

Memorandum

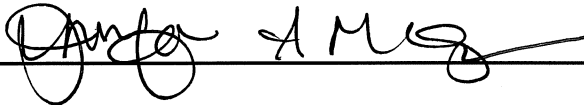
TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: October 4, 2018

Approved



Date

10-4-18

INFORMATION

SUBJECT: 2016 MEASURE A AFFORDABLE HOUSING BOND PROGRESS AFTER ONE YEAR OF IMPLEMENTATION

BACKGROUND

In November 2016, a \$950 million Affordable Housing Bond (Measure A) was approved by voters in Santa Clara County. Measure A provides housing solutions for Santa Clara's most vulnerable residents including veterans, seniors, the disabled, low- and moderate-income individuals or families, foster youth, victims of abuse, the homeless and individuals suffering from mental health or substance abuse illnesses. Measure A is projected to fund 120 new affordable housing developments over ten years, with 4,800 new apartments and homes dedicated to extremely low-income (ELI) of the area median income (AMI), very low-income (VLI) households, and 300 rental and ownership opportunities for moderate-income households. The County's Office of Supportive Housing is investing Measure A funds in affordable housing developments and homebuyer programs that meet their funding requirements. The funding allocation for Measure A totaling \$950 million is comprised of the following:

- **\$700 million for Multifamily Rental** – Extremely Low-Income below 30% of AMI
- **\$100 million for Multifamily Rental** – Very Low-Income 31-50% of AMI
- **\$150 million for Multifamily Rental and Homebuyer Programs** – Moderate-income 50-120% AMI

At the September 11, 2018 City Council meeting, questions were raised about the implementation status of Measure A and Santa Clara County's progress since the bond was approved in November 2016. This information memo summarizes Measure A's current implementation status.

ANALYSIS

As of June 2018, Measure A has provided housing opportunities in six cities in Santa Clara County. [A first year progress report has been published.](#) To date, \$250 million in bonds have been issued, \$148 million has been invested for the following uses:

- **\$111.03 million** – Approved Supportive Housing Developments
- **\$11.9 million** – Approved Supportive Housing Pre-Development Fund
- **\$25 million** – Approved First-time Homebuyer Down Payment Assistance Loan Program

Supportive Housing Developments

Measure A has funded ten housing developments; five developments are located in San José. The San José developments have 436 apartments representing approximately 53% of the total units. The remaining apartments are located in five other cities in Santa Clara County. The first development is expected to open in May 2019 in Cupertino. A complete breakdown is provided in Table 1:

Table 1: Measure A Supportive Housing Developments

City	Housing Development	Total # of Units	Units With Supportive Services	County Development Funding	San José Development Funding	Projected Occupancy Date
City of San José						
San José	Villas in the Park	84	83	\$7,200,000	\$8,760,000	2019
San José	Quetzal Gardens	71	24	\$9,830,000	\$9,984,212	2020
San José	Leigh Avenue Senior Apartments	64	63	\$13,500,000	\$9,000,000	2020
San José	North San Pedro Apartments	135	109	\$7,200,000	\$2,400,000	2020
San José	Page Street Apartments	82	27	\$14,000,000	TBD	2021
TOTAL UNITS & FUNDING		436	306	\$51,730,000		
Other Cities in Santa Clara County						
Cupertino	The Veranda	19	6	\$1,000,000		2019
Morgan Hill	Crossings on Monterey	39	20	\$5,800,000		2019
Gilroy	Gateway Senior Apartments	75	37	\$7,500,000		2019
Milpitas	Sango Court Apartments	102	40	\$16,000,000		2020
Santa Clara	Corvin Apartments	146	80	\$29,000,000		2021
TOTAL UNITS & FUNDING		381	183	\$59,300,000		
TOTALS IN ALL		817	489	\$111,030,000		

HONORABLE MAYOR AND CITY COUNCIL

October 4, 2018

Subject: 2016 Measure A Affordable Housing Bond Progress after One Year of Implementation

Page 3

Supportive Housing Predevelopment Fund

In addition to funding affordable housing developments, Measure A funds are being used to invest in a predevelopment loan product administered by the Housing Trust of Silicon Valley. In April of 2018, the Santa Clara Board of Supervisors approved a \$11.9 million allocation to support the development of permanent supportive housing for extremely low income individuals and families and those with special needs. The loan funds primarily acquisition and predevelopment costs with a maximum loan amount of \$8 million.

First-time Homebuyer Down Payment Assistance Loan Program

The Housing Trust of Silicon Valley is also administering \$25 million of Measure A funds for a first-time homebuyer down payment loan program that was approved by the Santa Clara Board of Supervisors in June 2018. It is anticipated that the fund will assist 250 households over the first five years of the program by providing deferred loans for down payments of up to 17% of the price of the home. To qualify for a down payment assistance loan, the combined income of the household cannot exceed 120% of the area median income.

/s/

JACKY MORALES-FERRAND

Director of Housing.

For questions, please contact Rachel VanderVeen, Deputy Director, at 408-535-8231.