Is low-income housing appropriate for downtowns?

Visalia project sparks controversial debate

David Castellon - STAFF WRITER

For years, the former Copeland Lumber Yard in downtown Visalia has sat vacant. But there are big plans for the 1.54-acre parcel, as the City of Visalia has agreed to sell the property to the non-profit Self Help Enterprises, and last month the city's planning commission approved a conditional use permit to build a mixed-use apartment complex on the site.

Self Help specializes in building or revamping houses and rental units for low-income tenants, and the 81-unit development will house low-income and homeless families once what's left of the old lumber yard is torn down and the new three-story complex is built.

Land with history

The planned name refers to the fact that the site of the former lumber yard is believed to be where the first non-native American structure was built in the area by European settlers in the early 1850s—a small fort that later was cleared away. As for the apartment complex planned there, it will be mixed use, with portions of the ground floor earmarked to become headquarters for the Visalia Arts Consortium, along with a gallery/community space and some artisan work lofts, according to a Visalia Planning Commission report.

That same report states that 20-30% of the one- and two-bedroom units will be "permanent supportive housing," in which homeless families will be provided both housing and on-site and off-site services that can include training in independent living skills, health maintenance and obtaining employment.

Developers missed out

After the lumber yard went out of business in the early 2000s, the city acquired the land as part of a plan to expand the Visalia Transit Center one block south, but that never happened, said Steve Nelson, CEO and executive director of Downtown Visalians, an association of business and building owners advocating and promoting downtown commerce and activities.

Eventually, the city deemed the site surplus real estate, but by law the first opportunity to buy the land had to go to public agencies and nonprofit, and Self Help put in the winning bid of $1.9 million, matching the property's assessed value.

Controversy rises

That means commercial developers never had a chance at the property, and that's unfortunate, said Brad Maaske, a Visalia real estate broker who also runs a consulting firm to help developers meet the needs of low-income tenants. "When markets have demand for more of their type of property, they typically end up paying more than 30 percent," he said.

Maaske said he and downtown business operators prefer such a plan because for years city leaders and developers have been working to bring new businesses to downtown Visalia while also supporting property tax breaks immediately, replacing mechanical and industrial businesses with restaurants, breweries and shops that are bringing more people to the larger downtown area.

"No discretionary income"

"Here is where I am torn. I know we need affordable housing," said Maaske, adding that "I'm not against people having affordable housing subsidized by the government, but when you put 81 affordable housing units next to your downtown, restaurants and businesses, the reason those people have subsidized rent is they don't have discretionary income."

And when you don't have discretionary income, it doesn't benefit your downtown to have a lot of people living there with no discretionary income. They can't spend at Starbuck's or go out to dinner and a movie, said Collishaw, adding that "And when you don't have discretionary income, it doesn't benefit your downtown by having people with no discretionary income. They can't spend at the restaurant and so on."

Fresno's example

Such a situation would never work in Fresno, the city's mayor and city councilman, said he never heard from downtown business owners about the apartment development, though there were concerns about who would qualify for the subsidized living spaces and whether vagrants might end up hanging out at the new complex, though that concern appears to be meritless.

Maaske has also learned that Self Help will have an on-site manager and he's not worried about the property deteriorating because "They do a good job of managing their properties."

No NIMBY

This isn't a case of having a "not in my backyard" attitude toward low-income residences, said Maaske, indicating he favors new downtown housing with a mix of market-rate and low-income apartments, while entirely low-income housing projects should be located in areas with businesses offering more affordable goods and services that tenants are more likely to frequent.

Nelson, who also is a former Visalia mayor and city councilman, said he never heard from downtown business owners about the apartment development, though there were concerns about who would qualify for the subsidized living spaces and whether vagrants might end up hanging out at the new complex, though that concern appears to be meritless.

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