

# El Centro project gets going again

## New contractor for CHC job

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SANTA CRUZ — With visible relief, developers of the downtown El Centro project announced Wednesday that construction is under way again.

Bolstered by a new contractor and construction manager, Santa Cruz Community Housing Corp. won approval from its lenders to restart the \$5 million project, which has been stalled for months.

"We're really delighted," said CHC Executive Director Arnie Fischman, happily shouting over the noise of the hammers. "This will be a real jewel for the rebuilding of downtown."

The senior housing project has been standing half-built on Pacific

Avenue since construction workers walked off the job in February after not being paid for several months.

Bank of America, which loaned the project \$2.3 million, had refused to start issuing payments, citing concerns about the dependability of the contractor, Baycor Construction Inc., and CHC's construction management.

To keep the project afloat, both the bank and the state Department of Housing, which loaned \$1.4 million to the project, demanded changes, including a new contractor and construction manager.

In March, CHC negotiated a buyout with Baycor. Fischman said Wednesday he didn't have a specif-

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ic figure for the deal, but said the construction delays combined with the buyout had boosted the project's cost to \$5 million.

Last month, Baycor was replaced by Devcon Construction Inc., which has constructed several of new buildings downtown, including Logos, Lily Wongs and the Melrose Building.

CHC also brought on construction manager Bill Moffett, who Fischman said has "decades of experience" with publicly funded affordable housing projects.

"Bringing him on board really increased their (the bank's) level of confidence," Fischman said.

Last month, Bank of America agreed to release roughly \$335,000 in back wages owed to subcontractors.

Meanwhile, Moffett overhauled the project to cut costs and improve building techniques, Fischman said. Wood damaged by rain during the long hiatus has been replaced and the building is scheduled to be finished by December.

"It's been a lengthy ordeal, but it's a much better building, a more cost-effective building," Fischman said.

El Centro will provide 44 affordable apartments for seniors downtown. The ground floor will feature a food court, along with a bakery



Dan Coyro/Sentinel

The El Centro development site as it stands Wednesday.

and gift store.

Several of the business tenants-to-be are part of CHC's "incubator" program, which trains low-income people to start and run their own small business.

"It's fantastic," said Pat Calvert,

director of the Downtown Association.

CHC's other long-awaited project, the La Playa Marketplace in Beach Flats, is "on track," and may be completed in August, Fischman said.