

Summit Club mixed housing back on track, breaking ground

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Sunlight peeks softly through the clouds above a swath of land near The Summit Reno mall, a bright respite to the gloomy, overcast skies from just a few minutes earlier.

Not even the fickle weather, however, was enough to dampen the mood of Robert Klein as he sees yet another housing project he is involved in start to take shape. Klein, president of California-based Klein Financial Corporation, says he is reminded of something his wife told him. "Life is not about waiting for the storm to pass," Klein said. "Life is about learning how to dance in the rain."

Photo: Jason Hidalgo

Just a few months removed from a problematic snag that delayed the project late last year, the [Summit Club Apartments](#) mixed-housing project is back on track and officially broke ground on Friday. The south Reno project located next to The Summit Reno mall is one of several high-profile developments by Reno Land, Inc. in Northern Nevada. The Summit Club is an 80/20 hybrid or mixed housing project that sets aside 20 percent of its units as "workforce" or affordable housing. The development, the first 80/20 project of its kind in the state, was originally scheduled to break ground late last year until it received [a notice of default](#) on a \$7.25 million loan. Reno Land, Inc. managing partner Chip Bowlby called the financing issue involving one of its partners on the project a "black eye," especially given all the effort invested by [various stakeholders and entities](#) to make the Summit Club possible.

"Too many people in this town and state helped us for this to happen and I felt bad about it," Bowlby said. "I'm not saying we're right or wrong but it happened and we dealt with it."

"This was a tough one but it's done and we're moving forward," Bowlby added.

A new \$10.3 million loan from private real estate investment firm DivcoWest, which has offices in San Francisco and Boston, allowed the \$115-million project to proceed once again. Barring any unforeseen delays due to weather, the grading and land preparation at the site should take 10 weeks, with building construction kicking off around late May or early June. Construction of the first building should take eight months after that, according to Bowlby.

"We should have our first tenants moving in in first quarter of 2018," Bowlby said.

The workforce component is a key piece of the project, particularly as [rising rents](#) and a [limited supply of houses](#) negatively impact housing affordability in the area. Reno Land recently decided to boost the number of units available for workforce or affordable housing in the 574-unit apartment complex from 117 to 155.

The affordable units allow households that earn less than \$25,000 per year — about 50 percent of Reno's average median income — to rent a luxury-style apartment in a good neighborhood with access to transportation at half of the market rate, Bowlby said. This translates to \$625 per month for a one-bedroom apartment and \$750 per month for a two-bedroom apartment.



Construction equipment are lined up at the Summit Club Apartments site near The Summit Reno mall. (Photo: Jason Hidalgo)

Populations typically hit hardest by rising housing costs include families, seniors and veterans, said Bowlby, who points to successful 80/20 projects in places like New York City. "It's the right thing to do and it brings people up," Bowlby said. "You shouldn't segregate people."

Klein, who is partnering with Bowlby in the project, agreed. Klein has plenty of experience in mixed market and workforce housing projects. He spearheaded the first 80/20 housing project in California in 1976, a 220-unit complex known as Huntington Park Apartments.

Since then, Klein has been involved in many similar projects, which he considers an important piece of any community. It's especially important now given the rising costs for housing seen in the area as it sees more new jobs and attracts workers from out of state, which puts pricing pressure on the area's supply of homes and apartments, Klein added. This includes attractive areas such as south Reno, which is usually out of reach for people with low incomes or those who are beginning a new career. "The young school teacher who's starting out should be able to live in the community that she's teaching in," Klein said. "It's important that people be able to live in the communities that they serve."

As more companies such as Apple, Tesla, Switch and Rackspace enter Northern Nevada, there will be even more pressure to meet housing demand, according to Bowlby and Klein. This comes with the familiar problem of balancing growth with quality of life. Part of addressing both involves building the amenities that people need, such as quality housing, Klein said. The spotlight on Reno will only continue to grow, he added.

"We chose to dance in the rain in Reno," Klein said. "We came here because Reno is the place to be."