

Crittenden Apartment Report™

Crittenden Publishing, Inc.
P.O. Box 1150
Novato, CA 94949 / (800) 421-3483

Vol. 11, No. 25

May 6, 2002

AFFORDABLE-HOUSING DEVELOPERS STOCK COMMUNITIES WITH SOCIAL SERVICES

Affordable-housing developers such as Related Companies of California and the Carlisle Group are constantly trying to one-up each other by including ever more extravagant services and amenities to tenants. They and other developers of affordable product understand that they can no longer pocket tax credits, bond financing and other goodies by simply putting new units on the market and renting them on the cheap. In the last few years, the competition for affordable financing has grown more intense and the standards set by the issuers of the financing have grown more stringent.

Services and amenities might include computer labs, day care centers, health-care services, English-as-second-language courses and life-skill classes. For the kids, developers are offering community centers, after-school programs and homework help. Swimming pools and workout rooms have become a standard feature at affordable apartment communities.

Luis Gonzalez of the Carlisle Group, Florida's number-one builder of affordable-housing communities, has seen the entire business change dramatically in just the last few years. Higher-end affordable product tends to face less NIMBY opposition in the communities where it is built. These days, newly built or restored affordable communities are often able to compete with neighboring Class-B and even A properties.

The Related Companies has been one of the most active players in the Golden State's affordable market. In the last few years, the company has preserved and upgraded nearly 6,000 affordable units at communities where the tax credits were due to expire. Related recently teamed up with the nonprofit **Las Palmas Foundation** to buy and renovate the 378-unit **Summer Crest**, a Section 8 affordable community in National City, Calif. **Summer Crest** includes 167 senior units in a single building. The remaining units are garden-style apartments.

Tax credits, tax-exempt bonds and a loan from National City were used to rehabilitate the community's heating and plumbing and to construct a new administration building. **Las Palmas**, headed by Executive Director **Joe Michaels**, and Related also added a complete range of social services. A food bank distributor was hired to deliver groceries to seniors. A senior lunch program was also initiated.

Also added were computer training, literacy courses and a program designed to help parents tutor their kids. Related and **Las Palmas** also recently purchased the 528-unit **Parwood Apartments** in Long Beach, which is being renovated and will offer similar social services.

The Carlisle Group is partnering with Related Capital Company to build eight affordable-housing apartment communities across Florida this year. Ground broke last month on Lenox Court Apartments, in Jacksonville. Carlisle is installing a clubhouse, gated entrances, a swimming pool, a car-care area and laundry facilities. The company is also planning to offer child-care services, medical visits and classes on everything from computers to business.

Out in the California desert, the Palm Desert Development Company has teamed up with Related Capital Company to build the 162-unit Hovley Gardens at a cost of \$24.5 million. The 100% affordable community will include extensive recreation facilities, including a basketball court and a swimming pool. There will also be a community building with a kitchen and computer center. In addition, residents will have access to on-site educational programs, including GED, ESL and life-skills training.

CONTACTS

Las Palmas Foundation: 531 Encinitas Blvd., Suite 206, Encinitas, CA 92024
Joe Michaels, Executive Director, (760) 944-9050, fax (760) 944-9908.