

Capital). Interfaith is a non-profit, HUD-certified Community Housing Development Corporation that previously received Housing Commission financial assistance to develop Redwood Villa, Mission Terrace, Palm Terrace, Metro Villas, and Renaissance at North Park. Interfaith owns and manages twelve affordable housing communities throughout San Diego county totaling more than 1,100 units.

The total development cost of the project is estimated to be approximately \$11.7 million. Of the \$6,050,000 estimated bond issuance amount, approximately \$3.25 million in housing revenue bonds will be used to finance the rehabilitation of the project and will be paid off at conversion to permanent financing. The permanent bond amount is estimated to be approximately \$2.8 million and will be based upon project costs, revenues, and interest rates at the time of bond issuance.

FISCAL CONSIDERATIONS:

There are no fiscal impacts to the Housing Commission, City, or Housing Authority associated with the requested action. The bonds will not constitute a debt of the City of San Diego. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds; security for repayment of the bonds will be limited to the value of the property and its revenue sources. All costs of the financing, including compensation for staff efforts in preparing the bonds, will be borne by the project owner. The Housing Commission's origination fee under the financing will be up to \$13,915 (0.23 percent of the bond amount). No local housing funds (Tax increment, Inclusionary, Housing Trust Fund, HOME, CDBG etc.) will be made available to develop the project.

PREVIOUS COUNCIL and/or COMMITTEE ACTION:

From 1983 through 1988 the Housing Commission, City Council, and Housing Authority approved several items to facilitate the financing of Redwood Villa Apartments. On March 6, 2007, the Housing Authority and City Council approved preliminary bond items for the project.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:

Interfaith presented an informational report on its plan to refinance and rehabilitate the project to the Eastern Area Planning Group on March 13, 2007.

KEY STAKEHOLDERS & PROJECTED IMPACTS:

Low income seniors are the intended residents of the project. An affiliate of Interfaith will act as the developer of the project. Red Capital will provide debt and equity as well as act as the underwriter for the project. Public Financial Management and Stradling, Yocca Carlson & Rauth have been selected to assist in preparing the financing.

Respectfully submitted,

Approved by,

Cissy Fisher
Director, Housing Finance and Development

Elizabeth C. Morris
President and Chief Executive Officer