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SENT TO COUNCIL

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: **PRODUCTION REPORT FOR JANUARY 1 – JUNE 30, 2003**

DATE: September 2, 2003

Approved

Date 9. 8. 03

COUNCIL DISTRICT: Citywide

INFORMATION

This report covers activity in the Housing Project Development Program for the third and fourth quarters of the 2002-03 Fiscal Year. The objective of the Project Development Program is to increase, preserve, and improve the supply of affordable housing in San Jose.

In Fiscal Year 1999-00, the City Council approved a Five-Year Housing Spending and Operations Plan, calling for the construction of 6,036 units of affordable housing by June 2004. Since the beginning of the five-year period, a total of 5,380 units of affordable housing have completed construction. Currently, 3,603 units are in various stages in the development process, including units in the planning stage with fund reservations or under construction. **Attachment 1** highlights the units assisted and those in progress as of the end of the fourth quarter of 2002-03, or June 30, 2003. In addition to the units that are in the development process, the Housing Department has placed an additional 3,092 units "on hold" pending determination of future tax increment funding and the Department's capacity to issue new debt.

The following information details the activities that have been taken during the third and fourth quarters of 2002-03.

City Council Actions

Over the last two quarters, the City Council took action to further the development of 14 affordable housing developments with a total of 935 rental units for families, 174 rental units for seniors, nine for-sale units, 19 transitional housing units, and 21 special needs units.

The 14 projects that the Council acted on were as follows:

- Las Golondrinas Seniors (District 5), a 49-unit senior rental development sponsored by MACSA, received approval of a conditional grant and change in funding source from ELI Supplemental to 20% funds.

- Oaks of Almaden (Cherryview) Seniors (District 9), a 125-unit senior rental development sponsored by ROEM Development, Corp., received approval of change in funding source from ELI Supplemental to 20% funds and bond issuance.

- City-owned Blossom Hill/Croydon (District 9), a property anticipated to be developed with eight units of ownership housing by San Jose Conservation Corps, received approval for transfer of property to Housing Department and disposition to the proposed developer.

- Our House/City Year Youth Facility, (District 3), a nine-unit transitional housing and emergency shelter development sponsored by Emergency Housing Consortium, received a grant funding commitment.

- Eden Palms Special Needs Apartments (District 2), a 15-unit special needs project, sponsored by Eden Housing, received a grant funding commitment.

- 12th & Keyes Family Apartments (District 3), a 79-unit family rental development sponsored by ROEM Development Corp., received approval for a funding commitment.

- Almaden Family Project (District 7), a 225-unit family rental development sponsored by Simpson Housing Solutions, received a permanent funding commitment approval.

- Turnleaf Family Apartments (District 1), a 152-unit family rental development sponsored by Fairfield Residential, received approval for bond issuance.

- Branham and Monterey Apartments (District 2), a 175-unit family rental development sponsored by JSM Enterprises, received approval for property disposition and predevelopment funding and for construction and permanent funding commitments.

- Vintage Tower Apartments (District 3), a 59-unit City-owned property anticipated to be acquired and rehabilitated by United Methodist Church Tower Properties, L.P., received approval for an option agreement to acquire the property from the city, a funding commitment, and a change in the affordability mix.

- Cinnabar Commons Apartments (District 6), a 245-unit family rental development sponsored by Seven Hills Properties, received approval of a funding commitment for construction and permanent financing and bond issuance.

- Capitol and Wilbur (District 5), a one-unit single-family residential lot acquired for development of a single-family house by San Jose Conservation Corp., received approval of a loan for land acquisition and approval of a second mortgage for a qualified homebuyer.

- Roewill Drive (District 1), a six-unit special needs rental property sponsored by Housing for Independent People, received approval of a loan from the 20% Low & Moderate Housing Fund to replace a previously approved conditional grant for the acquisition and rehabilitation of an existing building. This action was taken to replace ELI funds that were expected to be provided by the Redevelopment Agency in order to ensure that the project can proceed.

- Reception Center Expansion (District 7), a ten-unit transitional housing expansion project sponsored by Emergency Housing Consortium, received approval for a change in the source of funding of a previously approved conditional grant. This action replaced ELI funds with funds from the 20% Low and Moderate Income Housing Fund.

Financing Activity

Five projects – Cherryview Seniors, Turnleaf Apartments, Cinnabar Commons, Branham Lane Apartments, and Vendome Place Apartments (mixed income project), totaling 712 units of affordable housing – received tax-exempt bond allocations from CDLAC totaling $88 million.

Construction Activity

During the third and fourth quarters, five City-financed new construction projects, totaling 487 units, completed construction. As of June 30, 2003, there were an additional 14 City-financed new construction projects, representing 1,216 units of new housing, under construction. **Attachment 2** details the status of those projects.

LESLYE CORSIGLIA
Director of Housing

Attachments:

- Attachment 1 -- Highlights of Activities under the Five Year Spending and Operations Plan as of June 30, 2003.

- Attachment 2 -- Summaries of the projects currently under construction.

cc: Housing Advisory Commission

Attachment 1

Highlights of Activities Under the Five Year Plan
July 1, 1999 to June 30, 2003

NEWLY CONSTRUCTED UNITS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
Housing Department Funded New Construction	**	0	1,821	1,216	2,866	5,903
Inclusionary / RDA New Construction	269	--	--	94	380	743
Total Units	269	0	1,821	1,310	3,246	6,646

**There are 3,092 units of new construction that are presently "on-hold" pending funding availability.

ACQUISITION/REHABILITATION UNITS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
Housing Department Acquisition / Rehabilitation	0	0	203	0	1,407	1,610
Housing Department Preservation	0	0	0	0	727	727
RDA Acquisition/ Rehabilitation	0	--	--	--	0	0
Total Units	0	0	203	0	2,134	2,337

TOTALS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
	269	0	2,024	1,310	5,380	8,983

[1] Not relevant to Agency-assisted and Inclusionary Units

Attachment 2

Summaries of Projects Currently Under Construction

BETTY ANNE GARDENS

District 4

Developer: First Community Housing

Location: 945 and 955 King Road.

Units: 76 Units: 8 ELI / 15 VLI / 53 LI.

Council Action: Approval of construction / permanent loan on October 2, 2001.

City Funds: $6,064,114

Subsidy/Unit: $79,790

Estimated Project Cost: $18,900,000

Construction started in May 2002, completion is anticipated in September 2003.

Photos:

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TOP: Exterior of project along King Rd.

MIDDLE: Interior of community building.

BOTTOM: Typical unit interior.

CAPITOL/WILBUR SINGLE-FAMILY HOUSE

District 5

Developer: San Jose Conservation Corps.

Location: South east corner of South Capitol Avenue and Wilbur Avenue

Units: 1 unit of moderate income ownership housing

Council Action: Approval on February 25, 2003 for acquisition loan.

City Funds: Acquisition $250,000 and permanent of $50,000 (as second mortgage assistance to moderate income homebuyer.

Subsidy/Unit: $50,000 (final subsidy)

Estimated Project Cost: $468,300

Completion is anticipated by September 2003.

Photos:

TOP: Front of house from Wilbur Avenue.

MIDDLE: Rear of house.

BOTTOM: Facing garage from Capitol Avenue.

EL PASEO STUDIOS

District 1

Developer: First Community Housing

Location: Hamilton Ave. and Campbell Ave.

Units: 98: 10 ELI / 88 VLI

Council Action: Approval of construction / permanent loan on October 2, 2001

City Funds: $5,018,675

Subsidy/Unit: $51,211

Estimated Project Cost: $15,950,600

Construction started in May 2002, completion is anticipated in October 2003

Photos:

TOP: Front of project along Campbell Avenue.

MIDDLE: Interior courtyard area.

BOTTOM: Typical unit interior.

FALLEN LEAVES APARTMENTS

District 7

Developer: ROEM Development Corp.

Location: 202 Lewis Road

Units: 160 units of family rental housing: 30 ELI, 18 VLI, 111 LI, 1 unrestricted manager's unit.

Council Action: Approval on December 3, 2002 for conditional grants and loans and authorization to issue bonds.

Delegation Action: Approval on December 9, 2002 of business terms for construction/perm loans and grants.

City Funds: up to $14,697,895 in loans and grants

Subsidy/Unit (at permanent): $92,440

Estimated Project Cost: $44,394,531

Construction began in December 2002. Construction completion anticipated in May 2004.

Photos:

TOP: Main entry to building in northeast corner of building.

MIDDLE: East side of building framing second story walls.

BOTTOM: Rear of building finishing first floor walls.

HACIENDA VILLA SENIOR APARTMENTS

District 3

Five Wounds/Brookwood Terrace SNI

Developer: ROEM Development

Location: Northerly terminus of East Court and West Court

Units: 80 units of senior housing; 20 ELI / 59 LI / 1 unrestricted manager's unit

Council Action: Approval on October 1, 2002 for conditional grant.

City Funds:	$7,644,127
Subsidy/Unit:	$96,761
Estimated Project Cost:	$17,738,237

Construction started in October 2002, completion is anticipated in December 2003.

Photos:

TOP: Front east side of building.

MIDDLE: Front west side of building with future park in foreground.

BOTTOM: Rear of building adjacent to creek.

HOMESAFE SAN JOSE

District 5

Developer: CharitiesHousing Development Corporation

Location: Southerly terminus of Kentucky Place south of Alum Rock Avenue

Units: 25 units of transitional housing; 24 ELI / 1 unrestricted manager's unit

Council Action: Approval on June 12, 2002 for Acquisition / Predevelopment loan.

Delegation Action: Approval on February 10, 2003 of business terms for construction/perm loans.

City Funds: Const. $3,750,000 and perm of $2,250,000

Subsidy/Unit: $93,750

Estimated Project Cost: $7,541,013

Construction started in May 2003, completion is anticipated by June 2003.

Photos:

TOP: South side of project units.

MIDDLE: West side of project building.

BOTTOM: East side of project building.

KENNEDY APARTMENT HOMES

(Formerly Ensenanza)
District 5
Tully/Senter SNI

Developer: Community Home Builders and Associates and JSM Enterprises

Location: West side of Lucretia Avenue between Vintage Way and Mistflower Dr.

Units: 100 units of housing; 20 VLI / 80 Low Income, with teacher preference

Council Action: Approval on June 25, 2002 for construction / permanent loan, bond inducement, CDLAC application, deposit/escrow agreement.

City Funds: anticipate up to $7,548,482 for construction $6,960,000 for permanent.

Subsidy/Unit (at permanent): $69,600

Estimated Project Cost: $20,055,386

Received bond allocation September 2002, construction started in February 2003 with anticipated completion by April 2004.

Photos:
TOP: Completion of building framing.

MIDDLE: Carports along south side of development along Vintage Way.

BOTTOM: n/a

LITTLE ORCHARD HOUSES

District 7

Developer: Mid-Peninsula Housing Coalition.

Location: Little Orchard Street south of West Alma Avenue.

Units: 3 units of moderate-income ownership housing

Council Action: Approval on June 12, 2002 for Acquisition / Predevelopment loan.

Delegation Action: Approval on February 10, 2003 of business terms for construction/perm loans.

City Funds: Construction and permanent loan of $160,000.

Subsidy/Unit: $53,333
Estimated Project Cost: $1,171,000

Construction completion is anticipated by September 2003.

Photos:

TOP: Northerly most house completion of framing.

MIDDLE: Middle house completion of framing.

BOTTOM: Looking north at three houses from Little Orchard Street.

MARKHAM PLAZA SRO

(formerly Tully Gardens SRO)
District 7

Developer: CORE Development and Emergency Housing Consortium

Location: 2030 to 2150 Monterey Road

Units: 150 single room occupancy (SRO) units, 2 two- bedroom units; Total of 152 ELI and 1 unrestricted one-bedroom manager's unit

Council Action: Approval on February 12, 2002 for construction/ permanent loan.

City Funds: $7,617,219

Subsidy/Unit: $50,113

Estimated Project Cost: $22,453,184

Construction started in February 2002, completion was in July 2003 and the project is expected to be fully leased by September 2003.

Photos:

TOP: View of building from roof of Markham Plaza II looking north.

MIDDLE: Laundry room.

BOTTOM: Typical interior unit with Murphy Bed.

MARKHAM PLAZA II SRO

(formerly Tully Gardens II SRO)
District 7

Developer: CORE Development and Emergency Housing Consortium

Location: 2030 to 2150 Monterey Road

Units: 149 single room occupancy (SRO) units, 2 two- bedroom units; Total of 151 ELI and 1 unrestricted one-bedroom manager's unit

Council Action: Approval on March 5, 2002 for construction/ permanent loan.

City Funds: $6,340,295

Subsidy/Unit: $41,712

Estimated Project Cost: $22,357,027

Construction started in August 2002, completion is anticipated in December 2003 and expected to be fully leased in March 2004.

Photos:

TOP: Looking across Monterey Road.

MIDDLE: Looking south from Tully I rooftop.

BOTTOM: Interior of building with exposed studs ready for sheetrock.

MIDTOWN PLAZA

District 6

Developer: KB Home

Location: South side of Auzerais Av. between Meridian Av. and Race St.

Units: City to provide up to 96 homebuyer second mortgage assistance loans.

Council Action: Approval of second mortgage commitment March 12, 2002.

City Funds: $ 4,800,000

Subsidy/Unit: Up to $ 50,000 per homebuyer

Construction started in April 2003, completion of first phase is anticipated in April 2004.

Photos:
TOP: West side of project.

MIDDLE: Back of project looking west.

BOTTOM: East side of project.

MONTE VISTA GARDENS II SENIOR APARTMENTS

District 5

Developer: ROEM Development

Location: west side of south Capitol Avenue, north of Lombard

Units: 49 units of senior housing; 48 VLI / 1 unrestricted manager's unit

Council Action: Approval on June 25, 2002 for bond issuance and construction/permanent loans.

City Funds: $4,298,429

Subsidy/Unit: $89,551

Estimated Project Cost: $10,750,462

Construction started in September of 2002, completion is anticipated in September of 2003

Photos:

TOP: South side of building adjacent to existing single-family homes.

MIDDLE: Main courtyard.

BOTTOM: North side of project.

OAK CIRCLE SENIORS

District 7

Developer: BRIDGE Housing Corporation

Location: North side of Vintage Way between Roberts Avenue and Lucretia Avenue

Units: 100 units of senior rental housing; 71 ELI / 29 VLI

Council Action: Approval on August 14, 2001 for Disposition and Development Agreement and construction/ permanent loan.

Delegation of Authority Action: June 6, 2003, modify affordability restriction.

City Funds: Grant: $1,500,000
Loan: $6,100,000

Subsidy/Unit: $76,000

Estimated Project Cost: $18,371,658

Construction started in March 2002, completion was in July 2003 and the project is expected to be fully leased by January 2004.

Photos:

TOP: Looking north at exterior finishing and landscaping.

MIDDLE: Looking at interior courtyard of complex

BOTTOM: South side of building along Vintage Way.

POLLARD PLAZA APARTMENTS

District 7
Tully/Senter SNI

Developer: Story LIH, LLC

Location: East side of McLaughlin Avenue, southerly of Story Road and 1178 McLaughlin Avenue

Units: 130 units of housing with teacher preference: 13 VLI, 116 LI, 1 unrestricted manager's unit.

Council Action: Approval on June 18, 2002 for construction/permanent loan business terms and authorization to issue bonds.

Delegation Action: Approval on October 29, 2002 of increase in construction loan by $1,857,066 to $12,162,117 and permanent loan by $1,577,105 to $9,486,839.

City Funds: up to $12,162,117 in construction loan and $9,486,839 in permanent loan.

Subsidy/Unit (at permanent): $73,541

Estimated Project Cost: $28,714,325

Construction completion anticipated in June 2004.

Photos:

TOP: First floor post tension concrete deck.

MIDDLE: Garage foundation after concrete pour.

BOTTOM: Garage foundation prior to final concrete pour.

TIERRA ENCANTADA APARTMENTS

District 5

Developer: Community Housing Developers.

Location: South side of Alum Rock Avenue east of McCreery Avenue

Units: 93 units of family housing; 10 ELI/ 57 VLI / 25 LI and 1 unrestricted manager's unit

Council Action: Approval on June 25, 2002 for construction/permanent loans and grant funding.

City Funds: $5,000,000

Subsidy/Unit: $54,348

Estimated Project Cost: $25,168,235

Construction started in September of 2002, completion is anticipated in September of 2003

Photos:

TOP: View of the steel mat for the slab on grade adjacent to Alum Rock Avenue. This area is scheduled for a 1300 cubic yard pour.

MIDDLE: Steel may for slab.

BOTTOM: n/a