

**FINDINGS OF BENEFIT
FOR THE USE LOW- AND MODERATE- INCOME HOUSING SET-ASIDE
FUNDS FROM THE CITY HEIGHTS, CROSSROADS, NAVAL TRAINING
CENTER, NORTH BAY AND NORTH PARK REDEVELOPMENT
PROJECT AREAS OUTSIDE OF THE PROJECT AREAS**

The Agency is proposing to issue 2010 Housing Set-Aside Tax Allocation Bonds in an estimated aggregate par value of approximately \$57.3 million which will be secured by a common pledge of revenue from the Low- and Moderate- Income Housing Set-Aside Funds [LMIHF] of the City Heights, Crossroads, Naval Training Center, North Bay, North Park, and San Ysidro Redevelopment Project Areas [Project Areas]. The Housing Set-Aside Bond proceeds will be used to repay six housing lines of credit and for housing projects [Housing Projects], all as listed below.

The proposed use of LMIHF from the Project Areas for the Housing Projects will benefit the Project Areas providing the funds in that the provision and preservation of affordable housing is, in itself, a fundamental purpose of redevelopment. Any preservation of the stock of available housing for low- and moderate- income persons benefits the surrounding areas, including the project area providing the funds, by encouraging local accommodations for a diverse workforce and consumers at various income levels throughout the City.

The Agency and the City Council find that the Housing Projects although located outside one, or more than one, or all of the Project Areas, will provide low and moderate income housing at affordable housing costs that will be available to persons and families of low and moderate income and will thereby benefit each and every Project Area.

HOUSING PROJECTS

1. The Housing Projects financed with the Housing Lines of Credit are described as follows:
 - A. Los Vientos Family Apartments – An 89-unit apartment project in Barrio Logan for households earning between 30% and 60% of AMI.
 - B. El Pedregal Family Apartments – A 45-unit apartment project in San Ysidro for households earning between 30% and 60% of AMI.
 - C. Verbena Family Apartments – An 80-unit apartment project in San Ysidro for families earning between 30% and 60% of AMI
 - D. Boulevard Apartments – A 24-unit apartment project in North Park for families earning 30% - 40% of AMI.
 - E. North Park Housing Rehabilitation Program – A forgivable loan program to assist low- and moderate-income owner-occupants in North Park repair and improve their homes.

- F. Village Green - Acquisition and rehabilitation of a 94-unit apartment complex in Crossroads for households earning 50% and 60% of AMI.
 - G. Estella del Mercado – A proposed mixed use project in Barrio Logan which will provide 91 affordable units for households earning 30% to 60% of AMI.
2. The Housing Projects to be financed with the non-refunding proceeds of the 2010 Bonds are described as follows:
- A. Home in the Heights Program– Provides qualified homebuyers in City Heights with a household income of 100% or less of the AMI a silent second mortgage loan of up to \$30,000.
 - B. City Heights Housing Enhancement Loan Program - The Housing Enhancement Loan Program provides forgivable loans ranging from \$5,000 to \$30,000 to qualified homeowners living in or near the City Heights Project Area whose gross household income does not exceed 100% AMI.
 - C. Urban Village Office and Townhomes Project promissory note – In May 2000, the Agency entered into a Disposition and Development Agreement in which the Agency pledged funding assistance for 116 affordable housing units in the City Heights Urban Village Town Homes and Office Project.
 - D. Fairmount 26 – A proposed mixed use project composed of 26 affordable rental units restricted to households with low and very low income, 1,295 square feet of classroom space, and 4,000 square feet of commercial/retail space.
 - E. Florida Street Apartments – An 83-unit affordable rental complex on Florida Street south of University in North Park developed and managed by Community HousingWorks.
 - F. Western Pacific developer loan repayment - In April 2004, the Agency entered into a DDA with Western Pacific Housing, Inc. for the development of a 224-unit mixed use project in North Park which included an Agency subsidy for the inclusion of 45 for-sale affordable residential units.
 - G. Acquisition, rehabilitation, new construction, and potential opportunity purchases.