

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (1) APPROVING A TOTAL COMMITMENT OF UP TO \$16,375,000 IN LOW AND MODERATE INCOME HOUSING ASSET FUNDS and \$2,000,000 IN AFFORDABLE HOUSING IMPACT FEES FROM THE MULTI-SOURCE HOUSING FUND FOR A CONSTRUCTION-PERMANENT LOAN TO CHARITIES HOUSING DEVELOPMENT OF SANTA CLARA COUNTY, OR AN AFFILIATED ENTITY, FOR THE BLOSSOM HILL SENIOR APARTMENTS, A NEW AFFORDABLE DEVELOPMENT TO BE LOCATED AT 397 BLOSSOM HILL ROAD, WHICH IS BEING DEVELOPED TO OFF 147 RENT – AND INCOME – RESTRICTED APARTMENTS FOR EXTREMELY LOW-INCOME AND VERY LOW-INCOME SENIOR HOUSEHOLDS AND TWO UNRESTRICTED MANAGER’S UNIT (“DEVELOPMENT”); (2) AUTHORIZING THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS AND ALL OTHER DOCUMENTS, INCLUDING ANY AMENDMENTS THERETO, RELATED TO THE CITY FINANCING FOR THE DEVELOPMENT; (3) APPROVING A LOAN-TO-RATIO OF GREATER THAN 100% FOR THIS LOAN**

**WHEREAS**, on August 31, 2018, following the City of San José (“City”) Council’s direction, the Housing Department issued a \$100 million Notice of Funding Availability (“NOFA”) for the development of affordable housing for extremely-, very low-, and low-income individuals and families, which NOFA prioritized developments that provided housing for homeless households, that achieved cost effectiveness, and that leveraged additional non-City sources or financing; and

**WHEREAS**, the NOFA guidelines stated that the maximum loan amount will be \$125,000 per unit; and

**WHEREAS**, in response to the NOFA, Charities Housing Development Corporation of Santa Clara County (“Developer”) submitted a project proposal with a request for a commitment of funding in the amount of up to \$18,375,000 to provide 145 affordable apartments, which will include a set aside of 49 units for permanent supportive housing (“PSH”); and

**WHEREAS**, the PSH units will have Project-Based Voucher, and the supportive services provided by the County of Santa Clara; and

**WHEREAS**, there will be 48 units at 30% of Area Median Income (“AMI”), 48 units at 40% of AMI, and 49 units at 50% of AMI (these being the PSH units), and one three-bedroom manager’s unit and one two-bedroom manager’s unit, for a total of 147 apartments; and

**WHEREAS**, the Development will receive supportive services from the County of Santa Clara, and on-site service coordination from Catholic Charities of Santa Clara County; and

**WHEREAS**, City’s Loan to Value (“LTV”) policy requires that the LTV ratio not exceed 100% in order to mitigate the City’s risk of potential loss associated with a loan; and

**WHEREAS**, there is a possibility of an LTV ratio for the Project in excess of 100%; and

**WHEREAS**, staff recommends approval of a total commitment of up to \$16,375,000, in Low and Moderate Income Housing Asset and \$2,000,000 in affordable housing impact fees from the Multi-Source Housing Fund for a Construction-Permanent Loan to Developer; authorization for the Director of Housing to negotiate and execute all documents required to implement development of the Project, and approval of a loan-to-

value of greater than 100% for these loans, , as more specifically set forth in the memorandum to Council from the Director of Housing dated August 31, 2020;

**NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:**

1. A funding commitment of up to \$16,375,000 in Low and Moderate Income Housing Asset Funds and \$2,000,000 in affordable housing impact fees from the Multi-Source Housing Fund, for Construction-Permanent Loan to Charities Housing Development Corporation of Santa Clara County, or an affiliated entity, for the Blossom Hill Senior Apartments, a new affordable development to be located at 397 Blossom Hill Road, which is being developed to offer 145 affordable, rent-restricted apartments for extremely low-income and very low-income senior households and two unrestricted manager's units ("Development"), is hereby approved.
2. The Director of Housing is here by authorized to negotiate and execute loan documents and all other documents, including any amendments thereto, related to City financing for Development.
3. A loan-to-value of greater than 100% for these loans, is hereby approved.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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SAM LICCARDO  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk