

San Diego Business Journal

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Housing Group Affirms Commitment to Build Affordable Homes

By NED RANDOLPH - 6/2/2008

San Diego Business Journal Staff

Affirmed Housing Group recently purchased a downtown property to build what it calls the largest affordable housing project in the state — a 23-floor high-rise at 1050 B St.

It's also the first wholly affordable housing high-rise in San Diego and is scheduled for completion in the spring of 2010.

Affirmed Housing, a San Diego-based affordable housing developer, closed escrow on the \$4.7 million purchase May 9.

It purchased the half-acre lot, previously the site of a fast-food restaurant, for \$4.7 million from KB Home.

The builder had entitlements for a 174-unit, 22-story condominium project, but never broke ground.

"We took that entitlement, changed it and morphed it into a 23-story, 229-unit affordable housing project," said Affirmed Housing Chief Executive Officer and President James Silverwood, whose company employs 11 people. "Our project is a mix of both studios, ones, twos and three bedrooms."

It will also include 14,000 square feet of retail space on the ground floor.

Planners are striving for silver certification in the Leadership in Energy and Environmental Design, or LEED, rating system by the U.S. Green Building Council.

Turner Construction Co. of New York is the general contractor. The San Diego-based design team includes Martinez & Cutri Architects, Project Design Consultants and DeLorenzo Inc.

The units will be rented to tenants earning 25 percent to 60 percent of the median income in San Diego County, which is currently \$72,100.

Total development cost is \$90 million, according to Silverwood.

The Centre City Development Corp., the city agency that oversees downtown redevelopment projects, is contributing the single largest subsidy of \$34 million.

"The financing is very complicated and very intricate. It takes years and years to finance one of these projects and bring one to fruition," Silverwood said.

The San Diego Housing Commission has issued \$48.5 million in tax exempt housing revenue bonds. The project received an award of 4 percent low-income housing tax credits from the California Tax Credit Allocation Committee in the amount of \$38.3 million.

U.S. Bank will provide construction and permanent financing; and Boston Capital Partners will act as the tax credit equity investor.

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More Low-Income Housing: Another affordable housing development opened in downtown San Diego recently.

The 42-unit Gateway Family Apartments, located in the Barrio Logan redevelopment project area at 16th Street, is four stories with underground parking and community clubhouse, barbecue area, playground and gated access.

Gateway includes two- and three-bedroom units ranging from 860 to 1,100 square feet. All apartments are set aside for households earning between 30 percent and 60 percent of the area median income for San Diego County.

The San Diego Redevelopment Agency acquired the site and provided \$3.6 million in financing. The total project cost was \$20.7 million. It received \$11.37 million in federal and state low income housing tax credits.

The general contractor was Wermers Construction Co. of San Diego. John Maple Architects, also a local firm, designed the project.

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Hot Wiring: Legislators want to make it more difficult for metal thieves to pillage and profit from stolen metal and copper wiring.

A bill by Central Valley Assemblyman Tom Berryhill, R-Modesto, and co-sponsored by 36 Assembly members, including Martin Garrick, R-Carlsbad, and George Plescia, R-San Diego, would require junk dealers and recyclers to buy scrap metal and copper by check and hold payment for three days.

Authorities may also place a 90-day hold on property believed to be stolen.

Berryhill says a toxic chemical spill in San Pablo Bay was the result of a \$10 brass valve being stolen from a storage tank.

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