



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand
Rick Bruneau

SUBJECT: SEE BELOW

DATE: April 14, 2023

Approved

Date

4/13/23

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 OCTOBER 1, 2022 - DECEMBER 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 second quarter of Fiscal Year 2022-2023 (October 1, 2022 through December 31, 2022). During this reporting period, the Director of Housing approved actions for one multifamily project. This transaction is 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 **did not** hold a Tax Equity and Fiscal Responsibility Act hearing for this quarter.

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 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 to streamline the Housing Department's process of making and adjusting loans and grants.

The DOA 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 October 1, 2022 through December 31, 2022.

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

The Attachment details the actions taken by the Director of Housing and the Director of Finance under the DOA during the period of October 1, 2022 through December 31, 2022.

COORDINATION

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

HONORABLE MAYOR AND CITY COUNCIL

April 14, 2023

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 October 1, 2022 - December 31, 2022

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/s/

JACKY MORALES-FERRAND
Director of Housing

/s/

RICK BRUNEAU
Director of Finance

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

ATTACHMENT: Actions Taken by the Housing Department and Finance Department
Delegation of Authority During the Period of October 1, 2022 - December 31, 2022

1. ACTIONS TAKEN BY THE DIRECTOR OF HOUSING – 2nd Quarter FY 2022-23 (October 2022 – December 2022)

#	Action	Date	San José Municipal Code Citation
1	<p><u>GALLUP MESA</u> Approved the following: Increase to the construction and permanent loan amount and promissory note (Loan Documents) from \$6,709,025.55 to \$6,900,000, an increase of \$190,974.45 for the Gallup Mesa project (Development) Gallup and Mesa, LP (Borrower), and change the funding source from Inclusionary Funds to Affordable Housing Impact Fee funds for \$500,000 of the total construction and permanent loan amount under her Delegation of Authority in Section 5.06.340 (A)(4) and (7) of the San José Municipal Code.</p>	10/17/2022	<p><u>Section 5.06.340 (A) (4) and (7)</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 and allows a change in the source of funding for a loan; provided, however, that the outstanding loan amount is available at the time of the change of the funding source, from the alternate funding sources appropriated to the department, including, without limitation, low and moderate income housing funds, HOME funds, community development block grant funds, tax-exempt bond proceeds, and other funds which the department may from time to time receive.</p>

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

There were no Tax Equity and Fiscal Responsibility Act Hearing held during this reporting period.

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.