

Location

Arcata, California

Funding

\$2,300,000 City of Arcata Loan

\$3,756,000 Low Income Housing Tax Credits (through California tax credit allocation)

\$1,000,000 USDA Section 515 Rural Rental Housing Direct Loan

Partners

City of Arcata, California

Danco Communities

Danco Builders Northwest

The HOME Investment Partnership Program

California Tax Credit Allocation Committee

Community Revitalization & Development Corporation

U.S. Department of Agriculture, Rural Development

Abstract

In 2004, downtown Arcata, California was economically and culturally thriving but lacked affordable housing options. The Arcata community expressed commitment to affordable housing options, investment in their existing community, and enhancement of the unique characteristics of the downtown neighborhoods. With the support of USDA, the City and a private developer collaborated to create an affordable, green apartment complex for senior citizens in downtown Arcata.

Project Description

Located on the coast of Arcata Bay, the town of Arcata, California is home to Humboldt State University, progressive politics, and a hip, lively downtown. Named “the Plaza”, the center of downtown Arcata is known for its local festivals, a farmers market, and popular local businesses. It is no surprise to city officials that residents enjoy the vitality of the Plaza. Despite this, one major issue in downtown Arcata is the lack of affordable housing options nearby. Recently, the community committed to addressing this issue. In the Arcata’s Economic Development Strategic Plan, the City stated a desire to develop affordable housing downtown so residents have the option of paying less for transportation.

Recognizing their community’s need, the City of Arcata and an affordable housing developer, Danco Communities, came together to design a solution. They decided to collaborate in the development of a new affordable, senior citizen apartment complex next to the Plaza. They presented the idea to the Planning Department and then the City Council. The community embraced the idea of creating a more walkable and sustainable neighborhood with the addition of Danco’s green, multi-use residential and commercial downtown development.

The financing of the project took much longer than expected. The City first committed a \$2.3 million loan to Danco for the project. Additional financing was sought through Low Income Housing Tax Credits (LIHTC). Unfortunately, the California tax credit application process is highly competitive and Danco was not granted the tax credits the first time they applied.

Danco then applied for, and was granted, a USDA Section 515 Rural Rental Housing Direct Loan of \$1 million. USDA's loan would be used just for the rental housing portion of the development. The next year, Danco won \$3.8 million in LIHTC. With USDA loan approval, in addition to the city's commitment, Danco had a competitive edge in the state's selection process for tax credits.

The multi-use building, known as Plaza Point, was completed in the summer of 2012. The first floor holds commercial space and provides amenities to the residents of the building. The second and third floors have 29 apartments for seniors earning 50% or below area median income. The first floor also has a manager's unit, a community room, and a community kitchen. Cooks from the a nearby food co-op come to the Plaza Point community kitchen to teach cooking classes, and Plaza Point residents can attend free of charge. The building also has a fitness center and garden plots for the residents.

The building is a model in energy efficiency and green building. It is certified LEED Platinum and equipped with a photovoltaic (PV) system to convert sunlight into energy. The PV system keeps energy costs very low for residents – just \$8 a month.

Residents of Plaza Point can further save on gas or car expenses due its location. The building is within walking distance of a grocery store, pharmacy, hospital, bus line, and car rental store. The ideal location, cost savings, and amenities of Plaza Point make it a great addition to the Arcata downtown area. The community's seniors can now live in a first-rate, affordable apartment with plenty of access to the great happenings of Arcata, California.

Livability Principles Addressed

Promote equitable, affordable housing.
Support existing communities.
Value communities and neighborhoods.

Lessons Learned

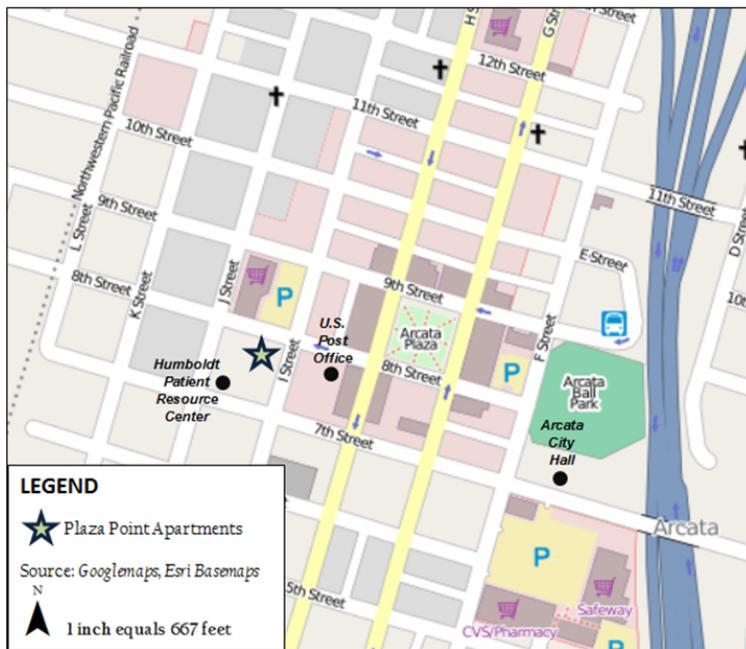
This project could not have been achieved without the commitment of the community and of USDA. GET SUPPORT FROM YOUR COMMUNITY and the community will help ensure your project gets completed.

Pictures and Maps



Description: Context Map.

Source: Esri Basemaps, ArcGIS online database (all layer packages by Esri)



Description: DowntownMap – Arcata, CA

Sources: GoogleMaps, Esri Basemap



Description: Exterior of Plaza Point Apartments during Construction

Sources: Chris Dart, VP of Operations at Danco Communities

Sources for Textual Information

Arcata, C. o. (2009). *Economic Development Strategic Plan*. Retrieved September 10, 2012, from City of Arcata: <http://www.cityofarcata.org/sites/default/files/Final%20EDSP.pdf>

Arcata, C. o. (2012). *General Plan 2020*. Retrieved September 10, 2012, from City of Arcata: <http://www.cityofarcata.org/departments/building-planning/regulations/general-plan-2020>

Dart, C. (2012, July 26). Vice President of Operations, Danco Communities. (A. Murnan, Interviewer)