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Escondido considers spending \$8 million on affordable housing projects

By: DAVID FRIED - Staff Writer

ESCONDIDO ---- With help from a sizeable city subsidy, two developers have plans in the works to turn a pair of blighted Escondido trailer parks into apartment complexes for low-income families and seniors.

And although the plans run counter to the stated goals of some City Council members who would prefer the subsidies go toward middle-class housing projects, at least one opponent said the projects could play a key role in improving run-down areas of the city.

Southern California Housing Development Corporation, a nonprofit developer based in Rancho Cucamonga, wants to replace the Mobile Haven Trailer Park at 215 E. Washington Avenue with 63 apartments for low-income seniors.

Enhanced Affordable Housing Development Corporation, a Los Angeles-based developer, has submitted plans to build 80, three-bedroom apartments for low-income families on what is now Bellview Trailer Park at 1401 S. Escondido Blvd.

The proposals came in response to solicitations that the city sent out over the summer for affordable housing projects. Four developers responded to the requests, although two pulled their proposals before the Housing Advisory Committee met to consider the plans last month, said Housing Manager Beverly Peterka.

Members of the committee unanimously agreed on Monday to recommend spending \$8 million in city subsidies on the projects. The council will consider the proposals next month.

Both projects would serve residents that earn, on average, 50 percent of the county's median income ---- which amounts to \$34,500 for a family of four.

Council members Sam Abed and Marie Waldron have said they wanted to focus any new housing subsidies on projects that target middle-class families as opposed to low-income recipients. The idea, they have said, is to raise the city's median income, which at \$49,000 trails behind that of neighboring cities.

However, federal and state tax credits and grants used to build affordable housing projects require that most families chosen to live in them earn 60 percent of the median income for the county ---- \$41,400 for a family of four ---- or less.

The city, however, has more leeway in how it spends its own redevelopment money and can use the funds to subsidize housing for families earning between 80 percent and 120 percent of the county's median income, or \$55,200 to \$82,800 for a family of four.

The city generates local affordable housing dollars through increases in property tax revenues from projects completed in Escondido's designated redevelopment areas, which stretch across the core of the city and along

South Escondido Boulevard.

On Monday, Abed said that while his goal of using housing subsidies for families that fall in the 80 percent to 120 percent range remains the same, the projects could also serve an important role in sprucing up severely blighted areas of the city.

"If we maintain our goal of rehabilitating depressed areas, that is another consideration," Abed said, noting that the council has made renovating run-down areas of the city a priority.

"My goal is to go to the upper end (of the income requirement) levels, but we can't do it every time," Abed said.

As proposed, Escondido would kick in \$8 million in federal and local money for affordable housing over the next three years to help subsidize construction of the projects.

Last month, the committee recommended dedicating \$10 million to the developments, \$4.5 million to Southern California and \$5.5 million to enhanced.

But after financial assessments from an outside auditor showed a \$4 million gap in the projected cost for Enhanced's project, city housing officials, financial consultants and the developer tweaked the funding for the project ---- relying more heavily on federal tax credits ---- and representatives from both sides said Monday they believe the \$3 million subsidy will be sufficient.

"We feel the amount of the subsidy (the consultant) has suggested can work," said Marc Gelman, Enhanced's chief executive officer.

Peterka said that the city has roughly \$4.7 million in federal, state and local redevelopment funds available for new projects each year.

Residents at both parks would be reimbursed for their relocation costs, under federal guidelines.

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