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These CURE (Coalition for Urban Renewal Excellence) houses are under construction in Madera. Since 1999, CURE has built about 100 houses, many in the inner city.

Nonprofit buys foreclosed homes

Affordable housing agency aids low-income people.

By Sanford Nax / The Fresno Bee

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A local nonprofit agency that provides affordable housing is exploiting more opportunities in this slower real estate market, building and selling homes in two Madera subdivisions and purchasing bank-owned properties in Fresno.

The Coalition for Urban Renewal Excellence, also known as CURE, is selling three new houses at the Capistrano 17 subdivision and five at Chateau at the Vineyard, both in Madera.

It also bought two foreclosures in Fresno, with plans to renovate and sell them to moderate or low-income families.

Two of the three houses at Capistrano are in escrow, and the five at Chateau at the Vineyard are being built. They should go on the market in about a month, said Nathan Magsig, executive director of CURE.

The nonprofit group bought the three properties at Capistrano 17 about 10 months ago after being approached by the developer, Mitch Covington. "I think the world of those guys," Covington said in explaining why he offered the properties and built the houses at discount prices.

The five lots at Chateau, which Ranchwood Homes is developing, were bought in December after the foundations were poured. Ranchwood was closing out the tract and offered to sell them to CURE, Magsig said.

The Fresno agency also bought two lender-owned houses -- one on Buckingham Avenue near Ashlan and Cedar avenues and the other near downtown Fresno. Magsig said the increasing

number of foreclosures is enabling CURE to provide desperately needed housing one home at a time.

"These two are the first," he said, "But I could do more."

CURE is targeting foreclosures that have been on the market a long time.

"Carpets are torn up, windows are broken and the bank won't loan on it. But we pay cash," he said.

Still, the slowing housing market and the abundance of lender-owned houses is hurting CURE in some ways. "The banks are more leery," Magsig said. "Some of the buyers have issues with credit scores, so it is more difficult to get a good loan or interest rate. It really squeezed some people who are marginal."

CURE just finished four houses on San Pablo Avenue near downtown Fresno and has plans for a 46-lot subdivision near Blythe and Dakota avenues. Since 1999, it has built about 100 houses, many of them on inner-city parcels.

The homes in Madera range from 1,322 square feet to 2,300 square feet, and start at \$199,000. The agency also offers a \$20,000 "silent second" loan which is held at zero percent and half forgiven after 10 years.

That means buyers have to qualify for a \$179,000 loan, and CURE pays the closing costs. Qualified buyers also may use special programs offered by the city of Madera to cut costs even more.

Prices of new houses in Madera County fell an average of 10.6% in 2007 to \$295,000 -- and in many cases are advertised for much less. But, even with the discounts, they are still out of reach of many families.

"There is always a demand for good low-income housing," said David Randall, planning director for Madera. "No one has ever said we have enough."

The reporter can be reached at snax@fresnobee.com or (559) 441-6495.