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Wednesday, Oct. 05, 2011

State board OKs start of Modesto, Turlock low-income projects

By Patty Guerra pguerra@modbee.com

Low-income housing projects in Modesto and Turlock will break ground early next year after a state board gave them the go-ahead last week.

Federal and state tax allocation committees approved tax credits worth roughly \$20 million for the Archway Commons and Avena Bella complexes. These credits entice investors to put money into projects by offering them a cut in the state taxes they pay.

Ground will be broken for the 80-unit Turlock complex in February, with Modesto's 76-unit complex following in March, said Felix AuYeung, affordable housing program manager for EAH Housing. The San Rafael-based company is overseeing construction on both projects.

"As the agricultural backbone of California's economy, the Central Valley has a large work force, but a critical housing shortage," said Mary Murtagh, president and chief executive officer of EAH. "The recent recession has only made matters worse."

"Avena Bella in Turlock and Archway Commons in Modesto will offer new affordable homes for hard-working valley families and seniors — creating an opportunity to rebuild their sense of stability and community," Murtagh said.

Archway Commons, at Carver Road and Ninth Street, had a few tries with the committee before it won approval. This was the first try for Avena Bella, which will be built on North Linwood Avenue.

"That project went about as smoothly as it could possibly have gone," AuYeung said of the Turlock proposal.

Both will take a little more than a year to build.

"We'll have families in before school starts in 2013," said Maryn Pitt, manager of housing program services in Turlock.

Officials originally intended to make both projects larger, but broke them into phases to lower the costs.



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The walkways at San Clemente Place, a low-income complex built by EAH Housing in Corte Madera. Quality living is a theme of EAH's projects, including two set in Modesto and Turlock. March 18, 2010

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AuYeung said what hasn't changed is the quality of the projects; EAH makes housing intended to look like regular, or "market-rate" complexes, in the area. Amenities include computer labs, playgrounds, gardens and pools.

"These are very high-quality projects," AuYeung said.

The cities provided redevelopment money, which isn't threatened because it was approved before the state's actions to change the way redevelopment agencies operate. RDAs use property taxes for improvements and housing projects; the state wants cities to do away with them unless they pay fees to keep their RDAs.

The League of California Cities has sued over the issue, saying it's unconstitutional. At this point, the future of RDAs remains uncertain. So it's unclear what will happen with the second half of the low-income housing projects.

"Modesto has another 74 units coming, Turlock has another 61 units coming," AuYeung said. "Those are contingent on whether the agencies are intact and whether tax credits stay alive. All things being equal ... both will move forward within the next five years or something."

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