

MARKETS

▲ 34.43 Dow 17,712.66
▲ 27.86 Nasdaq 4,891.22
▲ 4.87 S&P 500 2,061.02
▼ 0.03 10-yr. T-note 1.96%
▼ \$2.56 Oil \$48.87
▼ \$5.00 Gold \$1,199.80
▼ \$0.07 Silver \$17.05
Euro 0.9180 • Peso 15.2350

BRIEFLY

**MILITARY RADAR AIRWAVES EYED:** In a blog post Friday, Federal Communications Commission Chairman Tom Wheeler proposed opening airwaves reserved for military radars to civilian smartphones and tablets in order to expand wireless broadband use. Steps would be taken to protect military radar operations, he said.

**AETNA CHANGES PLAN:** Aetna agreed to reduce out-of-pocket payments for most HIV and AIDS medicines after pressure from an advocacy group, revising coverage that had some patients paying \$1,000 a month for the drugs. The health insurer will move the drugs into a category that will charge patients \$5 to \$100 after deductibles are met.

**ROBOTIC TIE-UP:** Google is joining forces with Johnson & Johnson to develop a robotic-assisted surgical program, moving into a growing field of medicine as the search-engine giant expands its health care investments. The companies will explore ways to add advanced imaging and sensors to surgical tools, helping doctors during operations.

**ANALYSTS SURPRISED:** BlackBerry reported a surprise fourth-quarter profit of 4 cents a share, excluding some items, or \$28 million, after cutting costs and increasing the average price of its smartphones amid slumping sales. Sales fell 32 percent to \$660 million from a year earlier.

**TARGET BEATEN:** Automakers exceeded U.S. government targets for improving gas mileage by “a wide margin” for the second year in a row, the Environmental Protection Agency said, averaging 24.1 miles per gallon for the 2013 model year, up 0.5 mpg from the previous year.

DIGITS

26

Number of U.S. initial public offerings in the first quarter, which raised \$4.7 billion, nearly half of the \$8.6 billion from 46 offerings in the same period last year, according to Thomson Reuters data. Shaky equities and commodities markets took their toll, after a record 277 companies went public last year.

U-T NEWS SERVICES

## MORE SLOW, BUT DURABLE, GROWTH IN U.S.

Number of factors will determine if spurt lasts

BLOOMBERG NEWS & AP

The U.S. economy's tepid performance last quarter — a 2.2 percent annual growth rate — was typical of the economic rebound that began in the summer of 2009. Yet the sluggish pace of the recovery has

a silver lining: This growth spurt has proved to be one of the most durable since World War II.

Will it last? It'll depend on a number of factors in the months ahead, including a potential rate hike by the Fed, the strong dollar, oil prices and consumer spending.

The revised increase in gross domestic product, the value of all goods and services produced, matched the Commerce Department's previous

**“The consumer is still going to hold up.”**

Jacob Oubina  
RBC Capital Markets economist

estimate, according to data released Friday in Washington.

Stock index futures were little

changed, after equities' longest losing streak in 10 weeks. An end-of-day rally in semiconductor stocks spurred by takeover speculation helped send the Nasdaq to its first gain of the week, cushioning stocks from comments made by Federal Reserve Chair Janet Yellen.

Yellen said Friday that she expects the Fed to raise interest rates this year, and that subsequent increases

SEE GDP • C3

**“My observation is the need for affordable housing is growing and growing as income inequality continues to widen ...”**

Stephen Whyte • Vitus managing director



Safa (who would not give her last name) walks her son Wisam, 5, to their renovated apartment at Skyline's Meadowbrook Apartments after school. Improvements at the complex include a community garden and new playground. MISAEAL VIRGEN • U-T

## Housing sustainability in action

Meadowbrook Apartments, which serves low-income residents, has gotten \$18 million makeover

ROGER SHOWLEY • U-T

**M**eadowbrook Apartments in San Diego's Skyline neighborhood touts a community garden, granite countertops, computer lab, solar energy system and the latest in playground equipment.

And yet this 448-unit low-income housing project on 22 acres is more than 40 years old.

Vitus Group, a Seattle-based affordable housing company, bought the property in September 2013 for \$51 million and lavished \$18 million on a complete makeover, using federal tax credits to investors to cover the costs. They were completed at the end of



Source: SanGIS U-T

2014 and a formal dedication of the upgrades took place Thursday.

It's the ultimate in sustainable development — taking the old and making it new again.

“It seems like they have taken all the buildings and made new buildings,” said Omar Alshaikhli, 33, who lives in a three-bedroom unit with his wife, Hanan, 35, and their three sons, ages 4 to 15.

The family, which escaped war-torn Iraq in 2009, hopes to find permanent housing in about four years after Alshaikhli, owner of a mechanics business in Iraq, completes his nursing education. He and his wife have since become American citizens.

SEE MEADOWBROOK • C4

## QUALCOMM TREKKING IN ROBOTICS FRONTIER

MIKE FREEMAN • U-T

At Qualcomm's robotics research lab, engineer Serefin Diaz scanned a living room with a tablet computer that contained the San Diego company's computer vision technology.

The screen began to fill in with a 3-D digital reconstruction of the television, coffee table and other living room furniture. That may not seem useful. But what if computer vision technology powered a robot that did housework? It automatically would know what to avoid while



Qualcomm displays a prototype drone that can drive on the ground and up the stairs in January. DAVID BROOKS • U-T

vacuuming or dusting without the need for specific programming.

The demonstration highlighted Qualcomm's belief that smartphone technology — sensors,

cameras, processors and wireless connectivity — could drive the nascent consumer robotics market closer to the mainstream.

SEE QUALCOMM • C4

## LULULEMON TARGETS MEN'S CLOTHING WITH NEW HIT PANTS

BLOOMBERG NEWS & CNN

In Lululemon Athletica's quest to get more guys to buy its clothing, the company is focusing on a very specific area of men's comfort.

The yogawear retailer is making a push into menswear with a line of pants specially designed for men who feel constrained in the crotch. It has made inroads with a product called ABC pants, Chief Executive Officer Laurent Potdevin said on a conference call. ABC, short for “anti-ball crushing,” refers to a design that “gives you and the family jewels room to breathe,” Lululemon

SEE PANTS • C2

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## QUALCOMM • It is investing in consumer robotics infrastructure

**FROM C1**  
That thesis means playing with drones, which are gaining popularity despite questions about the future of regulations. The small-drone market will surpass \$8.4 billion by 2018, according to a report from ABI Research.

"What we are seeing from a component and technology perspective is the expertise that the industry is gaining through the smartphone ecosystem, it really brings the prices down to the consumer level," said Nagraj Kashyap of Qualcomm Ventures, the company's venture investing arm. "We are actually seeing that first in UAVs (unmanned aerial vehicles)."

The San Diego chipmaker is putting money behind building the consumer robotics infrastructure. It recently led a \$50 million funding round for 3D Robots, which makes small drones. Qualcomm also purchased KMel Robotics, a Pennsylvania startup that makes high-performance navigation and control technology.

Qualcomm has a stake in SkyCatch, which makes small drones for construction and other business uses, and Swift Navigation, which is focused on precise drone navigation technology.

In addition, Qualcomm pledged to provide \$100,000 each to 10 robotics firms selected for a four-month business accelerator program at its San Diego campus. TechStars, a technology incubator, is a partner on the project. The company received applications from 25 countries and

is in the process of selecting participants. "The idea is the companies we bring in will be able to get help directly from Qualcomm's engineering teams and vice versa," Kashyap said.

At its research lab this week, the company showed off its Zeroth computer learning technology, where a robot can tailor its service to individuals it recognizes.

For example, a concierge robot could offer guests checking into a hotel a drink and deliver it to them based on facial recognition. The next day, it would know the guest and ask if he or she wanted the same drink.

"So the robot interacts with you, remembers you, and does it all in real time," said Chad Sweet, an engineer with Qualcomm Technologies. "We think that is a pretty compelling technology for robotics."

The company also demonstrated its H8 Cargo Flying Rover, which can maneuver in the air and on the ground for delivering small packages. It uses cameras pointed to the ground to boost stability and control in areas where GPS signals may not be precise enough to direct it.

"The down camera is for stabilization," said Charles Bergan, vice president of engineering for Qualcomm Research. "It actually watches the ground below, and uses that to estimate how much it is moving. It then compensates for wind speed or turbulence. It does a much better job locally when it can see the ground than GPS."



Princess Posadas, 11; (from left) Tahjinae Gilbert, 12; Madina Alishakh, 5; and Sadaf Sakandar, 7; read at an after-school program at Meadowbrook. MISAEAL VIRGEN • U-T

## MEADOWBROOK • Solar cells power common areas

**FROM C1**  
Stephen Whyte, Vitus managing director, said the need to retain affordable housing projects is greater than ever and pressure exists to convert such projects to market-rate apartments.

"My observation is the need for affordable housing is growing and growing as income inequality continues to widen in areas like San Francisco, Seattle and Los Angeles," Whyte said.

Vitus' focus on buying and modernizing old affordable projects grew out of Whyte's work as an industry consultant in the 1990s.

"We concentrated in those areas that are specifically high-cost communities," he said. "They are economic engines in their respective regions and that creates of-tentimes a pretty wide margin between market rents and affordable rents."

One longtime renter at Meadowbrook, Dora Aguilar, 62, has lived there since July 1978, raising three children and watching the property deteriorate and then revive.

Her husband, Tony Wizard, 67, said their \$400 rent could easily exceed \$1,000 if it were not capped at no more than 30 percent of their income. Such a cap applies to 80 percent of the units. The other 20 percent are rent controlled, currently at

\$1,280 for two bedrooms and \$1,430 for three bedrooms.

"It's an amazingly good deal," Wizard said.

Would-be tenants submit applications at the project and then are placed on waiting lists to be alerted when a new unit becomes available. However, the complex typically sees about 10 percent turnover each year, compared with roughly 45 percent experienced by market-rate apartments, Meadowbrook officials said.

Vitus owns 90 properties with 90,000 units, primarily in Western states, and all were resales except for three built in Hawaii.

Meadowbrook was built and owned by a family builder who died, leaving his heirs to decide whether to retain its investment or sell.

"We often encounter properties with long-term capital needs that are not done as part of ordinary maintenance," Whyte said.

Company consultants and staff assess the state of the buildings, grounds and infrastructure and then develop a revitalization plan that requires no one be displaced as each unit is refreshed one by one.

Aguilar said it took three days last July to replace her upstairs unit's windows, carpeting, appliances, cabinetry, countertops, fixtures and

utility lines.

"With new management, it's a lot better," she said.

All the buildings were repainted and re-landscaped, photovoltaic cells were added to power the common areas and a new playground replaced an old basketball court. A dirt play lot has been converted to a community garden and the first session for kid farmers was held this week to teach them how to plant seedlings and care for tomatoes, peppers and other crops.

An unused preschool space became a classroom, another space was turned into a computer lab with 18 terminals and eight iPads, and Project Access, a social services nonprofit, was brought in to offer tutoring, fitness classes and other help.

Alshaikhli said he no longer worries about his sons keeping up with schoolwork now that tutors are available on-site.

"They're bringing home good marks," he said.

He himself sometimes goes to the computer lab to study in quiet when his own home gets a bit rambunctious.

Installation of security cameras and a new security company has eased residents' concerns about break-ins and other petty crimes. A new city branch library planned next door would make Meadow-

### Meadowbrook Apartments

**Location:** 7844 Paradise Valley Road, Skyline  
**Owner:** Vitus Group  
**Rents:** Tenants pay no more than 30 percent of their income, with federal rent subsidies making up the difference.  
**Description:** 448 units in 48 two-story buildings on 22 acres; 11 staff; two community spaces; four recreation areas.  
**For more information:** (619) 479-6565

brook even more attractive, said property manager David Beacham.

"It could be a dream come true," he said.

Beacham said when Vitus first took over, residents were reticent about the changes ahead.

"The largest (challenge) was having the residents trust us," he said.

Whyte said such large projects are difficult to find, but Vitus will continue to scout out new opportunities in San Diego. But developing new projects has grown more problematic with the dissolution of state redevelopment agencies in 2011 that depended on property taxes from development to underwrite new construction.

"California has been finding itself in a little bit (of a bind) in terms of finding other sources to fill the gap," Whyte said.

Nationally, he said, static funding for the U.S. Department of Housing and Urban Development poses problems for underwriting more rental vouchers that fill the gap by tenants who cannot afford the full rent at projects like Meadowbrook.

"That means fewer families will be served by the program," he said.

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<p><b>CARDIFF</b> Sat &amp; Sun, 3/28-9 8am-4pm Antique Collectibles Inc. Grandmother clock, variety of picture frames, end tables, aquatic sports gear 814 Nulley St., 92007 - (1 min East off I-5 &amp; Birmingham)</p>	<p><b>CHULA VISTA</b> Garage Sale Saturday, 3/28 8am-1pm DOWN SIZING! Loads of Stuff! Housewares, linens, clothes, glassware, baskets, &amp; lots of miscellaneous items. 62 Bonita Rd., 91910 (X St. : Off Ist St.)</p>	<p><b>EL CAJON MOVING SALE</b> THIS Saturday, March 28 8am-1pm Electronics, china cabinet, garden tools misc, household items and much more. 2193 RODADO PLACE 92200 X ST. Weld &amp; Cuyomaca</p>	<p><b>EL CAJON</b> Saturday, April 28 7:00 AM Brand name clothes and purses, women's accessories, luggage, household items and lots more! 1560 Elizabeth Lane, 92019</p>	<p><b>ESCONDIDO</b> Saturday, March 28 9am-2pm SPRING CRAFT FAIR, Rancho Escondido Mobile Home Park, Lower Clubhouse. All unique hand-made items 525 W El Norte Pkwy</p>	<p><b>MIRA MESA</b> 03/28/15 8am - 1pm Clothes, kitchen and household items, bike, lots of miscellaneous including jewelry, computer, King bed, electronics, gas lawnmower &amp; much much more! 2388 Worden St., 92107</p>	<p><b>POINT LOMA-OB</b> Sat &amp; Sun, 3/28-29 8 a-4 p "Multi-Family" jewelry, computer, King bed, electronics, gas lawnmower &amp; much much more! 2388 Worden St., 92107</p>	<p><b>RANCHO BERNARDO</b> <b>HUGE ESTATE SALE</b> 40-50% OFF! ENTIRE HOUSEFUL ALL MUST GO! TONS OF QUALITY ANTIQUES TO GARAGE TODAY 9-3 12277 GUACAMAYO CT. (See More Estatesales.net) Cash No Early Birds</p>	<p><b>RCHS Thrift Shop</b> OPEN SEVEN DAYS A WEEK! Weekly Sales Sun, Mon and Wed. 10am-5pm, 120 Aberdeen Dr 92007, (760) 753-0970 visit us on facebook <a href="http://www.rchssales.org">www.rchssales.org</a></p>	<p><b>Serra Mesa, Sat 7am-12pm</b> GOLDEN HILL HUGE YARD SALE Metal signs, toolboxes, DVDs, CDs, womens clothes, converse shoes lots of misc items. 2871 Murray Rise Rd.</p>			
<p><b>CARMEL MTN. RANCH</b> Cambridge HOA Community Wide Sale Saturday, March 28 8a-2p 205 single family homes will be hosting a family garage sale. Come by and take advantage of this sale. 10650 Rancho Carmel Dr. 92128</p>	<p><b>CHULA VISTA</b> Garage Sale Fri, 3/27 &amp; Sat. 3/28, 8am-1pm Large corner computer desk, computers, printers, furniture, and much more. 775 Greichen Rd. 91910 (x st. off J St.)</p>	<p><b>EL CAJON Multi-Family</b> Sale! Sat. 3/28, 8a-2p. Egster, Furniture, Antiques, Plants, Tools &amp; Misc. 11997 Fuerte Vista Lane, 92020</p>	<p><b>ESCONDIDO</b> 03/28/15 8am-1pm Spin bike (excellent condition) T.V. stand, men's clothes, lots of misc. items. 1025 North Grape Street</p>	<p><b>JAMUL</b> 3/27 - 29 7am - 3pm Come take a look. We might have something you need or want. 3348 Darlene Rd</p>	<p><b>MIRA MESA MOVING SALE</b> Sat 7a-12p Furniture, BBQ, Kitchen, Misc. 8887 Hillery Dr. 92126</p>	<p><b>POWAY</b> GARAGE SALE Saturday, March 28th 7am-7pm Located off Oakknoll. Furniture, Clothes, Books, Games, Toys &amp; much more. 12920 Meadow Glen Way 92064</p>	<p><b>RANCHO BERNARDO</b> 3/28 8am - 1pm Kids clothing, toys, small dining table and chairs, kitchen items, misc 17580 Frondoso Dr</p>	<p><b>RANCHO BERNARDO COMPLETE HOUSE!</b> Mid-Century Furn. Bdrms. Featherweight Singer, Moose Antlers, Art &amp; more. 12601 Camino Vuelo Sat &amp; Sun 9am - 3pm Say ciao to your Ferrari. Sell it in the Classifieds. Call Us. 866-411-4140</p>	<p><b>SAN CARLOS</b> 3/28/15 7am - 12pm Optimist Club members host Garage Sale. Many items. T.V., tools, etc. (619) 461-1946 6560 Casselberry Way</p>	<p><b>SANTÉE</b> Sat, March 28, 6am-2pm Multi-Family Sale! Exercise equip, tools, adult-children &amp; baby clothes, adult &amp; children shoes, misc household items &amp; more. 9415 Prospect Ave, 92071</p>	<p><b>SANTÉE</b> Saturday, March 28th 7-11am Sporting goods, adult &amp; children's clothes and shoes, electronics 10658 Trigal Way We can make a sofa take off from your den. U-T San Diego Classifieds Call Us. 866-411-4140</p>	<p><b>UNIVERSITY HEIGHTS</b> GOLDEN HILL MOVING SALE Sat. 8-4 Everything must go! * FURNITURE * TOOLS - KNCK KNACKS 1360 Granada Ave 92102</p>
<p><b>CARMEL MTN. RANCH</b> Coliage HOA Community Wide Sale Saturday, March 28 8a-2p 260 Condos will be hosting a family wide garage sale. Come by and take advantage of this sale. 11905 Trivoli Park Row 92128 Downsize your kingsize bed. Sell it in the Classifieds. Call Us. 866-411-4140</p>	<p><b>CORONADO</b> Quality Antiques, Furniture, Lamps, Oriental Art, Pictures, Rugs, Fine China, Kitchen Stuff, Books, Electronics, Designer Clothes and Much More! Sat/Sun 9a-2p 625-631 A Ave 92118</p>	<p><b>EL CAJON</b> Sat. 3/28/15 8am - 2pm Hidden Mesa/Hidden Springs Multi Family Sale: Furniture, antiques, small appliances, patio furniture, Thomas trains, bikes, kitchen items, linens, artwork, collectibles, books, toys, misc. We can make anything fly. U-T San Diego Classifieds Call Us. 866-411-4140</p>	<p><b>LA MESA</b> 3/28 8am - 12pm Huge Multi Family Block Sale! Over 10 + houses selling! Find deals on everything you can think of - turn, baby &amp; kid items, clothing, collectibles and much more! 426 Blackton Drive</p>	<p><b>LA MESA BIG Garage Sale!</b> Fri-Sat, 3/27 &amp; 3/28, 8a-2p Succulents, Plumerias, lots of yarn, needlework supplies, books, cookbooks, SURFBOARD &amp; CDs &amp; LOTS of misc. I 7284 West Point Ave, 91942</p>	<p><b>MISSION BAY</b> 3/28/15 9am - 2pm Multi Household Sale of De Anza Cove Mobilehome Park. 40+ sites selling treasures they can't take with them as they move. Maps showing sale locations available at entrance. Come check it out. 9am start its firm. 2727 De Anza Rd Get cold cash out of your refrigerator. Sell it in the Classifieds. Call Us. 866-411-4140</p>	<p><b>RANCHO BERNARDO</b> 3/28 8am - 1pm Kids clothing, toys, small dining table and chairs, kitchen items, misc 17580 Frondoso Dr</p>	<p><b>RANCHO BERNARDO COMPLETE HOUSE!</b> Mid-Century Furn. Bdrms. Featherweight Singer, Moose Antlers, Art &amp; more. 12601 Camino Vuelo Sat &amp; Sun 9am - 3pm Say ciao to your Ferrari. Sell it in the Classifieds. Call Us. 866-411-4140</p>	<p><b>SANTEE</b> Saturday, March 28th 7-11am Sporting goods, adult &amp; children's clothes and shoes, electronics 10658 Trigal Way We can make a sofa take off from your den. U-T San Diego Classifieds Call Us. 866-411-4140</p>	<p><b>SANTÉE</b> Saturday, March 28th 7-11am Sporting goods, adult &amp; children's clothes and shoes, electronics 10658 Trigal Way We can make a sofa take off from your den. U-T San Diego Classifieds Call Us. 866-411-4140</p>	<p><b>UNIVERSITY HEIGHTS</b> GOLDEN HILL MOVING SALE Sat. 8-4 Everything must go! * FURNITURE * TOOLS - KNCK KNACKS 1360 Granada Ave 92102</p>		

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