

PROPOSED HIGH-END HOUSING MAY DISPLACE RENTERS

Developer wants to remove Penasquitos Village complex

BY PHILLIP MOLNAR

A developer has proposed demolishing the 332-unit Penasquitos Village apartment complex and building 564 high-end units in its place, potentially displacing hundreds of subsidized renters.

Anxiety over the plan is likely a preview of what could be an increasingly common issue throughout the region for years as a construction lags demand, and builders run out of land.

While roughly 200 Section 8 recipients, low-income renters who get federal rental assistance, might have to move, the proposal creates more housing than what is on the site now — something real estate experts say is desperately needed to keep costs down, in theory, for everyone.

The Pacific Village proposal calls for 99 large single-family homes, 105 triplex homes, 120 townhomes and 240 apartments. Right now the outline includes no subsidized housing plan.

Some community members have launched a petition to stop the development, even though it has yet to be approved by the city. The 38-year-old complex is one of the few places in the area for subsidized renters, many of whom are on very low fixed incomes.

Atlantic-Pacific Companies owns the property and the project is being developed by Lennar Homes. Both declined to comment for this article. So far, Lennar has paid \$28,800 in processing fees to the San Diego Development Services Department.

There are 147 units in Penasquitos Village apartment where renters are using Section 8 funds, the San Diego Housing Commission said, but there are usually two or more people living in each apartment. Because the complex has not seen any major improvements in decades, rent has stayed low there in comparison to the rest of the area.

“It’s practically 100 percent low-income housing,” said Melinda Vasquez, a board member of the nonprofit Rancho Peasquitos Town Council.

If the developers decline to provide subsidized housing, they will be forced to pay fees, called inclusionary housing in-lieu fees.

In an April letter to Latitude 33, a planning and engineering firm hired by developers, city Development Project Manager

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A proposal has been made to demolish the Penasquitos Village apartment complex to create a new development.

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HOUSING

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Residents do not want to leave Penasquitos Village

FROM **C1** Firouzeh Tirandazi said affordable housing was a key issue with the proposal and needed to be addressed in future submissions to the city. He also said there are six to 12 month tenant noticing requirements for properties that will no longer be affordable housing.

Penasquitos Village, at 10955 Carmel Mountain Road, has 92 one-bedroom units and 240 two-bedroom units with an average rent of \$1,370, according to CoStar. It has a vacancy rate of less than 2 percent.

Most residents found out about the proposed redevelopment on April 1 when a building manager taped a letter to their doors. It said the earliest they would need to leave is January 2018 and that it was not expected the new community would accept Section 8 vouchers.

Tania Mansilla, 40, has lived in a one-bedroom with her husband, 11-year-old son and 7-year-old daughter for two years. Her children attend a school across from the complex, but she doubts they can stay in the area if Penasquitos Village closes.

"For us to move out, you'll need \$5,000," she said of an expected security deposit. "We don't have that."

Tanny Garcia, 85, moved to the complex with his wife in 2002. He said they rely on Social Security and a small pension fund to pay rent. Even though they don't have a car, they are close to public transportation.

"The place is nice, quiet," Garcia said. "Plus, the bus is right in front of my house."

The proposal comes at a time when housing advocates are pushing for more housing, and increased density, to meet demand.

Some groups are actively working to preserve current low-income units. Nonprofit developer Community HousingWorks has bought aging complexes, such as Cypress Cove in Escondido, before they can be turned into upscale housing.

Anne Wilson, Housing-Works senior vice president, said the Pacific Village plan is complicated for housing advocates.

"Some of these developments are really low density and we need more housing. It's a good thing to encourage more housing," she said. "But, there should be some affordable housing in every one. That's how we get integrated neighborhoods."

Wilson said getting money for low-income projects does not always mean it is a done deal because the county is running out of buildable land. "We have to compete with Lennar, others, for land. Getting a piece of land is really tough," she said.

Richard Gentry, the president of the San Diego Housing Commission, said current Section 8 recipients can take their vouchers to other complexes but that the city needs an additional 38,680 units by 2020, according to estimates from the San Diego Association of Governments.

"While the property owner has the legal right to redevelop their site within the parameters of City's regulations," he wrote in an email, "there is an added burden to replace this much needed affordable housing for our low-income residents when we lose an affordable housing resource due to market place dynamics."

However, he said 567 new subsidized housing units are expected to come online in the future from developers throughout northern San Diego city, including Shea Homes, Pardee, Chelsea Investment Corp, the Olson Company, Standard Pacific and others.

But many Penasquitos Village residents do not want to leave the homes they've lived in for years and fear what will happen next.

Jose Zara, 86, has begun a letter-writing campaign, using a typewriter, to city officials, as well as to presumptive Democratic presidential nominee Hillary Clinton. "To be just relocated to an undetermined and unknown place when we have been renting here for 12 years is very cumbersome," he wrote to Clinton, "especially for the sickly elders and disabled like us." Zara had a stroke in April, which he said has severely limited his movement. He gets some pension money but essentially lives on his monthly Social Security. With housing assistance he and his wife, Rosita, also disabled, pay \$393 a month in rent.

"We can't pay if it goes up," Zara said of renting somewhere else.

The issue will be discussed at a public meeting of the Rancho Penasquitos Land Use Committee on July 6 at 7:30 p.m. at the Doubletree Resort at 14455 Penasquitos Drive. However, some community members are trying to organize an informational meeting before that.

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