



Senior Housing in Santa Cruz, Calif., Gets Upgrade



SANTA CRUZ, CALIF.

LEAD DEVELOPER
CHRISTIAN CHURCH HOMES

CONGRESSIONAL DISTRICT
CALIFORNIA 20TH

RENTAL HOMES
95

CATEGORY
SENIORS, RESIDENTS WITH SPECIAL NEEDS, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT



Photos: Courtesy of Christian Church Homes

Senior Housing in Santa Cruz, Calif., Gets Upgrade

After 50 years of housing seniors, Garfield Park Village in Santa Cruz, Calif., needed some sprucing up. Thanks to the U.S. Department of Housing and Urban Development (HUD) Senior Preservation Rental Assistance Contract (SPRAC) and low-income housing tax credits (LIHTCs), it happened.

The \$34 million rehabilitation gives a fresh look to the development for seniors 62 and older—in a city with an extremely competitive housing market. “Santa Cruz is being squeezed out by the Silicon Valley,” said Kathleen Mertz, senior project manager at Christian Church Homes, the property owner. “Between the [University of California, Santa Cruz] and the Silicon Valley, there is not a lot of affordable housing. Because of this, there is definitely a strong demand for affordable housing in Santa Cruz.”

Garfield Park Village features 12 cottages with four rental homes each, a 46-unit apartment building, a separate manager’s apartment and an administration building. There are 38 studio apartments, 48 one-bedroom rental homes, eight two-bedroom rental homes and the manager’s apartment. More than 5 percent of the rental homes were made to be Americans with Disabilities Act (ADA)-compliant. Apartments are reserved for residents making as much as 50 percent of the area median

income (AMI), although Mertz said that existing residents earning up to 80 percent of the AMI were grandfathered in.

The renovations were extensive. The property received updated heating and ventilation, all of the original single-pane windows were taken out and replaced with new, double-paned windows, and Energy Star-rated appliances and light fixtures were installed in each rental home, along with low-flow faucets and toilets. The updated property also includes an expanded community garden with assigned planter boxes

for residents, a computer center, a community room with lounge seating and kitchen, a library and an expanded laundry facility.

The redevelopment is occurring in four phases, with roughly 24 rental homes being rehabilitated at a time.

In December 2013, Garfield Park Village became one of the first Section 202 properties in the country to be awarded and then implement at SPRAC from HUD. The SPRAC was for rental assistance to 65 rental homes, with the goal of preserving deep affordability at expiring Section 202 properties to prevent the displacement of income-eligible elderly residents. Now Garfield Park Village will feature 84 rental-assisted rental homes, including 19 project-based Section 8 rental homes.

“Prior to rehab, Garfield [Park Village] had only 19 units receiving rental assistance subsidies,” said Jovan Ludovice, project manager at CCH. “Without additional rental assistance, Garfield would not have been able to leverage enough financing to complete the rehab.”

The redevelopment is expected to be complete in fall 2015. ❖

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FINANCING

- ◆ \$17 million construction loan from Union Bank
- ◆ \$10.1 million, 4 percent LIHTC equity investment from National Equity Fund
- ◆ \$8.6 million permanent loan from Union Bank
- ◆ \$755,000 in HUD HOME funds from the city of Santa Cruz
- ◆ \$1 million Flex Sub Loan deferral from HUD
- ◆ \$407,000 sponsor loan from CCH
- ◆ \$254,000 in income operations during construction
- ◆ \$95,000 in existing replacement reserves