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Construction to start at year's end on Modesto apartments for low-income seniors

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The Modesto Bee. By Kevin Valine. July 14, 2014

It's taken almost a decade, but Modesto's dream to turn a shabby downtown park into affordable housing is nearing reality.

Construction is expected to start in late December on the nearly \$13.7 million, 50-unit apartment complex for low-income seniors at 17th and G streets, the former home of Tower Park. The work should take 12 to 16 months, said Brandon Reinhardt of American Baptist Homes of the West, one of the project's two developers.

Modesto declared Tower Park surplus property in 2005 and decided in 2006 to build affordable housing at the park, which is roughly the size of a football field. The city picked American Baptist and Satellite Affordable Housing Associates as the developers in 2009.

Reinhardt said the holdup has been in getting financing for the project. "This one was a bit longer than most," he said.

The complex's funding includes federal money administered by Modesto and state tax credits. The project recently became eligible for its final funding piece — \$725,640 in federal money, which the City Council approved last week.

The three-story apartment complex will consist of 49 one-bedroom units for low-income seniors and one two-bedroom unit for the live-in manager. The one-bedroom units will be about 540 square feet each. The complex will be gated and have an elevator. Its amenities include a community room, library, exercise room, computer stations with classes and a vegetable garden.

Residents have to be at least 55 years old and earn 30 to 60 percent of the area's median income to qualify for the complex. Reinhardt said that works out to an annual income of \$11,760 to \$23,520 for a single senior and \$13,440 to \$26,880 for a couple. He said rents will range from \$315 to \$630 per month depending on tenants' income.

Reinhardt said American Baptist eventually will provide information on how seniors can apply to live there. He asked potential tenants not to contact the project developers now.

He said the project will cost nearly \$13.7 million, which works out to about \$274,000 per apartment, which is significantly higher than a market-rate project.

But Reinhardt said there are several factors that account for the higher price. Because the project is using federal money, he said, the developers are required to pay construction workers the prevailing wage, which also is known as the union wage. He said the prevailing wage can be about a third higher than what the developer would otherwise pay.

Reinhardt said the apartment complex is being built to last a long time because its developers are required to maintain it as affordable housing for 55 years. He added the complex will be highly energy-efficient, which is one of the requirements to qualify for state tax credit financing. But that adds to the construction cost.

Tower Park dates to at least the 1930s. It once had a playground for children. In recent years, church groups and others fed the homeless there. The city demolished the park's water tower a couple years ago. A chain-link fence now encircles the park.

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