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by Council Liaison's Office

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: **SEE BELOW**

DATE: February 27, 2003

Approved

Date 3.4.03

COUNCIL DISTRICT: Citywide

SUBJECT: QUARTERLY REPORT DETAILING ACTIVITY IN THE HOUSING DEPARTMENT'S PROJECT DEVELOPMENT PROGRAM

INFORMATION

This report covers activity in the Housing Project Development Program for the second quarter 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 4,167 units of affordable housing have completed construction; of these units, 2,742 were newly constructed, with the remaining units included in acquisition/rehabilitation and preservation projects. Currently, 6,287 units are in various stages in the development process. This includes units in the following categories: new construction, acquisition/rehabilitation, preservation, and units subject to the Redevelopment Area inclusionary requirement. **Attachment 1** highlights the units assisted and those in progress as of the end of the second quarter of 2002-03, or December 31, 2002.

A recent legislative proposal to help balance the state budget by recapturing tax increment funds have had an immediate impact on the Housing Project Development Program. The Five-Year Investment Plan adopted by City Council on September 3, 2002, included funding sources from the Redevelopment Agency that could be negatively impacted by this proposal. If funding sources, such as the Supplemental Funding used for Extremely Low-Income units and the 20% Housing Set-aside are eliminated or reduced, the Department of Housing will not be able to fund all of the 6,287 units presently in various stages of development.

The following information details the activities that have been taken during the second quarter.

City Council Actions

This quarter, the City Council took action to further the development of nine affordable housing developments with a total of 895 rental units for families, 205 rental units for seniors, 66 for-sale units, and 6 special needs units. The City Council also took action to transfer eight City-owned properties for affordable housing that are anticipated to produce 281 family rental units and 14 for-sale units.

The nine projects, City-owned property transfer, and surplus property acquisition that the Council acted on:

- Hacienda Villa Seniors (District 3), an 80-unit senior rental development sponsored by ROEM Development Corp., received approval of a conditional grant and to issue tax-exempt revenue bonds.

- Evans Lane Apartments (District 6), a 239-unit family rental development sponsored by Community Home Builders and JSM Enterprises, received approval to increase the number of extremely low-income units and approval of increased conditional grant funding.

- Las Mariposas (District 5), a 66-unit affordable for-sale development sponsored by KETZAL, an affiliate of MACSA, held a public hearing of a disposition and development agreement and acceptance of the 33433 summary report and reuse valuation for the purpose of transferring property from the City to the sponsor for the project.

- Cinnabar Commons Apartments (District 6), a 245-unit family rental development sponsored by Seven Hills Properties, received approval of an acquisition and predevelopment loan.

- Roewill Drive (District 1), a 6-unit special needs rental property sponsored by Housing for Independent People, received approval of a conditional grant for the acquisition and rehabilitation of an existing building.

- Cherryview Seniors (District 9), a 125-unit senior rental development sponsored by ROEM Development Corp., received approval of a conditional grant for land acquisition, construction and permanent financing.

- Fallen Leaves Apartments (District 7), a 159-unit family rental development sponsored by ROEM Development Corp., received approval of a loan, conditional grant and to issue tax-exempt revenue bonds.

- Kennedy Apartment Homes (District 7), a 100-unit family rental development sponsored by Community Home Builders and JSM Enterprises, received approval to issue tax-exempt revenue bonds.

- Bel Aire Apartments (to be renamed "Turn Leaf") (District 1), an existing 152-unit family rental development sponsored by FF Development, an affiliate of Fairfield Residential, received approval for permanent loan financing.

- Transfer of Eight City-Owned Properties (Districts: 2, 3, 4, and 6), anticipated to produce 281 family rental units and 14 for-sale units.

Financing Activity

Four projects – Pollard Plaza Apartments, Hacienda Villa Seniors, Fallen Leaves Apartments and Kennedy Apartment Homes -- closed their bond financing.

Two projects -- Cinnabar Commons Apartments and Tierra Encantada Apartments – closed their site acquisition financing.

The City closed the purchase of the Evans Lane property, which was owned by the Valley Transportation Authority.

Construction Activity

At present, there are 13 City-financed projects, representing 1,240 units of new housing, under construction. **Attachment 2** details the status of those projects.

Four developments, comprising 321 units, completed construction:

- Immanual Lutheran Senior Apartments (District 6), a 62-unit senior rental development sponsored by Corporation for Better Housing, completed construction in October 2002.

- Lenzen on the Alameda Apartments (District 6), an 87-unit family rental development marketed to teachers sponsored by CORE Development Corp., completed construction in October 2002.

- Mabuhay (formerly Northside) Senior Apartments (District 3), a 94-unit senior rental development sponsored by BRIDGE Housing Corp., completed construction in October 2002.

- Villagio Senior Apartments (District 8), a 78-unit senior rental development sponsored by JSM Enterprises, completed construction in December 2002.

LESLYE CORSIGLIA
Director of Housing

Attachments:

- Attachment 1-- Highlights of Activities under the Five Year Spending and Operations Plan as of December 31, 2002.
- Attachment 2-- Summaries of the projects currently under construction.
- Attachment 3—A list of all projects with a funding commitment from the City Council from December 31, 1988 to present.

cc: Housing Advisory Commission

Attachment 1

Highlights of Activities Under the Five Year Plan
July 1, 1999 to December 31, 2002

NEWLY CONSTRUCTED UNITS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
Housing Department Funded New Construction	1,143	458	1,908	1,240	2,378	7,127
Inclusionary / RDA New Construction	349	--	--	177	364	890
Total Units	1,492	458	1,908	1,417	2,742	8,017

ACQUISITION/REHABILITATION UNITS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
Housing Department Acquisition / Rehabilitation	0	137	6	769	798	1,710
Housing Department Preservation	0	0	0	100	627	727
RDA Acquisition/ Rehabilitation	0	--	--	5	0	5
Total Units	0	137	6	869	1,425	2,437

TOTALS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
	1,492	595	1,914	2,286	4,167	10,454

[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 October 2003.

Photos:

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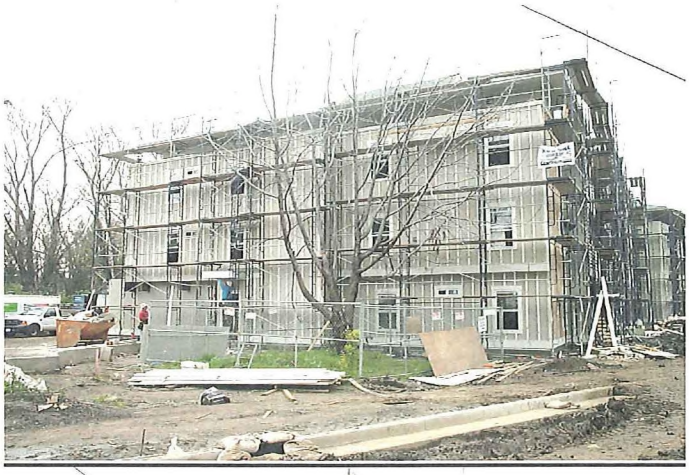
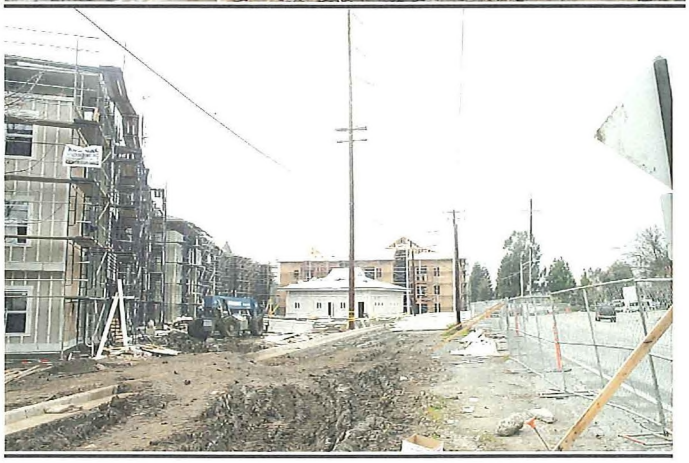
TOP: Building 1 looking North.

MIDDLE: Looking North along King Rd.

BOTTOM: Community Building.





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: Courtyard.

MIDDLE: Unit Interior.

BOTTOM: Looking West along Campbell Ave.

GADBERRY COURT SENIOR APARTMENTS

District 5

Developer: ROEM Development

Location: 2557 Alum Rock Avenue

Units: 55 units of senior housing; 35 VLI /19 ELI / 1 unrestricted manager's unit

Council Action: Approval on April 2, 2002 for increase of grant terms.

City Funds: $3,124,834

Subsidy/Unit: $57,867

Estimated Project Cost: $10,996,135

Construction started in February of 2002, completion is anticipated in April of 2003 and expected to be fully leased by July 2003

Photos:

TOP: Main courtyard – Building near complete and site work in progress.

MIDDLE: Looking from Alum Rock Avenue.

BOTTOM: Front of building along Alum Rock Avenue.

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: Side of building along frontage with Monte Vista Family Apartments. Finishing wall framing.

MIDDLE: Rear of building. Finishing framing of walls and setting windows.

BOTTOM: Front of building looking from South Capital Avenue. Setting roof trusses.

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; 15 ELI / 84 VLI / 1 unrestricted manager's unit

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

City Funds: $7,600,000

Subsidy/Unit: $76,767

Estimated Project Cost: $18,371,658

Construction started in March 2002, completion is anticipated in September 2003 and expected to be fully leased by January 2004.

Photos:

TOP: North side of building. Roofing on and lathing in progress.

MIDDLE: Central courtyard looking west.

BOTTOM: West side of building along Roberts Avenue. Lathing in progress.

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

Photos:

TOP: North side of project. Site cleared, but mass grading not started.

MIDDLE: South side of project. Site cleared, but mass grading not started.

BOTTOM: Looking southeast across the site. Cleared, but grading not started.

ROSE GARDEN SENIOR APARTMENTS

District 5

Developer: ROEM Development

Location: 3071 Rose Avenue

Units: 66 units of senior housing; 47 VLI / 18 ELI / 1 unrestricted manager's unit

Council Action: Approval on April 2, 2002 for conditional grant.

City Funds: $4,249,216

Subsidy/Unit: $65,372

Estimated Project Cost: $12,978,000

Construction started in February of 2002, completion is anticipated in May of 2003 and expected to be fully leased by August 2003.

Photos:

TOP: West side of building looking northwest from Rose Avenue.

MIDDLE: Front of building looking north from Rose Avenue. – Ready for plaster.

BOTTOM: East side of building. Ready for plaster.

SHIRAZ SENIOR HOUSING

District 6

Developer: ROEM Development

Location: 1275 McLaughlin Avenue

Units: 61 units of senior housing; 60 VLI / 1 unrestricted manager's unit

Council Action: Approval on March 16, 2002 for construction / permanent loan

City Funds: $4,487,616

Subsidy/Unit: $74,793

Estimated Project Cost: $11,417,289

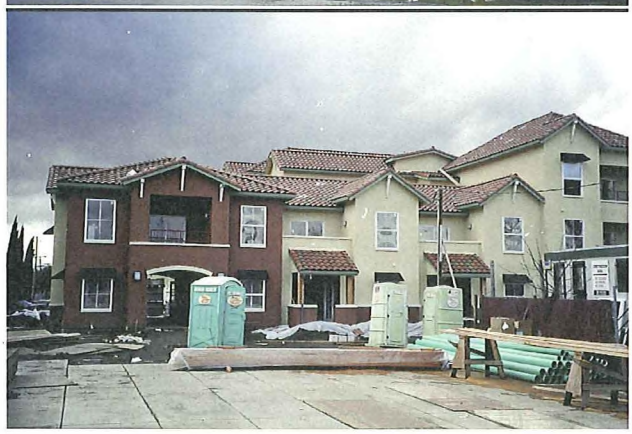
Construction started in February of 2002, completion is anticipated in April of 2003 and expected to be fully leased by July 2003

Photos:

TOP: North side of project looking from adjacent park.

MIDDLE: Rear of project on west side.

BOTTOM: Front of building looking west from McLaughlin Avenue.



SUMMERCREST VILLAS

FORMERLY ALMADEN SENIOR HOUSING
District 6

Developer: Simpson Housing

Location: 1735 Almaden Expressway

Units: 66 units of senior housing; 13 VLI / 52 LI / 1 unrestricted manager's unit

Council Action: Approval of permanent loan on November 13, 2001

City Funds: $ 3,757,000

Subsidy/Unit: $ 57,800

Estimated Project Cost: $ 12,100,000

Construction started in June 2002, completion is anticipated in June 2003 and expected to be fully leased by end of December 2003.

Photos:
TOP: Front of building. Ready for plaster.

MIDDLE: Rear of building.

BOTTOM: View of building along Almaden Avenue.

TULLY GARDENS SRO

District 7

Developer: CORE Development and Emergency Housing Consortium

Location: 2030 to 2150 Monterey Road

Units: 155 single room occupancy (SRO) units; 152 ELI / 3 unrestricted manager's units

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 is anticipated in June 2003 and expected to be fully leased by September 2003.

Photos:

TOP: View of building along Monterey Highway. Ready for plaster.

MIDDLE: Front of building. Ready for plaster.

BOTTOM: Parking garage for both phase I and phase II. Concrete work complete.

TULLY GARDENS II SRO

District 7

Developer: CORE Development and Emergency Housing Consortium

Location: 2030 to 2150 Monterey Road

Units: 153 single room occupancy (SRO) units; 152 ELI / 1 unrestricted manager's units

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 toward Monterey Road. Slab in and just starting framing.

MIDDLE: East end of building. Framing just started. Parking garage in background.

BOTTOM: West side of building along Monterey Road. Foundation and slab complete, no framing started.

VILLA TORRE APARTMENTS PHASE II

District 3

Developer: JSM Development

Location: 985 South 6th Street

Units: 88 units of family housing; 27 VLI /60 LI / 1 unrestricted manager's unit

Council Action: Approval on June 26, 2001 for construction / permanent loan business terms.

City Funds:	$5,646,000
Subsidy/Unit:	$64,897
Estimated Project Cost:	$19,815,000

Construction started in June 2001, completion is anticipated in March of 2003.

Photos:

TOP: View along 5th Street. Exterior of podium buildings nearing completion.

MIDDLE: Interior street between podium and townhouse buildings looking north from the extension of Bestor Street.

BOTTOM: Installation of siding just starting on townhome buildings along 6th Street.

NORTH WHITE RD. FAMILY APARTMENTS

District 5

Developer: JSM Enterprises

Location: East side of White Rd., north of McKee.

Units: 157 Units: 48 / VLI / 108 LI / 1 unrestricted

Council Action: Approval on October 30, 2001 for construction / permanent loan business terms

City Funds: $9,985,000

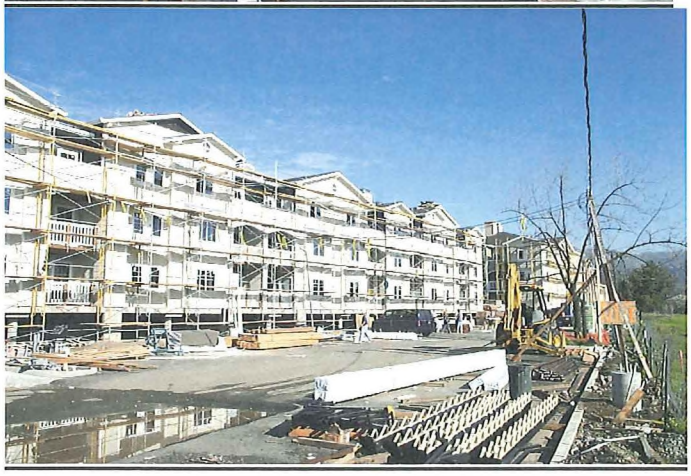
Subsidy/Unit: $64,006

Estimated Project Cost: $36,988,770

Construction started in December 2001, completion is anticipated in June 2003.

Photos:

TOP: Property Entrance along White Rd.

MIDDLE: Project Interior looking East.

BOTTOM: South Property Line looking NE.