

Wait Worth it for Affordable Housing in Santa Monica, Calif.



SANTA MONICA, CALIF.
LEAD DEVELOPER
COMMUNITY CORPORATION OF SANTA MONICA
CONGRESSIONAL DISTRICT **CALIFORNIA 33RD** RENTAL HOMES **47**
CATEGORY
FAMILIES, PRESERVING EXISTING AFFORDABLE, GREEN DEVELOPMENT



Photos: Courtesy of Nico Marques / Photekt

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It took 11 years, but High Place West was worth it. The 47-unit affordable housing development in Santa Monica, Calif., opened in March 2013, providing housing for families and preparing the way for the second phase—High Point East—which opened a year later.

“These two developments, which both utilize the 4 percent low-income housing tax credit (LIHTC), will help fill a void in the affordable housing market in the expensive beach community of Santa Monica,” said Sarah Letts, executive director of Community Corporation of Santa Monica (CCSM), which developed the property.

It was a long process. CCSM began the development process in 2002 and before construction could begin, it had to get High Place Street’s eight dilapidated 1950s buildings condemned, relocate some of the development’s residents, construct an alleyway, prepare the site and get final approval from the city of Santa Monica. Once Benchmark, the development’s general contractor, received notice to proceed with construction, it went quickly.

High Place West features six three-story residential buildings with 32 two-bedroom rental homes

and 15 three-bedroom rental homes clustered around an landscaped interior courtyard. Shared space includes an outdoor play area for children, a community room with a kitchen as well as a subterranean garage with 80 parking spaces. All rental homes are available to residents earning between 35 percent and 60 percent of the area median income (AMI).

Each rental home at High Place West features Energy Star-rated appliances, LED lighting, energy-efficient heating systems, low-VOC paint and low-flow fixtures. The complex features rooftop solar panels to power common areas.

There are also tenant services that have no cost, including job-readiness workshops, exercise and health classes, a women’s event day, art events and more.

“The primary goal is to provide affordable housing in the city,” said Letts. “The rate of rent increases in seaside cities like Santa Monica is extremely high, which is why we need to increase the stock of affordable housing. We are fully invested in making sure High Place West is an asset to the city in providing affordable housing.”

Reagan Maechling, senior underwriter at LIHTC syndicator Enterprise Community Investment, said Santa Monica is a great market in which to build affordable housing. “It is a bonus that Santa Monica has such a strong housing market, such a need for affordable housing,” Maechling said. “Market rates and occupancy levels are very high, so they will have no problem leasing up the property and keeping it occupied.

High Point East, the second phase of the development, opened in 2014. It has 44 affordable rental homes. ❖

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FINANCING

- ◆ \$12 million in tax-exempt bonds from Citi
- ◆ \$11.4 million loan from city of Santa Monica
- ◆ \$7.7 million equity investment in 4 percent LIHTCs from JPMorgan Capital Corporation
- ◆ \$3.3 million permanent loan from Housing and Community Development Department MHP program
- ◆ \$1.3 million permanent loan from California Community Reinvestment Corporation