



SAN DIEGO  
HOUSING  
COMMISSION

**News Release**

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**A 20-YEAR DREAM FOR BARRIO LOGAN COMES TO LIFE  
WITH ESTRELLA DEL MERCADO APARTMENTS FOR  
LOW-INCOME FAMILIES AS PART OF  
MERCADO DEL BARRIO DEVELOPMENT**

*Apartments will remain affordable for 99 years- San Diego Housing Commission  
Public-Private Partnership with Developer Chelsea Investment Corporation*

**San Diego, CA**— It took more than two decades to bring about a new residential and commercial district in Barrio Logan, an expansive and critical revitalization effort near the foot of the San Diego-Coronado Bridge. The San Diego Housing Commission (SDHC) played a major role in providing the funds to acquire the land and complete the financing for the construction of Estrella del Mercado Apartments with developer Chelsea Investment Corporation.

The apartments are located within walking distance of the San Diego Trolley Barrio Logan Station and Metropolitan Transit System bus lines. This fulfills a priority of SDHC and the U.S. Department of Housing and Urban Development (HUD) for transit-oriented development, defined by HUD as compact, mixed-use development within an average 2,000-foot walking distance of a transit facility.

“Estrella del Mercado puts 91 families and individuals in the center of one of the most exciting developments this region has ever seen,” said SDHC Senior Vice President, Real Estate, Debbie Ruane. “It’s highly walkable and transit-oriented at the same time, which gives workforce families convenient access to transportation to jobs. And it provides affordable housing to some families living on extremely low incomes.”

A grand opening today was attended by close to 150 members of the community and representatives of the partners in the development.

Estrella del Mercado and speakers were blessed by Father Richard Brown, a beloved figure in the Barrio Logan community.

He was introduced by Rachael Ortiz, Executive Director of Barrio Station and a major neighborhood advocate of Mercado del Barrio. Ortiz reminded the audience of calls for community revitalization dating back to the early ‘70s, including those of then-Councilmember Jess Haro, who advised the community to use government land-use planning as an instrument for improvement. “It was a struggle to get it approved,” Ortiz said. “The industrial sector at that time wanted the land, too.”

The 91 affordable family housing units of Estrella del Mercado -- restricted to families with incomes at 30 to 60 percent of the San Diego Area Media Income – leased out in less than two days. The one-, two- and three-bedroom apartments will remain affordable for 99 years.

California State Assemblymember Ben Hueso who represents the 79<sup>th</sup> District is a former San Diego City Councilmember and early supporter of the development. He told Barrio Logan residents it was one of the most difficult projects he had worked on, but the result was “a healthy, vibrant community that you all deserve to live in.”

“This project is really all about you coming together as a community, and all the brainpower and all the resources that we have in San Diego coming together to bring it to fruition,” Hueso said.

Estrella del Mercado, built by Chelsea Investment Corporation in partnership with the San Diego Housing Commission (SDHC) and the City of San Diego Redevelopment Agency, is the first major component to be completed in Mercado del Barrio, which encompasses two city blocks on 6.8 acres.

Jim Schmid, CEO of Chelsea Investment, praised the project partners for surviving difficult economic times. It was 750 days from groundbreaking to grand opening, Schmid noted.

“Today, Estrella del Mercado is a done deal. I think she speaks for herself.”

SDHC invested \$7.11 million to acquire the land for Estrella del Mercado along Cesar E. Chavez Parkway, between National Avenue and Main Street near Chicano Park, and provide a loan toward the \$43 million development. SDHC will have an option to buy the property after a 15-year tax-credit compliance period.

David Alvarez, who represents Barrio Logan as the San Diego City Councilmember for District 8 and lived in the area as a child, said the public-private partnership had created a development with a long-lasting impact.

“For a young person to see an investment like this in the community, I can tell you as someone that experienced the dirt lots, this means a lot. It means that we believe in this community.”

The apartments are part of the Barrio Logan Redevelopment Project Area, initiated in May 1991. When completed, Mercado del Barrio will include a Hispanic-themed Northgate Gonzalez Market, 48,000 square feet of additional space for retail shops and restaurants, and a community theater.

Mayor Jerry Sanders said the development is a tribute to the persistence of its backers. “It’s been the community support and in fact the community demanding that this project get done that has really made the difference in this,” Sanders said.

The three-story complex consists of 19 one-bedroom, 40 two-bedroom and 33 three-bedroom apartments, including a manager’s unit for a total of 92 units.

The units are reserved for persons or households with incomes at 30 to 60 percent of the San Diego Area Media Income (AMI), as follows:

- 10 units: 30% AMI, maximum monthly rent \$432 to \$573
- 10 units: 40% AMI, maximum monthly rent \$583 to \$773
- 10 units: 45% AMI, maximum monthly rent \$658 to \$874
- 38 units: 50% AMI, maximum monthly rent \$733 to \$919
- 23 units: 60% AMI, maximum monthly rent \$884 to \$1,109

Maximum annual income at 30 percent San Diego AMI is \$19,300 for a two-person household and \$24,100 for a family of four. At 60 percent San Diego AMI, the figures are \$38,580 and \$48,180, respectively.

Estrella del Mercado is one of six properties SDHC invested in under SDHC's 2009 Finance Plan, which raised \$95 million by leveraging the equity from SDHC's former public housing portfolio. This has resulted in the creation of 810 additional affordable housing units through public-private partnerships that will remain affordable for 55 years or more.

In a 2007 landmark agreement with HUD, full ownership and operating authority over 1,366 former public housing units were transferred to SDHC, resulting in the largest public housing conversion ever approved at the time.

For more information, see the SDHC online report, [Creating Affordable Housing Through Public Housing Conversion](#).

The report is also accessible on SDHC's website, [www.sdhc.org](http://www.sdhc.org).

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