

California Construction

State Treasurer Releases \$310 Million in Stimulus Funds to Revive Affordable Housing Projects

July 2009

Treasurer Bill Lockyer has distributed more than \$310 million in federal stimulus money to revive 31 “shovel-ready” affordable housing projects throughout the state, and create more than 5,000 jobs and 2,015 rental units for low-income families and individuals.

“Getting these funds out the door is vital to repairing California’s economy,” says Lockyer. “By reviving these projects, we’ll create needed affordable housing for working Californians and their families, and we’ll help put people back to work.”

The California Tax Credit Allocation Committee, chaired by Lockyer as treasurer, approved the cash awards in exchange for previously awarded and unused tax-credits. Tax-credits can be used for construction or rehabilitation of low-income housing. Developers use the credits to attract investment capital to help finance their projects.

Slumping market conditions made selling the tax credits difficult, often deflating prices to a level that was not financially feasible for the developer or left them unable to sell the credits at all. Provisions in the American Recovery and Reinvestment Act of 2009 allow prior tax-credit recipients to exchange those credits for cash at a value of \$.85 for each \$1 of credit. While credits are generally distributed annually over 10 years, the exchange funds will be awarded in a lump sum. Developers could have cash in hand in as few as 60 days.

Additional ARRA exchange funds will be distributed at the August and December CTCAC meetings. Applications are due by July 9 and Nov. 10, respectively.

The CTCAC administers the federal and state Low-Income Housing Tax Credit

Programs. Both programs were created to encourage private investment in affordable rental housing for households meeting certain income requirements. It also administers a Farmworker Housing Assistance Program and a Commercial Revitalization Deduction Program.

In Northern California, the 82-unit Turk & Eddy preservation project will soon be getting back under way in San Francisco. Fineline Construction is the general contractor and the architect is Paulett Taggart Architects. The Tenderloin Neighborhood Development Corp. is overseeing the project.

The Turk and Eddy preservation project comprises two buildings located at 165 Turk Street and 249 Eddy Street. 165 Turk Street is a six-story apartment built in 1923 with 22 studios and five one-bedroom units. 249 Eddy Street is a seven-story apartment built in 1925 with 55 studios. The ground floor of this building will include a community room, laundry, and a tenant services office serving both properties. The rehabilitation will improve building safety, systems, and accessibility as well as provide safer, healthier and supportive living environments for low-income seniors. Funding is provided by the San Francisco Redevelopment Agency, California Housing Finance Agency, and the US Department of Housing and Urban Development. Completion is set for next year.

Another project, Mutual Housing at the Highlands near Sacramento, will also restart soon. It consists of two-story townhomes, each with three bedrooms, three bathrooms and approximately 1,700 sq ft, with an entrance directly off

the sidewalk and a two-car garage in the back. There also will be walk-up studios located above the townhome garages. The project also will include permanent supportive housing for formerly homeless individuals of studios and one-bedroom apartments.

Sunseri Construction is the general contractor and Cynthia Easton is the architect. Sacramento Mutual Housing Association is developing the project.

In Anderson, the Seasons at Regency Place phase II will begin soon. The \$15.4 million complex will have 79 units. Pacific Co. of Boise is general contractor.

And in Galt, the Galt Place Apartments senior project will be built by CFY (Cyrus Youssefi) Development. The \$19.6 million project will feature 81 units.

Funding sources for Mutual Housing at the Highlands include California Mental Health Services Act Housing Program administered by California Housing Finance Agency, California Multifamily Housing Program and federal stimulus money awarded by the California Tax Credit Allocation Committee of the State Treasurer’s Office. Wells Fargo Bank will be the construction lender.

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