in a group moves in until all the group's homes are done.

"Most families end up putting in between 1,300 and 1,500 hours before all is said and done," he said. "It's a tough year, but it's sort of a tribute to how much homeownership is a dream and something they aspire to."