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Davis project likely is last funded with redevelopment dollars

The city of Davis already has received nearly 200 “pre-applications” for the 69-unit New Harmony apartment complex, which is expected to open in January.

Work is under way in Davis on the first affordable family development in five years — and possibly the last project in the city to use redevelopment agency funds.

New Harmony, a 69-unit apartment complex expected to open in January, is about 50 percent complete. Developed by the Sacramento|Yolo Mutual Housing Association, it targets families earning 30 percent to 60 percent of the area median income.

But these types of projects will be more difficult to build, both in Davis and throughout the state. A state law passed last summer and supported by the California Supreme Court in December put hundreds of redevelopment agencies out of business, and killed a companion bill that would have allowed the agencies to continue if they shared their revenue with schools.



Josh Sunseri Photo | Courtesy of Sunseri Construction

With a 2 percent housing vacancy rate, demand for affordable housing in Davis is strong. Much of the community’s workforce, especially low-wage earners, live outside the city and commute.

The city’s inclusionary rules require a portion of all new housing to be affordable, but Danielle Foster, city housing and human services superintendent, said residential construction in Davis has been slow

in recent years, with the last family-oriented affordable project built about five years ago.

City rules require a lottery be used to determine the new residents for New Harmony, and nearly 200 have filed “pre-applications,” officials said. The lottery gives preference to people who live and work in Davis.

Those selected will live in a three-story apartment complex with a community center, children’s play area, community garden and basketball court. Rooftop solar panels will help defray the tenants’ power bill and the costs of operating the community center. Each apartment comes with an air filtration unit because the Cowell Boulevard apartment complex is near Interstate 80. Construction is visible from the freeway near Mace Blvd.

The complex, designed by Kuchman Architects of Sacramento, is close to bus lines and a bike path.

Rachel Iskow, executive director of the Sacramento|Yolo Mutual Housing Association, said her group spent two years cobbling together \$21 million in financing from many sources, including the federal HOME program, the city redevelopment

agency, California Tax Credit Allocation Committee, Merritt Community Capital Corp., Bank of America, NeighborWorks America, Federal Home Loan Bank and the Home Depot Foundation.

The association assembled two parcels, including one-fourth of an acre donated by a market-rate developer, to come up with four acres to accommodate New Harmony.

The development provides another link in the city’s renowned bike trails. All new development along the trail has to contribute to improving the trail, and New Harmony fills a key gap that helps connect much of the south Davis residential areas to destinations such as Playfields Park and Marguerite Montgomery Elementary School. Davis has about 50 miles of bike paths and 50 miles of on-street bike lanes.

The addition of New Harmony also allowed the city to receive \$196,250 in park funds for the renovation of Rainbow City Play Structure, which was built by volunteers more than two decades ago. Completion is set for 2014. Any grant money left after the renovation will go to other amenities in Community Park, city officials said.

“These grants are smart policy on the part of the state,” Iskow said. “They ... provide the reward of resources for community amenities to local jurisdictions that work to provide housing on all income levels.”

Iskow’s agency has developed five affordable-housing communities in Davis, and houses 2,700 people in Yolo and Sacramento counties. Its next project will target mostly farm workers in Woodland, and will be through a local trust fund.

The association will apply for the required tax credits in 2013. What happens beyond that is uncertain because of the elimination of the redevelopment agencies and reduction of the federal HOME budget, Iskow said. A proposal to create an alternate source of funding through SB 1220, which proposed a \$75 fee on documents recorded by real estate agents, fell two votes short of the required two-thirds in the Senate.

“We could not have done New Harmony without RDA money, and right now there is no automatic funding source,” Iskow said.