

Memorandum

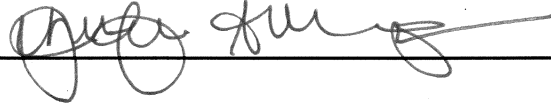
TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand
Julia H. Cooper

SUBJECT: SEE BELOW

DATE: May 23, 2019

Approved



Date

5/24/19

INFORMATION

SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE DIRECTOR OF HOUSING AND THE DIRECTOR OF FINANCE UNDER THE DELEGATION OF AUTHORITY ORDINANCE FOR THE PERIOD OF JANUARY 1, 2019 THROUGH MARCH 31, 2019

EXECUTIVE SUMMARY

This memorandum details actions taken under the delegation of authority to the Director of Housing and the Director of Finance for the third quarter of FY 2018-19 (January 1, 2019 through March 31, 2019). During this reporting period, the Director of Housing approved the modification of terms for three miscellaneous actions pertaining to multifamily projects. This activity is summarized in Attachment A.

The Director of Housing did not approve any rehabilitation loans during this period, nor did the Director of Housing approve any BEGIN loans, Housing Trust Fund grants, or homebuyer loans during this quarter. The Director of Finance held one TEFRA hearing on March 6, 2019 for four properties during this period. The transactions are listed in Attachment A.

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 (the "Delegation of Authority" or "DOA"). On May 23, 2000, the DOA was amended by Ordinance No. 26127 to clarify certain sections and to add several other provisions. On June 25, 2002, the DOA 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 DOA was further amended by Ordinance No. 28067 to modify certain provisions in order to streamline the Housing Department's process of making and adjusting loans and grants.

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The DOA is codified in Chapter 5.06 of the Municipal Code. This memorandum reports on activities undertaken pursuant to the Administration's delegated authority for the period of January 1, 2019 through March 31, 2019.

ANALYSIS

The DOA authorizes the Director of Housing: to develop and implement additional guidelines for housing programs; to adjust terms on housing loans and grants; to change the funding sources of a loan; to convert loans to grants; to loan or to grant Housing and Homeless funds, Predevelopment funds, and Housing Rehabilitation Program funds; to negotiate and to execute grant agreements necessary to implement Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan; to provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure or deed-in-lieu proceedings; to formalize the City Council's policies and procedures regarding housing loan defaults; to apply for federal or State funding; to determine, within defined parameters, various terms and conditions of loans and grants previously approved by the City Council; to make adjustments, within defined parameters, to loans and grants previously approved by the City Council; and to make other technical changes.

Further, the DOA 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 DOA also delegates to the Director of Finance the authority to hold Tax Equity and Fiscal Responsibility Act (TEFRA) hearings on the City's proposed issuance of tax-exempt bonds to finance affordable housing projects.

Attached are charts that detail the actions taken under the DOA during the period of January 1, 2019 through March 31, 2019.

COORDINATION

Preparation of this report has been coordinated with the Office of the City Attorney.

/s/
JULIA H. COOPER
Director of Finance

/s/
JACKY MORALES-FERRAND
Director of Housing

For more information, contact Jacky Morales-Ferrand, Director of Housing, at (408) 535-3855.

Attachment A

ATTACHMENT A

**ACTIONS TAKEN BY THE DIRECTOR OF HOUSING
3rd Quarter 2018 – 2019 (Jan – Mar 2019)**

#	Date	Action	Muni Code Citation
1	2/13/19	Approved the consent to transfer ownership and amend the affordability restriction for Lenzen Square Apartments	5.06.340 (A.12) 5.06.340 (A.9)
2	3/1/19	Approved the consent to refinance and amend the promissory note for Markham Plaza I Apartments	5.06.340 (A) 5.06.340 (A.9)
3	3/8/19	Approved the reallocation of HOME funds for construction costs for Second Street Studios	5.06.335

Single Family Rehabilitation and Improvement Loans and Grants approved by the Director of Housing

There were no Rehabilitation Loans or Grants during this quarter.

Homebuyer Loans approved by the Director of Housing

There were no Homebuyer Loans during this quarter.

Housing Trust Fund Grants approved by the Director of Housing

There were no Housing Trust Fund Grants during this quarter.

TEFRA Hearings held by the Director of Finance

PROJECT NAME	UNITS	LOCATION	BOND AMOUNT	MAYOR'S CERTIFICATE NO.
Vista Park I	83	3955 Vista Park Drive, San Jose, CA 95136	\$19,000,000	2019-01
Palm Court	66	1200 Lick Avenue, San Jose, CA 95110	\$16,000,000	2019-02
Lenzen Square	88	790 Lenzen Avenue, San Jose, CA 95126	\$23,000,000	2019-03
Markham Plaza I	153	2000 Monterey Road, San Jose, CA 95112	\$26,000,000	2019-04