

PACIFIC VILLAGE

POSITION: The Chamber's Public Policy Committee voted to SUPPORT the project on October 10, 2017.

STATUS: The project was continued from its original October 5 date at Planning Commission, and is tentatively expected to go before the San Diego City Council in November of 2017.

AT-A-GLANCE

Pacific Village is a proposed 41.5 acre redevelopment of an existing property in Rancho Penasquitos. The project includes 601 new homes targeted at the "missing middle," comprised of single-family homes, townhomes and apartments.

SUMMARY

Pacific Village is a proposed 41.5 acre redevelopment project in Rancho Penasquitos. The existing property is comprised of 332 apartment units, and will be replaced with 601 units of what the developer calls "moderately-priced" housing. The project includes 99 single-family homes, 105 triplex homes, 120 townhomes and 277 apartments, including 28 affordable rental units. The developers, Lennar and Atlantic Pacific, anticipate the homes to start in the \$400,000s.

ANALYSIS

Pacific Village presents an opportunity for the city to double the number of units that currently exist on the property. Zoned for 601 homes, the project represents a developer building to the maximum that the site allows for, which is generally agreed to be a necessary step for San Diego to begin chipping away at the housing supply crisis that has driven up rents and home prices to record highs in the past year. However, the project has been steeped in controversy as it has been incorrectly categorized as "affordable housing," although the covenant expired on the property in 2010. In other words, for the past seven years there has been no legal obligation to maintain rents at low levels, or to accept individuals using housing vouchers. The owner of the property, Atlantic Pacific, opted to continue to accept those individuals and families, who will (should the project receive city council support) be required to relocate.

The property owners have moved each of its remaining tenants to a month to month lease, and has not accepted new tenants in recent months, meaning that many of the 322 units on site are vacant. The developers are planning for robust relocation assistance and have worked in good faith to be transparent with its tenants, however continue to receive some opposition as misleading campaigns depict them as razing an existing development of subsidized tenants in favor of luxury occupants. In reality, they will be offering 120 day notice of the need to relocate to any tenants still living on the site, and are offering immediate security deposit return regardless of the state of the unit. They are further examining options for moving support and will hire a full time relocation expert to work on the site with tenants. While it is true that for individuals in moderate and lower income brackets identifying affordable units and relocation is challenging, it is a troubling idea to hold specific developers responsible for the housing supply crisis and demand that they not redevelop sites that will ultimately increase the city's overall housing stock. It should also be considered that the developers are investing \$4 million in affordable housing funds, and anticipate their units to start in the \$400,000s, which is appropriate for middle-income families that are also squeezed by our housing shortage.