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CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Leslye Corsiglia

SUBJECT: **PRODUCTION REPORT FOR JULY 1 – SEPTEMBER 30, 2003**

DATE: December 19, 2003

Approved

Date 12/22/03

COUNCIL DISTRICT: Citywide

INFORMATION

This report covers activity in the Housing Department's Project Development Program for the first quarter of the 2003-04 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 5,807 units of affordable housing have completed construction.

Attachment I highlights the 9,052 units at various stages of development, including the 5,807 completed units cited above. As of September 30, 2003, there were 1,535 affordable units in various pre-construction stages of the development process (Planning, Application on File, and Fund Reservation). In addition, as of September 30, there were 1,710 units under construction, an increase of 400 units since June 30, 2003.

Financing Activity

On September 24, 2003, the California Debt Limit Allocation Committee (CDLAC) approved tax-exempt bond allocations in the amounts of $5.5 million for the Vintage Tower project and $31.3 million for the Almaden Family development.

Also during this quarter, five deals were consummated. A Disposition and Development Agreement, including an acquisition/predevelopment/construction/permanent loan in the amount of $10,540,000, was executed for the Oak Tree Village development (Council District 2). An acquisition/predevelopment loan in the amount of $1,275,000 for the Eden Palms Special Needs housing (District 2) was executed. A construction/permanent loan was closed on the Cinnabar Commons development (District 6) in the amount of $28,332,250. A construction/permanent

grant was closed on the Las Golondrinas development (District 5) in the amount of $4,804,900. Finally, the permanent loan in the amount of $3,325,000 for Brooks House (District 6) closed.

Construction Activity

In addition to the units for which construction was completed during the first quarter, as noted above, there were an additional 12 large and two small new construction projects, comprising 1,309 units of new housing, under construction as of September 30, 2003. **Attachment 2** details the status of the 12 large projects.

LESLYE CORSIGLIA
Director of Housing

Attachments:

- Attachment 1 -- Highlights of Activities under the Five Year Spending and Operations Plan as of September 30, 2003.
- Attachment 2 -- Summaries of the large projects currently under construction.

cc: Housing Advisory Commission

Attachment 1

Highlights of Activities Under the 1999-04 Five-Year Plan
July 1, 1999 to September 30, 2003

NEWLY CONSTRUCTED UNITS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
Housing Department Funded New Construction	**	862	1,351	1,309	3,241	6,763
Inclusionary / RDA New Construction	66	--	--	249	426	741
Total Units	66	862	1,351	1,558	3,667	7,504

**There are 3,512 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	118	152	1,413	1,683
Housing Department Preservation	0	0	0	0	727	727
RDA Acquisition/ Rehabilitation	0	--	--	--	0	0
Total Units	0	0	118	152	2,140	2,410

TOTALS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
	66	862	1,469	1,710	5,807	9,914

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

Attachment 2

Summaries of Projects Currently Under Construction as of September 30, 2003

BOCCARDO CENTER EXPANSION

(formerly known as Reception Center Expansion)
District 7

Developer: Emergency Housing Consortium.

Location: Northeast corner of Little Orchard and Cimino Avenue

Units: 10 units of family transitional housing; 10 ELI

Council Action: Approval on August 21, 2001, of a conditional grant.

City Funds: $1,000,000

Subsidy/Unit: $100,000

Estimated Project Cost: $1,091,000

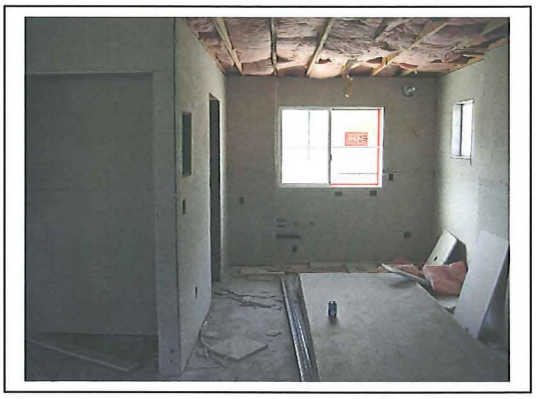
Construction started in July 2003, completion is anticipated in December 2003

Photos:

TOP: 10-unit expansion building prepared for stucco application.

MIDDLE: Interior of a unit under construction.

BOTTOM: Front entry of expansion building from front entrance to Boccardo Center.



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; completed in October 2003

Photos:

TOP: Looking east at project frontage.

MIDDLE: Interior courtyard.

BOTTOM: Entrance lobby.

EVANS LANE (JSM)

District 6

Developer: JSM Enterprises Incorporated

Location: Northerly terminus of Evans Lane (a.k.a., southerly quadrant of Highway 87 and Almaden Expressway interchange)

Units: 239 units of family housing; 35 ELI/39 VLI/163LI/3 unrestricted manager unit

Council Action: Approval on September 24, 2002, of an increase in grant of ELI funds, for a total grant of $4,025,000, and an increase in the number of ELI units from 24 to 35.

City Funds: $19,687,809

Subsidy/Unit: $83,423

Estimated Project Cost: $58,444,169

Construction started in July 2003, completion is anticipated in November 2004.

Photos:

TOP: Looking east at Building 1.

MIDDLE: Looking west at foundation for Building 2.

BOTTOM: Looking south at Building 2 foundation.

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: Looking north at rear side of building framing under way.

MIDDLE: Interior courtyard with swimming pool in progress.

BOTTOM: Looking north at front entry.

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

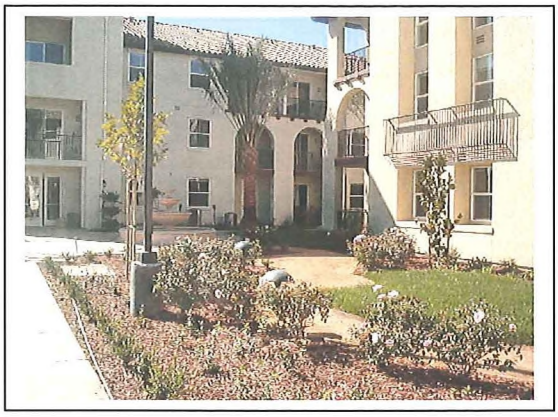
Construction started in October 2002, completion is anticipated in December 2003.

Photos:

TOP: Looking west at west wing of building.

MIDDLE: Courtyard and community room with fireplace.

BOTTOM: Looking west along the north side (rear) of building.



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

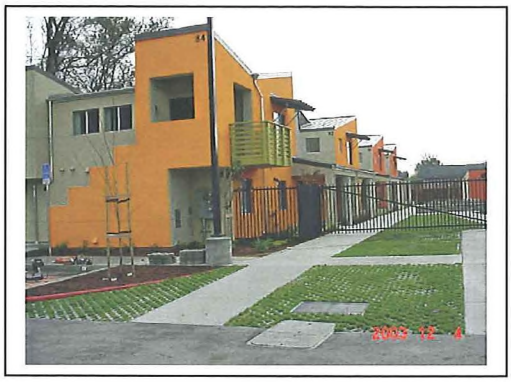
Construction started in May 2003; completed in November 2003.

Photos:

TOP: Front entrance to the development.

MIDDLE: Courtyard, looking west.

BOTTOM: Typical kitchen/dining area serving four families.



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 east at front elevation on Monterey Road.

MIDDLE: Looking south at front entrance in courtyard.

BOTTOM: Looking east from courtyard at parking garage and building elevation.

MIDTOWN PLAZA

District 6

Developer: KB Homes

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: Looking east along Auzerais Avenue.

MIDDLE: Looking south from Auzerais into area that will be a public park.

BOTTOM: From Meridian Avenue, looking northeast at rear of the project.

THE OAKS OF ALMADEN

District 9

Developer: ROEM Development.

Location: 5067 Almaden Expwy

Units: 126 units of senior housing; 125 ELI/1 unrestricted manager's unit

Council Action: Approval of changing the funding source of $7,240,016 of City funding from the Redevelopment ELI funds to the 20% Fund.

City Funds: $13,240,416

Subsidy/Unit: $105,923

Estimated Project Cost: $23,299,505

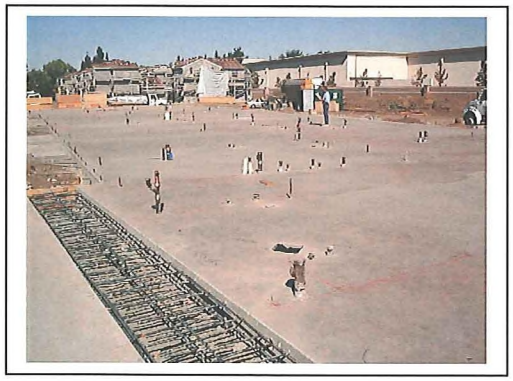
Construction started in August 2003, completion is anticipated in November 2004.

Photos:

TOP: East portion of podium deck over garage.

MIDDLE: South portion of podium deck.

BOTTOM: East portion of podium deck.



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: Looking south across podium deck.

MIDDLE: Looking south across podium deck.

BOTTOM: Looking east at completed podium deck; framing underway.

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 July of 2003, completion is anticipated in January of 2005

Photos:

TOP: Looking west across podium steel in place.

MIDDLE: Looking east from McCreery along new street at rear of building.

BOTTOM: Looking west at podium walls and columns.

VIA DEL MAESTRO

(Formerly Kennedy Apartment Homes)
(Formerly Ensenanza)
District 7
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: Looking west at project entrance off Lucretia Avenue.

MIDDLE: Looking west at community building with swimming pool.

BOTTOM: Elevation of Building 4.