



Ten single-family rental homes will be built in Cornerstone Development Park

By Russ Pankonin

The Imperial Republican

Efforts to create more rental housing in Imperial got a monumental boost Friday, April 19. That's when it was announced a 10-home rental project here was awarded \$1.5 million in federal housing tax credits.

The development, which will be called Heather Estates, will be located on the north side of 2nd Street in the Cornerstone Development Park.

Dana Point Development, headquartered in Turlock, Calif., will develop and build the project.

Dana Point President Matt Thomas said this week they are excited about the opportunities here in Imperial.

Dana Point's Imperial project application was among 20 other projects competing for the tax credits. Only three other projects were awarded tax credits.

Thomas said the tax credits play a big role in a development such as Heather Estates.

He explained that the tax credits are sold to a non-profit entity. The proceeds from the sale of those credits help reduce the amount borrowed, making it feasible to build the project.

Large investors and banks buy the tax credits, which they receive over a 10-year period. These credits are typically used as a direct offset to income taxes.

The city of Imperial will also lend Thomas \$310,000 from the LB 840 sales tax economic development fund.

Two+ years in the process

Thomas said Friday's announcement culminated a process that started more than two years ago.

Thomas first visited with local officials about a possible development in early 2011. He later came to Imperial to see the community and the Cornerstone Development.

Thomas explained the application process is lengthy and complex. He targeted the Imperial project for the 2013 round of tax-credit funding.

He said Imperial took two crucial steps that likely made a huge difference in the review and scoring process.

The first was Imperial's designation as a certified Economic Development Community by the Nebraska Department of Economic Development.

Former Community Development Director Leslie Carlholm led the process that took more than 18 months to complete.

Thomas said that earned the project two points in the rankings.

The other factor was the city's willingness to provide financing for the project from economic development funds from the sales tax. That added another three points in the ranking, he said.

While those three points may not sound like much, Thomas said “it probably made the difference” in getting the project funded.

Building to begin in August

Thomas said he hopes to start construction by August, with completion of the first houses by late December or early January. He hopes to have the project built by the end of March 2014.

Eight of the homes will be three-bedroom, two-bath, two-garage models. The other two will be four-bedroom models.

He said these use a variety of exterior finishes and design element so the homes don't all look the same.

He said there will be income thresholds on eight of the homes with the other two homes rented at market rate. He estimated non-market monthly rental rates will range from \$465 to \$500.

Once construction begins, Dana Point will have a contact person who will take names of people interested in renting the units.

However, he said an application process will still have to be completed and that won't begin until about a month before the homes are available.

Familiar with Nebraska

While based in California, all of Thomas' projects are located in Nebraska.

In the early 2000s, he worked as the Nebraska representative for another developer doing what he does.

In 2006, he decided to go out on his own. With his familiarity with the state, he said it just made sense to continue to develop in Nebraska.

He's already developed 13 projects in 11 different Nebraska communities.

Significant impact

City Clerk/Administrator Jo Leyland said this represents a significant event in addressing housing needs in the community.

She said it's Imperial's largest single-family housing project since the Bureau of Reclamation homes built in southeast Imperial during the construction of Enders Dam in the late 1940s and early 1950s.

While this is a positive step, Leyland and Jason Tuller, the city's community development director, said much more remains to be done in terms of housing.

“Most people probably don't realize how dire the housing situation in Imperial is,” Leyland said.

Tuller said local businesses are resorting to buying their own homes to ensure they have housing for prospective employees.