SENT TO COUNCIL

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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 OCTOBER 1 – DECEMBER 31, 2003**

DATE: February 6, 2004

Approved

Date 2.11.04

COUNCIL DISTRICT: Citywide

INFORMATION

This report covers activity in the Housing Department's Project Development Program for the second 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 development of 6,036 units of affordable housing by June 30, 2004. Since the beginning of the five-year period, a total of 5,453 units of affordable housing have completed construction.

Attachment I highlights the 9,195 units at various stages of development, including the 5,435 completed units cited above. As of December 31, 2003, there were 2,203 affordable units in various pre-construction stages of the development process (Planning, Application on File, and Fund Reservation). In addition, 1,539 units are currently under construction, with over 600 units to be completed prior to June 30. **Attachment II** details the status of the nine large, new construction projects funded by the Housing Department that are currently under construction.

Financing Activity

The Housing Department completed several affordable housing financing transactions during the second quarter:

- On October 17, 2003, the construction/permanent loan for the Oak Tree Village development in Council District 2 was closed.
- On November 13, 2003, the City sold a tax-exempt, multi-family housing bond in the amount of $31,300,000 to finance the Almaden Family development in Council District 7.

- On December 17, 2003, the California Debt Limit Allocation Committee (CDLAC) approved a tax-exempt bond allocation in the amount $8.625 million for the 71-unit Del Oro Apartments acquisition/rehabilitation project in Council District 6.
- On December 18, 2003, the Disposition and Development Agreement (DDA) between the City and the sponsor of the Bella Castello development in Council District 3 was executed. Included in the DDA was an acquisition/predevelopment loan in the amount of $4,265,000, of which $2,048,000 was the value of the City-owned property that was transferred to the developer.

LESLYE CORSIGLIA
Director of Housing

Attachments:

- Attachment 1 -- Highlights of Activities under the 1999-04 Five-Year Housing Spending and Operations Plan as of December 31, 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 December 31, 2003

NEWLY CONSTRUCTED UNITS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
Housing Department Funded New Construction	N/A*	692*	1,127	1,168	3,606	6,593
Inclusionary / RDA New Construction	190	--	--	295	434	919
Total Units	190	692	1,127	1,463	4,040	7,512

*There are approximately 3,400 units of new construction that are presently "on-hold" pending funding availability, including the 692 units for which applications have been filed.

ACQUISITION/REHABILITATION UNITS

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
Housing Department Acquisition / Rehabilitation	0	0	194	76	1,413	1,683
RDA Acquisition/ Rehabilitation	0	--	--	--	0	0
Total Units	0	0	194	76	1,413	1,683

TOTAL PRODUCTION

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
	190	**692**	**1,321**	**1,539**	**5,453**	**9,195**

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Housing Department Preservation Units (Do Not Count Toward 1999-04 Five-Year Plan Goals)

	Planning Stage	Application on File[1]	Fund Reservation[1]	Under Construction	Completed	Total
	0	0	0	0	727	727

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

Attachment 2

Summaries of Projects Currently Under Construction as of December 31, 2003

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's units

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

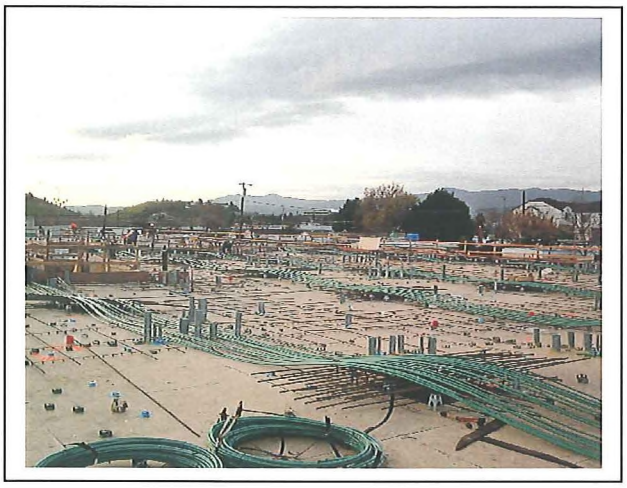
Construction started in July 2003, completion is anticipated in November 2004.

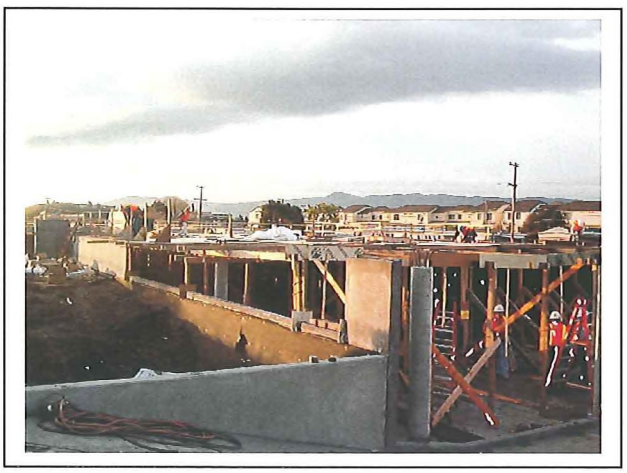
Photos:

TOP: Looking east at Building 1.

MIDDLE: Installation of steel for podium slab on North end of Building 3.

BOTTOM: Forming podium slab on South end of Bulding 3.





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 entrance

MIDDLE: North Courtyard

BOTTOM: Front of project along Lewis Road

LAS GOLONDRINAS

District 5

Developer: Mexican-American Community Services Agency

Location: Southerly terminus of Kentucky Place

Units: 50 units of senior housing; 49 ELI and 1 unrestricted manager's unit

Council Action: Approval on March 24, 2003 for change in the source of funds for the construction/ permanent grant funding.

City Funds: $4,804,900

Subsidy/Unit: $98,059

Estimated Project Cost: $9,233,922

Construction started in October of 2003, completion is anticipated in November of 2004

Photos:

TOP: Front of Building 3

MIDDLE: Rear of Building

BOTTOM: Two story community room

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

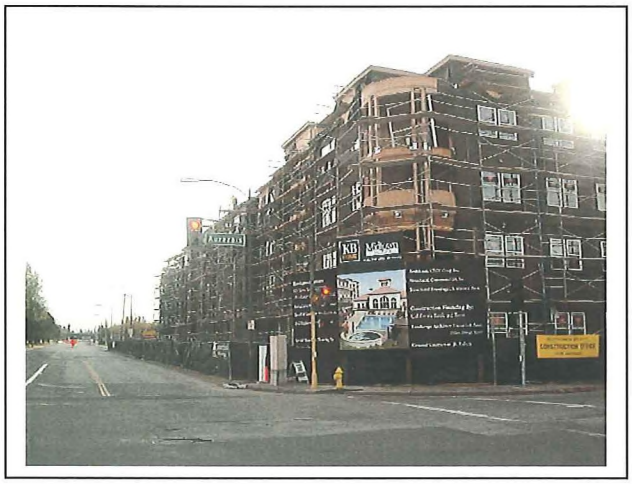
Construction started in April 2003, completion of first phase is anticipated in April 2004.

Photos:

TOP: Corner of Auzerais and Meridian Avenues.

MIDDLE: Looking east along Auzerais Street.

BOTTOM: Looking south on Race Street.



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 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: West side

MIDDLE: North side

BOTTOM: Courtyard – setting roof trusses on south side

OAK TREE VILLAGE

(Formerly Branham & Monterey)
District 2

Developer: JSM Enterprises, Inc.

Location: Northeast corner of Branham Lane and Monterey Highway

Units: 175 units of family housing; 53 VLI/121 LI and 1 unrestricted manager's unit

Council Action: Approval on May 27, 2003 of a Disposition and Development Agreement – including construction and permanent financing – for the development.

City Funds: $10,540,000

Subsidy/Unit: $60,575

Estimated Project Cost: $50,213,000

Construction started in October of 2003, completion is anticipated in March of 2005.

Photos:

TOP: View of the south half of the garage where the slab on grade has been completed and podium deck shoring was in progress.

MIDDLE: This view is from the southwest corner looking northeast.

BOTTOM: Framing 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

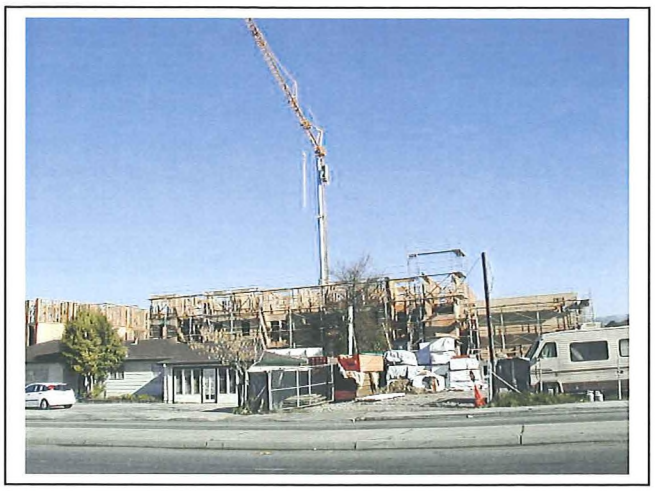
Construction completion anticipated in June 2004.

Photos:

TOP: Project as seen from Mc Laughlin Avenue. All three floors have been framed.

MIDDLE: A view of the north elevation where all three floors have been framed.

BOTTOM: View west toward McLaughlin Avenue. The pit behind the crane is the pool.



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: A view of the project from Alum Rock looking east.

MIDDLE: View of first floor framing on the podium. At street level there will be 8,000 SF of commercial space.

BOTTOM: View of Building 1 framing in progress as seen from the west side of the podium.

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.