



Media Contact: Maria Velasquez, Vice President Community Relations & Communications 619-578-7560 mariav@sdhc.org

## FORECLOSED CONDOMINIUM PROJECT WITH PENTHOUSES, REDESIGNED AS AN AFFORDABLE HOUSING APARTMENT COMPLEX IN NORTH PARK—CITY SCENE

San Diego Housing Commission provided a \$5.1 million loan, including funds from a federal program to help communities that have suffered from foreclosures

**San Diego**, CA— A foreclosed condominium construction project with two penthouses was redesigned into City Scene, a 31-unit affordable housing apartment complex in North Park. The <u>San Diego Housing Commission (SDHC)</u> helped rescue the project, closing out the remainder of a \$9.4 million federal grant from the Neighborhood Stabilization Program (NSP).

SDHC provided a \$5.1 million loan toward the \$10.86 million project developed by Affirmed Housing Group, which held a grand opening today. It includes \$3.6 million from the NSP, which allowed SDHC to help Affirmed purchase the property to prevent blight caused by foreclosures.

SDHC President & CEO Richard C. Gentry noted the U.S. Department of Housing and Urban Development (HUD) grant came through the City of San Diego. In asking SDHC to administer the grant, Gentry said, Mayor Jerry Sanders asked the agency to "make sure the money supported private sector ownership and affordable housing."

"This completed property here is a good fit," Gentry said. "City Scene will remain affordable for 55 years."

HUD's support helped bring about a major transformation in the North Park property, Gentry said. "We value our federal partners. We thank you for participating with us."

Located at Georgia Street and Polk Avenue, City Scene includes a community room, computer lab, onsite laundry facilities and a large courtyard with barbecue equipment. Energy sustainability is promoted by rooftop solar panels and special parking for carpools and bicycles in the 60-space parking garage below the five-story structure.

San Diego City Councilmember Todd Gloria, whose district includes North Park, called City Scene "a jewel in our community" and a welcome improvement from the unfinished construction, once "truly a blight and an eyesore."

Attending the grand opening were William Vasquez, Community Planning and Development Director from the HUD office in Los Angeles, and Chin Woo Choi, HUD Program Manager.

"We're very proud of this first-class development, obviously," Choi said. "A project that was foreclosed upon, that was a blighting influence to the neighborhood, has been transformed into providing affordable housing for low-income residents, and we're very, very pleased."

The first residents of City Scene moved into their units in May. It is fully occupied.

"We were really grateful to get the call that we qualified for affordable housing here at City Scene," said tenant Amber Elliott, who lives in a two-bedroom apartment. The location puts her 6-year-old daughter closer to school than their previous apartment, and Amber said she can bicycle to her job in Hillcrest. "We make it a habit to walk to get our groceries," she added.

City Scene's one- to three-bedroom units will be rented to very-low income families with incomes between 50 to 60 percent of the Area Median Income (\$40,150 to \$48,180 for a family of four).

Rents at City Scene will range from \$724 to \$871 for a one-bedroom apartment, \$868 to \$1,045 for a two-bedroom apartment, and \$964 to \$1,161 for a three-bedroom apartment.

"We are extremely proud of this beautiful building that you see here today on this site," said Nicki Cometa, chief financial officer of Affirmed Housing Group. "City Scene is a sterling example of the private and public sector working together to bring a landmark development to a community."

In addition to the NSP funding, SDHC's loan included \$1.45 million in federal HOME funding.

NSP, aimed at preserving neighborhoods with a high concentration of distressed properties, and HOME, which allocates grants to state and local governments with the goal of creating affordable housing for low-income households, are both U.S. Department of Housing & Urban Development (HUD) programs.

SDHC began using the NSP as a tool against foreclosures in 2009, helping 58 eligible San Diegans to become first-time homebuyers by purchasing foreclosed homes. For City Scene, SDHC used NSP funds to help Affirmed buy the property.

The loan also provided \$53,275 from San Diego's Housing Trust Fund, which is administered by SDHC on behalf of the City of San Diego.

At SDHC's recommendation, the Housing Authority of the City of San Diego also approved \$5.4 million in multi-family revenue bonds for City Scene.

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