



Distributed on:  
SEP 4 2013  
City Manager's Office

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Leslye Corsiglia  
Julia H. Cooper

**SUBJECT:** SEE BELOW

**DATE:** September 4, 2013

Approved

Date

9/4/13

## INFORMATION

**SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE DIRECTOR OF HOUSING AND THE DIRECTOR OF FINANCE UNDER THE DELEGATION OF AUTHORITY ORDINANCE FOR THE PERIOD OF APRIL 1, 2013 THROUGH JUNE 30, 2013**

## EXECUTIVE SUMMARY

This memorandum details actions taken under the delegation of authority to the Director of Housing and the Director of Finance for the fourth quarter of FY 2012-13 (April 1, 2013 through June 30, 2013). During this reporting period, the Director of Housing approved actions modifying the terms of one single-family home and approving one miscellaneous action pertaining to a multifamily project. These transactions are listed in Attachment A.

In addition, the Director of Housing approved 16 new rehabilitation loans and grants totaling \$351,950, and six new homebuyer loans totaling \$546,996. The Director of Finance held no TEFRA hearings during this reporting period. This activity is summarized in Attachment B.

## BACKGROUND

On September 4, 1990, the City Council adopted Ordinance No. 23589, which delegated to the Director of Housing certain specified authorities in the administration of the City's comprehensive affordable housing program (the "Delegation of Authority" or "DOA"). On May 23, 2000, the DOA was amended by Ordinance No. 26127 to clarify certain sections and to add several other provisions. On June 25, 2002, the DOA was further amended by Ordinance No. 26657 to add several provisions delegating additional authority to the Director of Housing, the Director of Finance, and the City Manager. Subsequently, the City Manager delegated to the Director of Housing the contract authority granted to the City Manager. Effective July 26, 2007,

September 4, 2013

**Subject: Report on Activities Undertaken by the Director of Housing and the Director of Finance**

Page 2

the DOA was further amended by Ordinance No. 28067 to modify certain provisions in order to streamline the Housing Department's process of making and adjusting loans and grants.

The DOA is codified in Chapter 5.06 of the Municipal Code. This Memorandum reports on activities undertaken pursuant to the Administration's delegated authority for the period of April 1, 2013 through June 30, 2013.

### **ANALYSIS**

The DOA authorizes the Director of Housing: to develop and implement additional guidelines for housing programs; to adjust terms on housing loans and grants; to change the funding sources of a loan; to convert loans to grants; to loan or to grant Housing and Homeless funds, Predevelopment funds, and Housing Rehabilitation Program funds; to negotiate and to execute grant agreements necessary to implement Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan; to provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure or deed-in-lieu proceedings; to formalize the City Council's policies and procedures regarding housing loan defaults; to apply for federal or State funding; to determine, within defined parameters, various terms and conditions of loans and grants previously approved by the City Council; to make adjustments, within defined parameters, to loans and grants previously approved by the City Council; and to make other technical changes.

Further, the DOA delegates jointly to the Director of Housing and Director of Finance certain authority related to the City's issuance of tax-exempt, private activity bonds to finance the development of affordable housing projects. The DOA also delegates to the Director of Finance the authority to hold Tax Equity and Fiscal Responsibility Act (TEFRA) hearings on the City's proposed issuance of tax-exempt bonds to finance affordable housing projects.

Attached are charts that detail the actions taken under the DOA during the period of April 1, 2013 through June 30, 2013.

### **COORDINATION**

Preparation of this report has been coordinated with the Office of the City Attorney.

/s/  
JULIA H. COOPER  
Director of Finance

/s/  
LESLYE CORSIGLIA  
Director of Housing

For more information, contact Leslye Corsiglia, Director of Housing, at (408) 535-3851.

Attachments A & B

**ATTACHMENT A**

**ACTIONS TAKEN BY THE DIRECTOR OF HOUSING  
4<sup>th</sup> Quarter 2012 – 2013 (April - June 2013)**

#	Date	Action	Muni Code Citation
1	4/12/13	<p>Approved the transfer of the Morrone Gardens Apartments from the current Limited Partnership to the Managing General Partner (MGP). The Director of Housing approved the following modifications:</p> <ul style="list-style-type: none"> <li>▪ Consented to the transfer of the Project, and the City's loan from Morrone Gardens Associates.</li> <li>▪ Allowed the rent restriction on the project's manager's unit to be increased to 110% of the Area Median Income to allow a larger selection of potential property managers to be employed at the property.</li> </ul>	5.06.340
2	6/25/13	<p>Approved the following for the single family home located on North First Street:</p> <ul style="list-style-type: none"> <li>▪ Allowed the short sale and acceptance of the \$52,487.35 as full payment of the City Loan;</li> <li>▪ Reduced deferred income by \$149,112.65;</li> <li>▪ Reconveyed the City Deed of Trust and released the Affordability Restrictions.</li> </ul> <p>The City received information that the property would be listed for a short sale. Borrower met with the ForeclosureHelp Center and review of the financial information substantiates the Borrower's financial hardship.</p>	5.06.380

**ATTACHMENT B**

**ACTIONS TAKEN BY THE DIRECTOR OF HOUSING**  
**4<sup>th</sup> Quarter 2012 – 2013 (April – June 2013)**

*Single Family Rehabilitation and Improvement Loans and Grants approved by the Director of Housing during the fourth Quarter of FY 2012-13.*

<b>REHABILITATION LOANS AND GRANTS</b>	<b>NUMBER</b>	<b>AMOUNT</b>
Rehabilitation Loans	8	262,000
Single Family Rehabilitation Grants	5	44,950
Mobilehome Rehabilitation Grants	3	45,000
<b>TOTAL</b>	<b>16</b>	<b>\$351,950</b>

*Homebuyer Loans approved by the Director of Housing during the Third Quarter of FY 2012-13.*

<b>HOMEBUYER LOANS</b>	<b>NUMBER</b>	<b>AMOUNT</b>
BEGIN – Loan Program	5	473,996
Neighborhood Stabilization Program 2 (HOME Funds)	1	73,000
<b>TOTAL</b>	<b>6</b>	<b>\$546,996</b>

***Housing Trust Fund Grants***

There were no Housing Trust Fund Grants approved by the Director of Housing during this quarter.

***TEFRA Hearings held by the Director of Finance***

There were no TEFRA Hearings held during this quarter.