



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand
Julia H. Cooper

SUBJECT: SEE BELOW

DATE: December 9, 2022

Approved

Date

12/13/22

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, 2022 THROUGH MARCH 31, 2022

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 2021-2022 (January 1, 2022 through March 31, 2022). During this reporting period, the Director of Housing approved actions for two multifamily projects. These transactions are listed in the attachment. During this reporting period, the Director of Housing **did not** approve any actions for:

- Building Equity and Growth in Neighborhoods Program loans,
- Housing Trust Fund grants, or
- Rehabilitation loans.

Additionally, during this reporting period, the Director of Finance held two Tax Equity and Fiscal Responsibility Act hearings on March 28, 2022.

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 pursuant to the City Manager's delegated authority for the period of January 1, 2022 through March 31, 2022.

ANALYSIS

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

Attachment A details the actions taken by the Director of Housing and the Director of Finance under the Delegation of Authority during the period of January 1, 2022 through March 31, 2022.

HONORABLE MAYOR AND CITY COUNCIL

December 9, 2022

Subject: Delegation of Authority Report on Activities Undertaken by the Director of Housing and the Director of Finance January 1, 2022 – March 31, 2022

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COORDINATION

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

/s/
JACKY MORALES-FERRAND
Director of Housing

/s/
JULIA H. COOPER
Director of Finance

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

Attachment A: Housing Department and Finance Department Delegation of Authority during the period of January 1, 2022 through March 31, 2022

ATTACHMENT A
Housing Department and Finance Department
Delegation of Authority during the period of January 1, 2022 through March 31, 2022

1. ACTIONS TAKEN BY THE DIRECTOR OF HOUSING - 3rd Quarter FY 2021-22 (January 2022 – March 2022)

#	Action	Date	San José Municipal Code Citation
1	<p><u>Quetzal Gardens</u> Approved the following: Increase to the construction and permanent loan amount and promissory note (Loan Documents) from \$10,984,212 to \$12,585,279, an increase of \$1,601,067 for the Quetzal Gardens (Development) developed by Quetzal Gardens LP (Borrower), under her Delegation of Authority in Section 5.06.340 (A)(4) of the San José Municipal Code.</p>	1/27/2022	<p><u>Section 5.06.340 (A) (4)</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.</p>
2	<p><u>Mariposa Place</u> Approved the following: Increase to the construction and permanent loan amount and promissory note (Loan Documents) from \$9,875,000 to \$10,700,000, an increase of \$825,000, for the Mariposa Place (Project) developed by San Carlos LP (Borrower), under her Delegation of Authority in Section 5.06.340 (A)(4) of the San José Municipal Code.</p>	2/2/2022	<p><u>Section 5.06.340 (A) (4)</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.</p>

2. TAX EQUITY AND FISCAL RESPONSIBILITY ACT HEARINGS HELD BY THE DIRECTOR OF FINANCE

Project Name	Date	Units	Location	Bond Amount	Mayor's Certificate No.
Algarve Apartments	3/28/22	91	1135 East Santa Clara Street, San José, CA 95116	\$32,532,700	2022-01
McEvoy Apartments	3/28/22	224	280 McEvoy Street (also known as 699 W. San Carlos Street), San José, CA 95126	\$64,160,884	2022-02

ATTACHMENT A
Housing Department and Finance Department
Delegation of Authority during the period of January 1, 2022 through March 31, 2022

3. SINGLE-FAMILY REHABILITATION AND IMPROVEMENT LOANS AND GRANTS APPROVED BY THE DIRECTOR OF HOUSING

There were no Single-Family Rehabilitation and Improvement Loans and Grants during this reporting period.

4. HOMEBUYER LOANS APPROVED BY THE DIRECTOR OF HOUSING

There were no Homebuyer Loans during this reporting period.

5. HOUSING TRUST FUND GRANTS APPROVED BY THE DIRECTOR OF HOUSING

There were no Housing Trust Fund Grants during this reporting period.