



AFFORDABLE HOUSING NEWS

*America's Affordable Housing Resource*



## Fulfilling Their Mission

Owner/Operator Makes Best Decisions To Benefit Properties For The Long Term

The oil boom in North Dakota over the past several years has created a high demand for quality affordable housing throughout the state, especially for senior citizens in Dickinson. California Commercial Investment (CCI) Group owner of Pioneer/Peaceful Haven a 106 apartment community has extensively upgraded the property over the past year. The rehabilitation effort will result in 106 affordable senior apartments.

"This is a project-based Section 8 property that we wanted to preserve for the long term," says Danielle Ohana Hastie, Director of Operations and Asset Management. "Right now in Dickinson, rents are doubling and tripling every year, and you have all of these people moving into the state because of the oil boom."

As a senior housing community, Pioneer/Peaceful Haven doesn't target the oil workers themselves. Rather, it primarily serves seniors who have lived in the area for years—sometimes their entire lives. Thank you to the United States project based Section 8 and the IRS section 42 tax credit programs the low income elderly residents at Pioneer/Peaceful Haven will pay substantially less than market rents for their apartments.

"You are not going to have a low-income elderly person going to work on an oil rig or in trucking, so one of the beautiful things about this project is it's enabling the elderly population of Dickinson, who were there before and want to stay in their homes prior to this oil boom, to stay there."

### KNOWN FOR COMMITMENT

A full-service acquisition, asset and property management and development firm, CCI has experienced 1,000 percent growth over the last decade focusing primarily on affordable housing for the elderly.

"One of our core strengths is the fact that we are owner/operators," Ohana Hastie says. "Because we are an operator,

  
California Commercial  
Investment Group

Director of Operations and Asset Management :: Danielle Ohana Hastie  
Location :: Dickinson, North Dakota



we really have in-depth knowledge of what we can do in a given market and what we can do with buildings from the bottom up. I think it gives us a unique perspective on the bottom-line numbers with long term operating costs, and also what we are able to do with a project from a development standpoint."

CCI is the management agency for about 45 properties comprising more than 4,500 units of senior affordable and conventional apartments. Aiming to make the best long-term decisions, the firm is not shy about making significant investments into its properties.

"It's in our nature to fix the things that need to be fixed," says Ohana Hastie. "Let's use the money where it is most needed. It is sometimes hard for us to use money just to get some points, when we know from a long-term perspective exactly what will be best for the building."

At Pioneer/Peaceful Haven, the location has caused some challenges due to adverse winter conditions and limited places for subcontractors to stay while working on the job.

"Once winter hits in North Dakota, you are limited in what you can do, especially with regard to exterior work," Ohana Hastie says. "It was also very difficult to find subcontractors and then find places for them to stay. The market is just exploding. We literally did not have a place for some of these people."

#### EVOLVING GUIDELINES FROM HUD

CCI is also in the process of redeveloping of Fickett Towers in Los Angeles, California. The firm purchased the property in 2012 from a faith-based nonprofit, and the building had sustained damage during the Northridge earthquake in 1994. Until recently, the sale of the property was held up due to federal HUD regulations, which were recently changed.

"One of the things that was unique to this building was that it was the very first transaction in the country to take advantage of HUD's policy of allowing a nonprofit to take sales proceeds," Ohana Hastie says. "Had HUD not made that change, I am not sure that the owner would have sold us the property, and it may never have been rehabbed in the long term in the way that it is now."


Fickett Towers encompasses 200 units and presents CCI with another opportunity to

continue its mission of developing quality affordable housing.

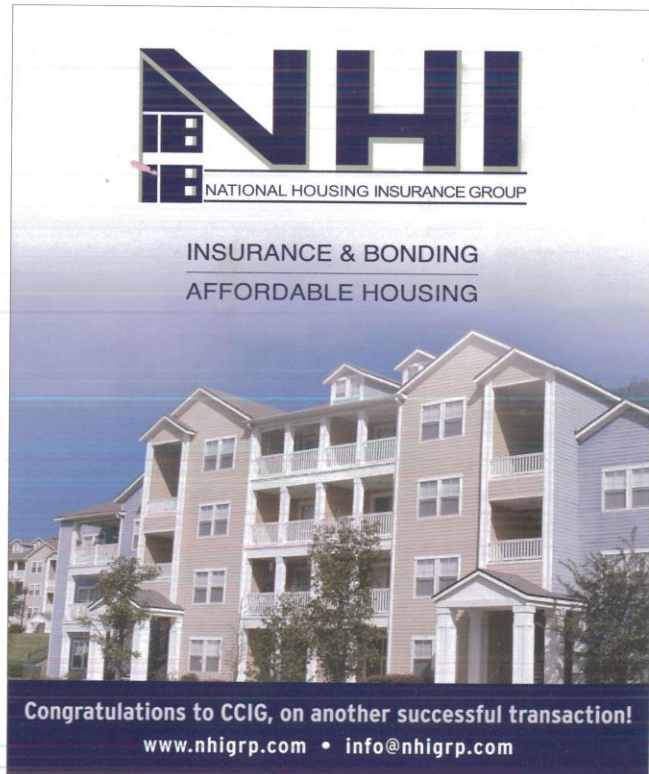
"We like the low-income mission, and we wanted to be able to keep this in our portfolio for the long term," Ohana Hastie says. "It was really a fortuitous moment in which we were able to take advantage of this."

As long-term owners, CCI is on a quest to grow its portfolio, but as it acquires more, the firm will continue to focus on doing whatever is best for the long-term vitality of any particular property.

"We would like to buy and own more because we are long-term owners," Ohana Hastie says. "We are for-profit, but mission-driven in that we provide low-income housing to elderly and disabled residents. We want to keep that going." The firm will also capitalize on its ability to navigate tough regulatory hurdles.

"We are not afraid of dealing with some very complicated matters and different types of financing," Ohana Hastie says. "We want to be able to continue to do that. As the fiscal environment for the government tightens, we'll just keep buying and keep preserving because we really believe in our mission." 

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