

More housing planned for mall

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5-15-90

SANTA CRUZ — The Community Housing Corp., which earlier this month announced it was negotiating to buy the Palomar Hotel, said Monday it was buying more property on Pacific Avenue for a marketplace and more single-room occupancy housing.

The "Mercado El Centro," to be run by low-income proprietors, and three floors of housing are planned for the former site of the Good Times building, according to CHC Executive Director Arnie Fischman.

Fischman would not disclose the purchase price, but information provided by the CHC indicates the total cost of the land and construction of the market and 44 housing units would exceed \$4.2 million.

Property owner Jay Shore, who formerly was publisher of the Good Times entertainment tabloid, had announced in March that he was submitting plans to the city to rebuild retail and office space and two floors of condominiums.

Fischman said the CHC had first approached Shore before those plans were announced. "Ever since the earthquake we had been analyzing property on the mall for what might be suitable for replacing SRO housing," Fischman said.

He said the recently concluded deal is expected to close escrow on May 31.

The City Council has said that replacing single-room occupancy units destroyed by



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Community Housing Corp. officials, from left, Arnie Fischman, Elizabeth Vogel, Margaret Brezel and Karen Zelin.

the earthquake will be a priority in the rebuilding of the mall.

The CHC proposal calls for 44 rooms with private baths and shared kitchen facilities.

Fischman said a kitchen and dining area will be provided for each seven or eight rooms.

Plans also call for a common room on the

second floor for social and recreational uses and for welfare services, which would be professionally organized.

Rental preference will be given to former mall residents who were displaced by the earthquake, Fischman said.

The CHC envisions the marketplace as including booths and carts selling fresh meats, produce and prepared ethnic foods. There also will be space for at least one formal restaurant and for permanent retail space.

The small businesses would be operated by low-income proprietors who have participated in a business-development training program operated by the CHC.

Initial financing of more than \$475,000 is being provided by the Local Initiatives Support Corp., the David and Lucile Packard Foundation, an anonymous private donor, the U.S. Department of Health and Human Services and Red Cross Earthquake Relief Funds, according to the CHC.

Additional financing of \$3.8 million is expected from the California Rental Housing Construction Program, the Savings Association Mortgage Co., and investments generated by low-income housing tax credits. Administrative costs are being supported by the Local Initiatives Support Corp. and the Packard Foundation, according to CHC.

Earlier this month the CHC said it was working with the San Jose-based Housing for Independent People to buy and operate the 97-room Palomar Hotel.