INFORMATION

This report covers activity in the Project Development Program for the fourth quarter of the 2005-06 Fiscal Year. The objective of the Project Development Program is to increase, preserve, and improve the supply of affordable housing in San Jose.

In 2005, the Mayor and City Council set a target of 10,000 affordable units to be completed or to start construction during the period of January 1, 1999 to December 31, 2006. In March 2006, based on the Department’s funding pipeline, the Mayor proposed an increase to the goal for a total of 11,000 units during the same time period. To date, 9,819 affordable units have been completed, with an additional 1,484 currently under construction, for a total of 11,303 units.

Attachment 1 details the status of the eleven new construction projects that were under construction during the quarter. Funding commitments for 399 additional units have been made, while applications have been received for an additional 581 units. Also, there are 1,167 potential units in the planning stage (see Attachment 2).

City Council Actions

On June 6, 2006, the City Council approved a funding commitment to Charities Housing resulting from the HOME Investment Partnership Program (HOME) 2006 First Round Notice of Funding Availability.

Charities Housing, a Community Housing Development Organization (CHDO), received a commitment for $5,250,700 for the future development of a rental housing project affordable to low- and very low-income households. The project will be developed in conjunction with a new, expanded family housing facility by the San Jose Family Shelter.
HONORABLE MAYOR AND CITY COUNCIL  
August 25, 2006  
Subject: Quarterly Production Report for April 1 – June 30, 2006  
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On June 27, 2006, the City Council authorized the Director of Housing to negotiate and execute agreements for the purchase of a 3.05-acre parcel, located 235 linear feet east of the intersection of Ford Road and Monterey Road, from the State of California for $7,000,000 plus closing costs not to exceed $140,000. A desire to develop special needs housing on the site has been expressed and the Department is currently evaluating this and investigating options.

As the need for affordable housing in San Jose continues to grow and as resources remain limited, the Housing Department continues to seek and utilize all available opportunities to meet the affordable housing production goals set by the Mayor and City Council.

[Signature]
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 June 30, 2006
Summaries of Projects Currently Under Construction
as of June 30, 2006
Borrower: Almaden Family Housing Partners, L.P.

Location: 1525-1541 Almaden Road

Units: 225 units of family housing: 46 ELI/177 LI/2 unrestricted manager’s units

Council Action: Approval on April 1, 2003 of a funding commitment for permanent financing; approval in October 2003 of a bond issuance and a loan of bond proceeds.

City Funds (Permanent): up to $13,775,000

Subsidy/Unit: $61,771

Estimated Project Cost: $57,097,000

Construction started in April 2005 and completion is anticipated in November 2006.

Photos:

TOP: A view of the East elevation of Building A along Almaden Boulevard.

MIDDLE: Looking at the East elevation of Building B as seen from Almaden Boulevard.

BOTTOM: Looking North at the South elevation of Building A.
Borrower: San Jose Artist Housing, L.P.

Location: Northeast corner of South 5th and Keyes, within the Martha Gardens Specific Plan boundaries

Units: 148 units of housing with targeted marketing to the arts community: 44 ELI/102 VLI/2 unrestricted managers’ units.

Council Action: Approval on April 13, 2004 of a funding commitment for construction and permanent financing, and a grant for ELI units.

City Funds (Permanent): up to $5,671,900 and a conditional grant of up to $2,300,000 of RDA funds.

Subsidy/Unit: $38,849

Subsidy/ELI Unit: $52,273

Estimated Project Cost: $37,001,209

Construction started in April 2005 and completion is anticipated in December 2006.

Photos:

TOP: Looking West at the East elevation of the cottages as seen from Sixth Street.

MIDDLE: A view of the West elevation of the factory buildings along Fifth Street.

BOTTOM: Looking West at the East elevation of the factory buildings seen from the whale garage.
BELLA CASTELLO
District 3

Borrower: Bella Castello Family Apartments, L.P.

Location: Southeast corner of 12th Street and Keyes Street

Units: 88 units of family housing: 10 ELI/58 VLI/19 LI/1 unrestricted manager’s units

Council Action: Authorization on December 16, 2003 for the Director of Housing to negotiate and execute a Disposition and Development Agreement and to approve business terms for acquisition/predevelopment financing not to exceed $4,265,000.


City Funds: up to $4,265,000

Subsidy/Unit: $49,023

Estimated Project Cost: $31,253,000

Construction started in December 2004 and completion is anticipated in July 2006.

Photos:

TOP: A view of the East elevation of the building along Senter Road.

MIDDLE: Looking East at the West elevation along 12th Street.

BOTTOM: A view of the North elevation of the project seen from Keyes Street.
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 July 2007.

Photos:

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

MIDDLE:  Looking Northeast at building G.

BOTTOM:  Looking South at building E.
Borrower: Delmas Park Associates, L.P.

Location: 598 West San Carlos Street

Units: 123 units of family housing: 26 ELI/40 VLI/56 LI/1 unrestricted manager’s unit

Council Action: Approval on June 29, 2004 of a funding commitment of up to $10,006,605 for construction and permanent financing and a grant of $2,800,000, approval in September 2004 of a bond issuance and a loan of the bond proceeds.

City Funds (Permanent): $12,063,210

Subsidy/ELI Unit: $107,692

Subsidy/VLI & LI $96,492

Estimated Project Cost: $39,929,260

Construction started in October 2004 and completion is anticipated in February 2007.

Photos:

TOP: Looking West at the project’s East elevation.

MIDDLE: A view of the South elevation as seen from the corner of Bird Avenue and Columbia Street.

BOTTOM: A view of the West elevation of the building along Bird Avenue.
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


Photos:

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

MIDDLE: Project’s South elevation as seen from the corner of First Street and Gish Road.

BOTTOM: View of the West elevation along First Street.
HENNESSEY PLACE
(formerly YouthBuild Blossom Hill/Croydon)
District 2

Developer: San Jose Conservation Corps (YouthBuild)

Location: Blossom Hill Avenue opposite the terminus of Croydon Avenue

Units: 7 for-sale LI units

Council Action: Approval on April 8, 2003 of the transfer of City surplus property to the Housing Department; approval on May 27, 2003 of a Disposition and Development Agreement.

City Funds: $420,000

Subsidy/Unit: $60,000

Estimated Project Cost: $1,750,000

Construction started in April 2005 and completion is anticipated in September 2006.

Photos:

TOP: A view of the South elevation of lot number one.

MIDDLE: Front elevations of homes as seen from Blossom Hill Road.

BOTTOM: A view of the West elevation of lot number seven.
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: 12 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: $100,000 plus land valued at $1,342,000

Subsidy/Unit: $120,167

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 the North elevation along Murphy Avenue.

MIDDLE: Looking Southeast at the Northwest elevation along Murphy Avenue.

BOTTOM: A view of the North elevation of Murphy number two.
Borrower: Paseo Senter I (PS I) – Paseo Senter, L.P.  
Paseo Senter II (PS II) – Paseo Senter II, L.P.

Location: PS I and PS II–1970, 1986 & 1099 Senter Road

Units: PS I - 115 units of family housing: 35 ELI/80 VLI/2 unrestricted manager’s units  
PS II – 99 units of family housing: 11 ELI/88 VLI/2 unrestricted manager’s units

Council Action: For each project: 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): PS I - up to $7,143,800  
PS II - up to $5,939,550

Subsidy/Unit: PS I - $62,120  
PS II - $59,996

Estimated Project Cost: PS I - $43,365,697  
PS II - $36,071,282

Construction started in April 2006. Completion is anticipated in early 2008 for PS I and late 2008 for PS II.

Photos:

TOP: Looking West at the completed pad for phase I.

MIDDLE: A Southwest view of the pad for phase II.

BOTTOM: Looking South at the sub-grade for Wool Creek Drive.
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

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 East from Third Street.

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

BOTTOM: Looking West at the project site from William Street.
**Highlights of Activities -- January 1, 1999 to June 30, 2006**

**NEWLY CONSTRUCTED AND ACQUISITION/REHABILITATION UNITS**

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**Housing Department-Funded Preservation Units**

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