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CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

# Memorandum

**TO:** HONORABLE MAYOR AND CITY COUNCIL

**FROM:** Leslye Krutko
Director of Housing

**SUBJECT:** **PRODUCTION REPORT FOR JANUARY 1 – MARCH 31, 2007**

**DATE:** May 15, 2007

Approved Deanna Santana Date 5/17/07

**COUNCIL DISTRICT:** Citywide

## INFORMATION

This report covers activity in the Project Development Program for the third quarter of the 2006-2007 Fiscal Year. The objective of the Project Development Program is to increase, preserve, and improve the supply of affordable housing in San Jose.

The most recently adopted goal for the Department was to reach 11,000 units completed or under construction from the period of January 1, 1999 to December, 31, 2006. As of March 31, 2007, 11,203 affordable units have been completed, with an additional 1,009 currently under construction, for a total of 12,212 units.

The Housing Department is currently in the process of completing a new 5-Year Housing Investment Plan. The Plan will establish new Affordable Housing production goals for the Department. The new Investment Plan should be completed this summer. All subsequent informational reports on affordable housing will reflect the new goals.

**Attachment 1** details the status of the nine new construction projects that were under construction during the quarter. Funding commitments for 767 additional units have been made, while applications have been received for an additional 196 units. Also, there are 908 potential units in the planning stage (see **Attachment 2**).

### City Council Actions

During the third quarter of the 2006-07 Fiscal Year, the City Council took the following actions related to specific development projects:

- Approved a Disposition and Development Agreement (DDA) between the City of San Jose and Silicon Valley Habitat for Humanity for the development of a single-family home located on a City-owned property located on the east side of Delmas Avenue, between Jerome Street and Fuller Avenue on February 6, 2007;

- On February 13, 2007, approved a funding commitment of up to $7,679,570 to Affirmed Housing Group, of which $2,120,000 will finance land acquisition, for the development of a the 86-unit Fairways at San Antonio affordable family project located at 305 San Antonio Court, to be made available to extremely low-, very low-, and low-income households;

- Approved a Disposition and Development Agreement (DDA) between the City of San Jose and InnVision The Way Home, for the transfer of the City-owned underlying fee title to InnVision for the Julian Street Inn homeless shelter, located at the southeast corner of Montgomery and Julian Streets, for the amount of $860,000 in the form of a conditional grant secured by the fee on February 27, 2007;

- On March 20, 2007, approved a funding commitment of up to $9,875,000 to First Community Housing, of which $1,095,000 will finance land acquisition, for the development of a the 100-unit North Fourth Street Apartments affordable family project located at 1470 North 4th Street, to be made available to extremely low-, very low-, and low-income households;

- On March 20, 2007, approved a construction loan of up to $4,766,000 to CORE Development Corporation and ROEM Development Corporation for the 30-unit West San Carlos Affordable Housing Project located at 1523 West San Carlos Street with $1,600,000 of this amount set aside to fund second mortgages for 16 moderate-income buyers;

As the need for affordable housing in San Jose continues to grow and as resources remain limited, the Housing Department will continue to seek and utilize all available opportunities to facilitate the City's affordable housing production efforts.

LESLYE KRUTKO
Director of Housing

cc: Housing Advisory Commission

Attachments:
- Attachment 1 -- Summaries of Projects Currently Under Construction
- Attachment 2 -- Highlights of Activities from January 1, 1999, to March 31, 2007

**Attachment 1**

# Summaries of Projects Currently Under Construction as of March 31, 2007

# CORDE TERRA

(Formerly Fairgrounds Family)
District 7

Borrower: Fairgrounds Luxury Family Apartments, L.P.

Location: 350 Tully Road

Units: 300 units of family housing: 270 VLI/ 29 LI/ 1 unrestricted manager's unit

Council Action: Approval on April 13, 2004 of a funding commitment for construction and permanent financing; on August 23, 2005, authorization to change the borrower to ROEM Development Corporation and combine two projects into one.

City Funds: $21,187,440

Subsidy/Unit: $70,861

Estimated Project Cost: $70,440,103

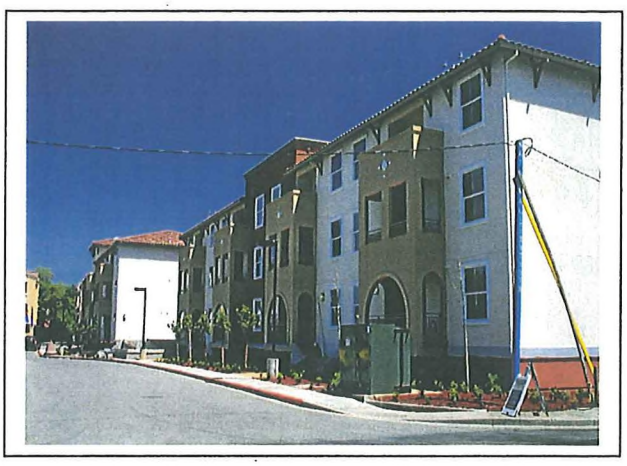
Construction started in August 2005 and completion is anticipated for June 2007.

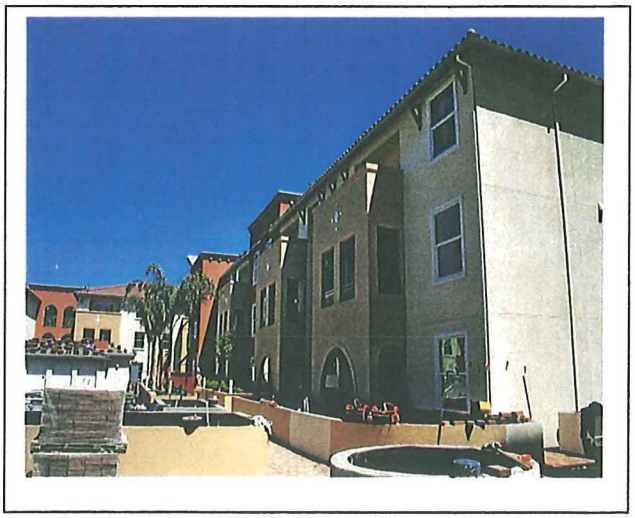
**Photos:**

**TOP**: Looking South at the North elevation of building F.

**MIDDLE**: Looking Northeast at building G.

**BOTTOM**: Looking South at building E.





# EDENVALE SPECIAL NEEDS

District 2

Borrower: Eden Housing, Inc.

Location: 5340 Monterey Road

Units: 15 units of special needs housing restricted to VLI individuals with developmental disabilities: 10 ELI/4 VLI/ 1 unrestricted managers' unit.

Council Action: Approval on May 27, 2003 of a conditional grant for site acquisition and predevelopment.

City Funds (Permanent): a conditional grant of $1,275,000 of HOME funds.

Subsidy/Unit: $91,072

Subsidy/ELI Unit: $127,500

Estimated Project Cost: $5,343,018

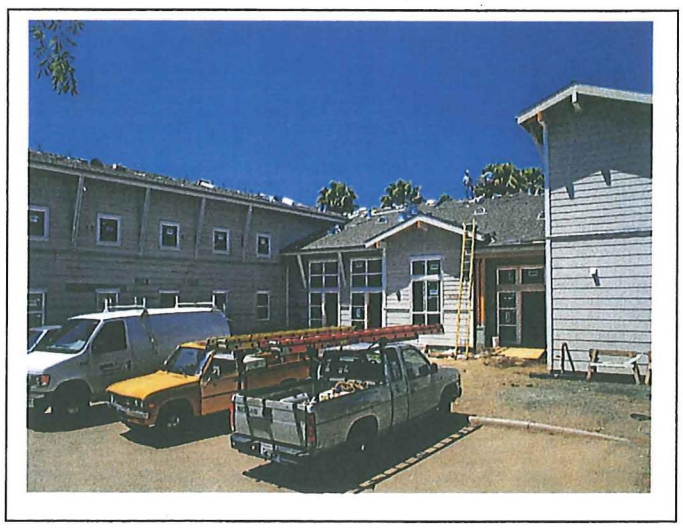
Construction started in October 2006 and completion is anticipated in October 2007.

**Photos:**

**TOP:** Looking East at the West elevation as seen from Monterey Road.

**MIDDLE:** A view of the project looking Southeast.

**BOTTOM:** Looking Northwest at the East and South elevations.



# GISH APARTMENTS

District 3

Borrower: First Community Housing, a California nonprofit public benefit corporation

Location: 1410 North First Street

Units: 35 units of family housing with 13 units reserved for special needs households:13 ELI/ 14 VLI/ 7 LI/ 1 unrestricted manager's unit

Council Action: Approval on February 8, 2005 of a funding commitment for construction and permanent financing.

City Funds: up to $2,475,000

Subsidy/Unit: $72,794

Construction started in September 2005 with completion anticipated in September 2007.

**Photos:**

**TOP**: Looking at the Southeast corner of the project as seen from Gish Road.

**MIDDLE:** Project's South elevation as seen from First Street.

**BOTTOM**: View of the West elevation along First Street.

# MURPHY / RINGWOOD

District 4

Developer: Silicon Valley Habitat for Humanity

Locations: 1) Southwest corner of Murphy Avenue and Ringwood Avenue
2) Murphy Avenue between Ringwood and Lundy
3) Murphy Avenue between Ringwood and Lakepark Drive

Units: 11 VLI for-sale units

Council Action: Approval on October 29, 2002 of the transfer of City surplus property to the Housing Department; approval on December 2, 2003 of a Disposition and Development Agreement.

City Funds: (Permanent): $90,000 plus land valued at $1,238,000

Subsidy/Unit: $120,728

Estimated Project Cost: $4,550,000

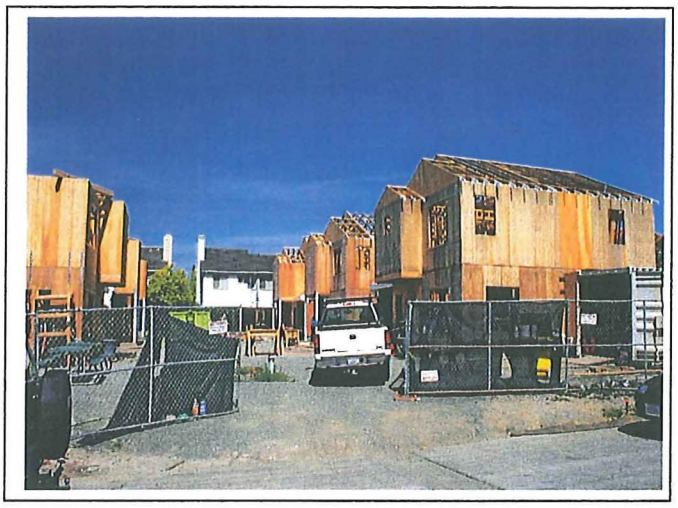
Construction on locations 1 and 2 started in July 2005 and their completion is anticipated in July 2007. Construction on location 3 will start in July 2006 and its completion is anticipated in July 2008.

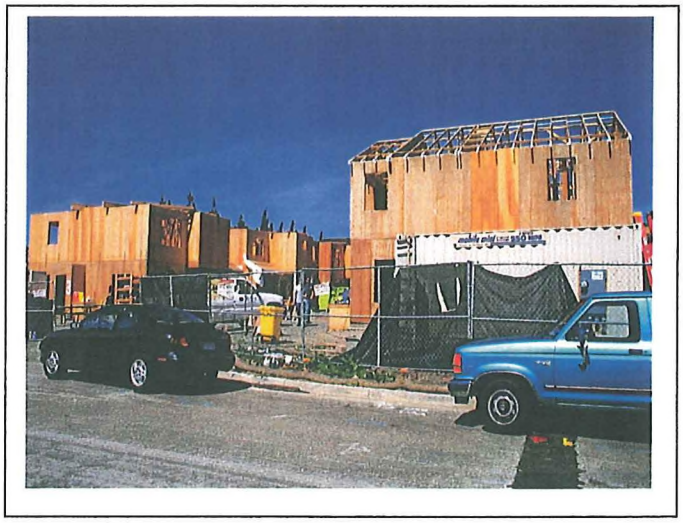
**Photos:**

**TOP:** A view of Murphy One looking East from Mission Springs Court.

**MIDDLE:** Looking Northeast at Murphy One from Mission Springs Court.

**BOTTOM:** A view of the North elevation of Murphy One across Murphy Avenue.





# PASEO SENTER I

District 7

Borrower: Paseo Senter, L.P.

Location: 1970, 1986 & 1099 Senter Road

Units: 115 units of family housing: 35 ELI/80 VLI/2 unrestricted manager's units

Council Action: Approval on June 29, 2004 of a funding commitment for permanent financing; approval in December 2005 of a bond issuance and a loan of bond proceeds.

City Funds (Permanent): up to $7,143,800

Subsidy/Unit: $62,120

Estimated Project Cost: $43,365,697

Construction started in April 2006 and completion is anticipated in March 2008.

**Photos:**

**TOP:** Looking Southwest from Rock Springs Drive.

**MIDDLE:** A Northeast view of the residential framing work in progress.

**BOTTOM:** Looking Northwest at the Southeast elevation from Rock Springs Drive.

# PASEO SENTER II

District 7

Borrower: Paseo Senter II, L.P.

Location: 1970, 1986 & 1099 Senter Road

Units: 99 units of family housing: 11 ELI/88 VLI/2 unrestricted manager's units

Council Action: Approval on June 29, 2004 of a funding commitment for permanent financing; approval in December 2005 of a bond issuance and a loan of bond proceeds.

City Funds (Permanent): up to $5,939,550

Subsidy/Unit: $59,996

Estimated Project Cost: $36,071,282

Construction started in April 2006 and completion is anticipated in March 2008.

**Photos:**

**TOP:** Looking Southeast at the Northwest elevation as seen from Senter Road.

**MIDDLE:** A Southwest view of the residential framing work in progress.

**BOTTOM:** Looking Northwest at the southeast elevation of the project.

# SOBRATO HOUSE

District 3

Developer: Emergency Housing Consortium, d.b.a. EHC LifeBuilders

Location: 101 East William Street

Units: 9 ELI permanent housing units and 10 ELI transitional units providing year-round occupancy for homeless youth

Council Action: Approval on June 17, 2003 of a conditional grant for construction and permanent financing of permanent housing units; approval on June 29, 2004 of an additional conditional grant for construction and permanent financing of transitional units.

| | |
|---|---|
| Housing Department Funds | $1,035,000 |
| RDA Funds | $1,000,000 |
| City Funds (Permanent): | up to $2,035,000 |
| City Subsidy/Unit: | $115,000 |
| Estimated Project Cost: | $10,893,153 |

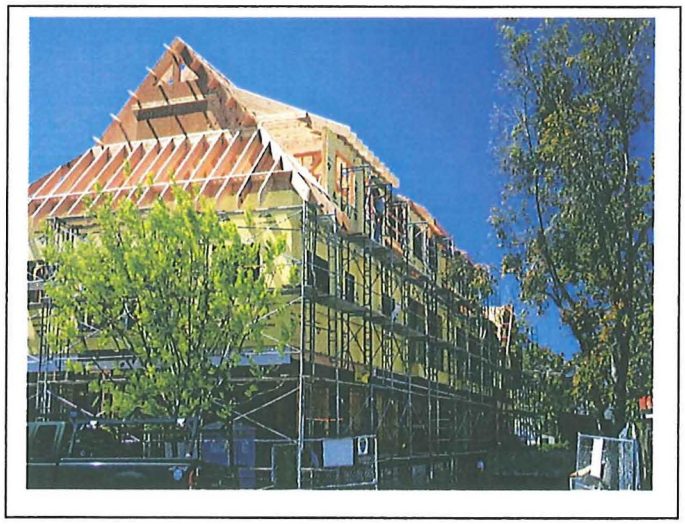
Construction started in June 2006 and completion is anticipated in September 2007.

**Photos:**

**TOP:** A view of the project site looking Northeast from Third Street.

**MIDDLE:** Looking North at the project site from William Street.

**BOTTOM:** Looking Northwest at the project site from William Street.



# TIERRA ENCANTADA

District 5

Borrower: Community Housing Developers

Location: A 0.5-acre site located at the southeast corner of Alum Rock and McCreery Avenues

Units: 12 for-sale units: 8/MOD and 4/ MRKT

Council Action: Approval on June 25, 2002 of business terms for a $400,000 acquisition loan. Upon completion of construction, the loan will converted into down payment assistance for the moderate homebuyers

City Funds (Permanent): $400,000

Subsidy/Unit: $50,000

Estimated Project Cost: $5,500,000

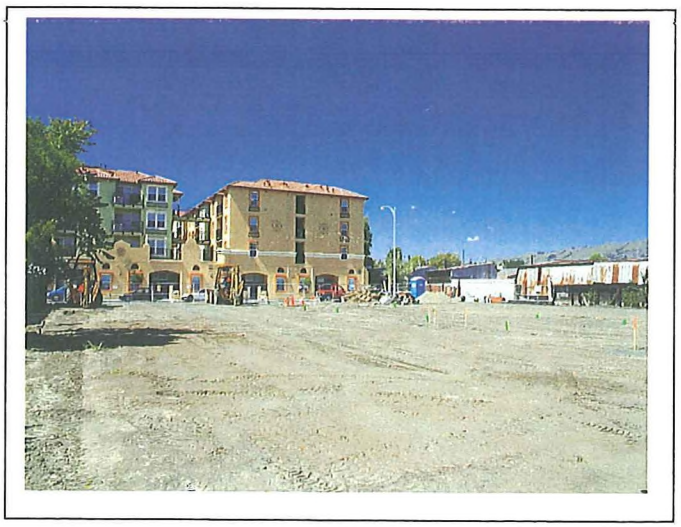
Construction started in April 2007 and completion is anticipated in May 2008.

**Photos:**

**TOP:** Looking Southwest across project site.

**MIDDLE:** Looking Southeast across the project site.

**BOTTOM:** A view of the graded site looking North.



# WILLOW STREET

District 6

Borrower: Silicon Valley Habitat for Humanity

Location: 312 Willow Street (between Locust St. and Palm St.)

Units: 1 4-bedroom single family residence affordable to a very-low income household earning less than 50% AMI

Council Action: Approval on December 2, 2003 of a Disposition and Development Agreement for the transfer of the City –owned property and a funding commitment for predevelopment expenses.

City Funds (Permanent): $10,000 plus land valued at $104,000

Subsidy/Unit: $114,000

Estimated Project Cost: $300,000

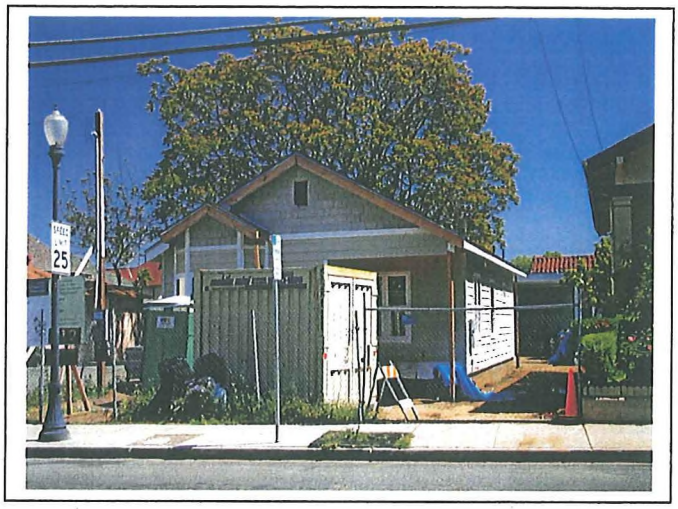
Construction started in June 2006 and completion is anticipated in May, 2007.

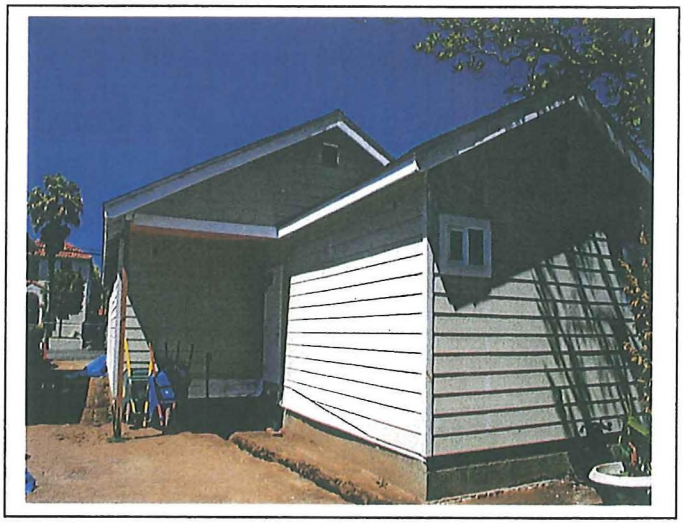
**Photos:**

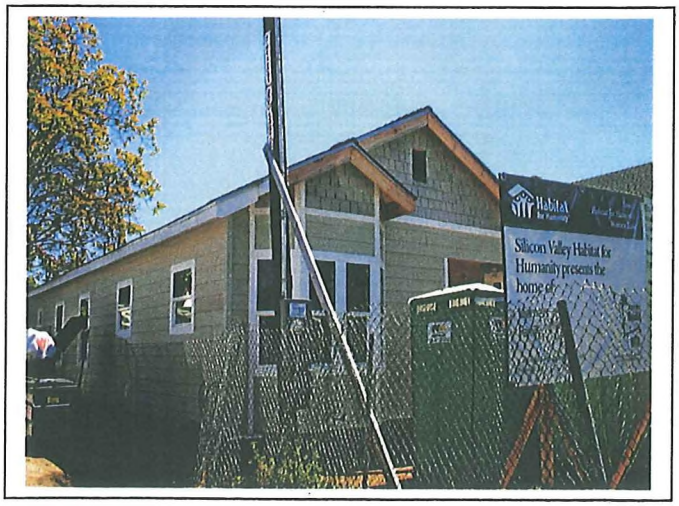
**TOP:** Looking South at the North elevation as seen from Willow Street.

**MIDDLE:** A view of the South elevation from the rear yard.

**BOTTOM:** Looking Southeast from Willow Street.







**Attachment 2**

# Highlights of Activities -- January 1, 1999 to December 31, 2006

## NEWLY CONSTRUCTED AND ACQUISITION/REHABILITATION UNITS

| Under Construction | Completed | TOTAL |
|---|---|---|
| 1,009 | 11,203 | **12,212** |

| City/RdA Funding Committed | Under Construction | Completed | TOTAL |
|---|---|---|---|
| 767 | 1,009 | 11,203 | **12,979** |

| City Funding Sought | City/RdA Funding Committed | Under Construction | Completed | TOTAL |
|---|---|---|---|---|
| 196 | 767 | 1,009 | 11,203 | **13,175** |

| Other Potential Projects | City Funding Sought | City/RdA Funding Committed | Under Construction | Completed | TOTAL |
|---|---|---|---|---|---|
| 908 | 196 | 767 | 1,009 | 11,203 | **14,083** |

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**Housing Department-Funded Preservation Units**

| Planning Stage -- Inclusionary | City/RdA Funding Sought | City/RdA Funding Committed | Under Construction | Completed | TOTAL |
|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 897 | 897 |