



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Rosalynn Hughey
Rick Bruneau

SUBJECT: SEE BELOW

DATE: May 6, 2024

Approved

Date

5/7/24

INFORMATION

SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE ACTING DIRECTOR OF HOUSING AND THE DIRECTOR OF FINANCE UNDER THE DELEGATION OF AUTHORITY ORDINANCE FOR THE PERIOD OF OCTOBER 1, 2023 THROUGH DECEMBER 31, 2023

SUMMARY AND OUTCOME

This memorandum details actions taken under the delegation of authority to the Acting Director of Housing and the Director of Finance for the second quarter of Fiscal Year 2023-2024 (October 1, 2023 through December 31, 2023).

A summary of activity during this reporting period is outlined below.

- 1) The Acting Director of Housing approved actions for one multifamily development.
- 2) The Acting Director of Housing **did not** approve any actions for the following:
 - Building Equity and Growth in Neighborhoods program loans;
 - Housing Trust Fund grants; or
 - Rehabilitation loans.
- 3) The Director of Finance did **not hold** a Tax Equity and Fiscal Responsibility Act hearing.

Additional details about activity during this reporting period are available in the **Attachment** – Actions Taken by the Acting Director of Housing Second Quarter of Fiscal Year 2023 – 2024 (October 2023 – December 2023).

BACKGROUND

On September 4, 1990, the City Council adopted Ordinance No. 23589, which delegated to the Director of Housing certain specified authorities in the administration of the City's comprehensive, affordable housing program (Delegation of Authority). On May 23, 2000, the Delegation of Authority was amended by Ordinance No. 26127 to clarify certain sections and to add several other provisions. On June 25, 2002, the Delegation of Authority was further amended by Ordinance No. 26657 to add several provisions delegating additional authority to the Director of Housing, the Director of Finance, and the City Manager. Subsequently, the City Manager delegated to the Director of Housing the contract authority granted to the City Manager. Effective July 26, 2007, the Delegation of Authority was further amended by Ordinance No. 28067 to modify certain provisions to streamline the Housing Department's process of making and adjusting loans and grants.

The Delegation of Authority is codified in Chapter 5.06 of the San José Municipal Code. This memorandum reports on activities undertaken for the period of October 1, 2023 through December 31, 2023.

ANALYSIS

The Delegation of Authority authorizes the Director of Housing to conduct the following:

- a) Develop and implement additional guidelines for housing programs;
- b) Adjust terms on housing loans and grants;
- c) Change the funding sources of a loan;
- d) Convert loans to grants;
- e) Loan or grant housing and homeless funds, predevelopment funds, and housing rehabilitation program funds;
- f) Negotiate and execute grant agreements necessary to implement City Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan;
- g) Provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure, or deed-in-lieu proceedings;
- h) Formalize City Council's policies and procedures regarding housing loan defaults;
- i) Apply for federal or state funding;
- j) Determine, within defined parameters, various terms and conditions of loans and grants previously approved by the City Council;
- k) Make adjustments, within defined parameters, to loans and grants previously approved by the City Council; and
- l) Make other technical changes.

Further, the Delegation of Authority delegates jointly to the Director of Housing and Director of Finance certain authority related to the City's issuance of tax-exempt, private activity bonds to finance the development of affordable housing projects. The Delegation of Authority also delegates to the Director of Finance the authority to hold Tax Equity and Fiscal Responsibility

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Act hearings on the City's proposed issuance of tax-exempt bonds to finance affordable housing projects.

COORDINATION

This memorandum has been coordinated with the Office of the City Attorney.

/s/
ROSALYNN HUGHEY
Deputy City Manager and
Acting Housing Director

/s/
RICK BRUNEAU
Director of Finance

For more information, contact Rachel VanderVeen, Assistant Director of Housing, at (408) 535-8231.

Attachment – Actions Taken by the Acting Director of Housing Second Quarter of Fiscal Year 2023 – 2024 (October 2023 – December 2023)

ATTACHMENT

**ACTIONS TAKEN BY THE ACTING DIRECTOR OF HOUSING SECOND QUARTER OF FISCAL YEAR 2023-2024
(October 2023 – December 2023)**

1) MULTIFAMILY DEVELOPMENTS APPROVED BY THE DIRECTOR OF HOUSING

#	Date	Action	San José Municipal Code Citation
1.	10/23/2023	<p><u>Mesa Terrace (Gallup Mesa) Apartments</u></p> <p>Approve the following:</p> <p>Increase in the amount of the California Community Reinvestment Corporation loan to which the City’s construction/permanent loan is subordinate for Gallup and Mesa, L.P., for Mesa Terrace, formerly known as Gallup-Mesa Apartments, located at 5647 Gallup Drive and 1171 Mesa Drive, to be developed by Eden Housing Corporation, under her Delegation of Authority in Section 5.06.340 (A)(3) of the City’s Municipal Code.</p>	<p><u>Municipal Code Section 5.06.340 (A) (3)</u> Authorizes the Director to enter into and execute, on behalf of the city or on behalf of the redevelopment agency, any amendment of a contract or loan document for a project with previously approved general parameters by the city council, whether before or after the recordation of the loan documents. (3) A change in the amount of the loan or loans to which the city's loan is subordinate, or a change in the city's loan priority, as long as the combined percentage of loan to value of the total loans for the housing project will not exceed either one hundred (100) percent unless exceeding a loan to value ratio of one hundred (100) percent is necessary to preserve the affordability of the housing project or protect the security of the city's loan.</p>

2) LOANS AND GRANTS APPROVED BY THE DIRECTOR OF HOUSING

- a) Single-Family Rehabilitation and Improvement Loans and Grants approved by the Acting Director of Housing: None
- b) Homebuyer Loans approved by the Acting Director of Housing: None
- c) Housing Trust Fund Grants approved by the Acting Director of Housing: None

3) TAX EQUITY AND FISCAL RESPONSIBILITY ACT HEARINGS HELD BY THE DIRECTOR OF FINANCE

Project Name	Date	Units	Location	Bond Amount	Mayor’s Certificate No.
N/A	N/A	N/A	N/A	N/A	N/A