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AFFORDABLE HOUSING FINANCE

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Public Works Site Transformed Into Affordable Housing

Paradise Creek brings 201 units to San Diego County.

By Donna Kimura

The second phase of Paradise Creek, an affordable apartment community developed by Related California and Community Housing Works (CHW), has opened its doors in National City, Calif.



Paradise Creek is home to residents earning between 30% and 50% of the area median income in National City, Calif. Developed by Related California and Community HousingWorks, the new 92-unit second phase joins 109 units completed in the first phase.

"Even families that work full time are having difficulty finding affordable housing," said California Assembly member Lorena Gonzalez-Fletcher at the recent opening ceremony. "Cost of living is the number one issue in our region, especially the South Bay, and Paradise Creek is a shining example of progress in the fight for more affordable living."

The development provides 92 affordable homes for families earning between 30% and 50% of the area median income.

The new housing adds to the 109-unit first phase that opened in 2016. The cost of developing both residential phases plus creating a new park and remediating the land for the project is about approximately \$100 million.

The project is also significant because it turns around a contaminated site that had been owned by the city and used as a public works yard.

"Paradise Creek is a new benchmark for development in National City and the San Diego region," said Sue Reynolds, president and CEO of CHW. "Community HousingWorks is nationally recognized for our leadership in sustainability, both in terms of construction materials, energy, and water, and also in our programs that provide residents the tools to have financial stability and forge stronger futures."

The development is the first in San Diego County to receive funding from California's Affordable Housing and Sustainable Communities program, an effort that supports greenhouse gas reduction. The program uses "cap and trade" funds to incentivize biking, transit ridership, and remediation of contamination. The community was awarded \$9.2 million for its second phase because of its focus on sustainable living and redevelopment of the site.

The site is located on National City's historic Westside and is situated to promote walking, biking, and transit ridership. The Paradise Creek master plan enhances the community's natural character with new homes, sidewalks, bike lanes, and a 3.9-acre public park scheduled for completion in 2019.

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Because of its environmentally focused design, Paradise Creek has been recognized with a Silver Catalyst Award from the California Sustainable Communities Partnership. Upon completion of the adjacent park, the community master plan is expected to be certified LEED—Neighborhood Development, a designation focusing on master plan areas that revitalize neighborhoods.

Leadership from the Environmental Health Coalition and San Diego Organizing Project first initiated the vision for a pedestrianoriented, sustainable, and affordable community on the site in 2005. These grassroots groups and the city collaborated to develop the Westside Specific Plan, a master development that would serve as an incubator for home ownership and revitalization of the historic neighborhood. The city selected Related California and CHW as co-developers of the community in 2008.

Working on this development has been very humbling, said Mary Jane Jagodzinski, CHW vice president of development, explaining that the city put its limited resources into the project and grassroots groups also got behind the plan.

The city provided approximately \$36 million through bonds and HOME funds. The state provided another \$18 million in financing. California Community Reinvestment Corp. is the permanent lender on phase two. Union Bank provided low-income housing tax credit equity and construction loans for both phases.

Paradise Creek is already a catalyst in revitalizing its neighborhood, according to Jagodzinski. "There is just so much community involvement and ownership, true commitment, and pride in what they have done," she said.

ABOUT THE AUTHOR



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Donna Kimura is deputy editor of Affordable Housing Finance. She has covered the industry for more than a decade. Before that, she worked at an Internet company and several daily newspapers. Connect with Donna

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