

\$44 million project starts

Welcome sounds of construction ring in Rancho Peñasquitos

By **Roger Showley**

UNION-TRIBUNE STAFF WRITER
2:00 a.m. October 2, 2009

With construction virtually at a standstill in San Diego County, a Florida-based firm officially started construction yesterday on a 368-unit apartment project in Rancho Peñasquitos that will generate hundreds of jobs over the next two years and replace an outmoded experimental metal housing complex.

The project is called Cresta Bella Apartments and is a development of Atlantic & Pacific Management, a company that owns and manages about 18,000 apartments and condo complexes on the two coasts.

“Real estate’s in our blood,” company chairman Alan Cohen said. “This is something that I’ve been focused on for 45 years.”

The \$44 million project is on 31 acres west of Interstate 15 on Peñasquitos Road, immediately south of the DoubleTree Golf Resort. It will include 32 buildings, most of which will resemble what the project architect calls a “big house” — a mega-mansion that contains 10 apartments.

The units will range from 850 square feet to more than 1,440 square feet and rent for a projected \$1,350 to about \$2,200. Thirty-one of the units will be set aside as affordable units available to low- and moderate-income renters under the city of San Diego’s inclusionary housing program.

As a measure of how grateful they were at the groundbreaking, officials of Suffolk Construction Co., a Boston-based general contractor with offices in Irvine, heaped praise on the Cohens for choosing them over San Diego’s more deep-rooted contractors.

So far this year, only 778 multifamily housing units have been authorized locally, so the AP project represents a nearly 50 percent increase in just one month.

Robert Pinnegar, executive director of the San Diego County Apartment Association, said Cresta Bella was a prime candidate for redevelopment because of its proximity to a freeway, shopping and community services. However, he said, good urban planning would have called for higher building density.

“There was potential to put much more density there and that’s kind of sad,” Pinnegar said.

In fact, the Cohens, who have owned the site since 1975, originally proposed to build more than 500 units but backed off when the Rancho Peñasquitos Planning Board voiced concerns about traffic, and the developers realized how difficult it would be to change the community plan. The last residents were relocated to other projects earlier this year; the buildings were demolished last month.

“We had numerous offers on our assets and could have sold and cashed out and made a lot of money,” company president Stanley Cohen said. “We’re not interested in that. We’re interested in long-term operations and building the company up here.”

Many other builders are stymied from proceeding with their projects because of the lack of financing. Cohen said Wells Fargo Bank agreed to back the project, because, he said, “We pay our bills and have a strong balance sheet.”

The Cresta Bella site has a history as old as the community. Its predecessor was Leisure Life Village, a series of 248 single-story homes built in the late 1960s and rented mostly to seniors with federal housing subsidies. The developer was Irvin J. Kahn, who had bought the 14,000-acre Los Peñasquitos Rancho in 1962.

He signed on United States Steel, Rheem Manufacturing Co. of New York and Rohr Corp. of Chula Vista to build an all-metal framing and modular complex. Promoters at the time spoke of it as a “breakthrough” in residential construction.

But Kahn, who died in 1973, had fallen behind in his payments on \$180 million borrowed from the Teamsters pension fund. The balance of the development property was sold to Genstar Ltd. of Montreal for \$91 million in 1978.

The Cohens bought some of the Kahn holdings in 1975, including Leisure Life, and watched the I-15 corridor develop over the next 30 years.

But the project, while offering affordable housing, was not the most comfortable to live in.

“In the summer it was hot and in the winter it was cold,” Stanley Cohen said.



Alan Cohen (left) and sons Stanley and Howard have demolished a 1960s-era apartment complex to make way for 368 new apartments in Rancho Peñasquitos. (John Gastaldo / Union-Tribune) -



Leisure Life Village was built in the 1960s in a modular complex. (Courtesy photo)



Cranes yesterday pulled apart the apartment buildings, which were constructed of all-metal framing.



SOURCE: SanGIS
AARON STECKELBERG / Union-Tribune

Dan Barker, a member of the Peñasquitos Planning Board, said the community and neighbors were "anxious to see this redeveloped."

"There was no issue between the residents and the community," he said. "It was just that the property was in dire need of redevelopment."

Union-Tribune

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