

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand
Julia H. Cooper

SUBJECT: SEE BELOW

DATE: February 18, 2016

Approved

D. D. S. L.

Date

2/19/16

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 OCTOBER 1, 2015 THROUGH DECEMBER 31, 2015

EXECUTIVE SUMMARY

This memorandum details actions taken under the delegation of authority to the Director of Housing and the Director of Finance for the second quarter of FY 2015-16 (October 1, 2015 through December 31, 2015). During this reporting period, the Director of Housing approved three miscellaneous actions pertaining to multifamily projects. These transactions are listed in Attachment A.

The Director of Housing did not approve any rehabilitation loans and/or grants, homebuyer loans, rehabilitation or Housing Trust Fund grants during this quarter. The Director of Finance did not hold any TEFRA hearings during this period.

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,

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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 October 1, 2015 through December 31, 2015.

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.

Attached is a chart that details the actions taken under the DOA during the period of October 1, 2015 through December 31, 2015.

COORDINATION

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

/s/
JULIA H. COOPER
Director of Finance

/s/
JACKY MORALES-FERRAND
Director of Housing

For more information, contact Jacky Morales-Ferrand, Director of Housing, at (408) 535-3855.

Attachment A

ATTACHMENT A

**ACTIONS TAKEN BY THE DIRECTOR OF HOUSING
2nd Quarter 2015 – 2016 (Oct. – Dec. 2015)**

#	Date	Action	Muni Code Citation
1	10/20/15	Approved the following modifications for Creekview Apartments: <ul style="list-style-type: none"> • Increased a conditional grant of \$920,984 by \$184,000 resulting in an amended amount of \$1,104,984 for improvements to Creekview Apartments. • Increased the term of the conditional grant by one year, reflecting an eight (8) year term from the recording of the initial Deed of Trust, as consideration for the grant increase. 	5.06.310 5.06.345.A.3
2	12/15/15	Approved the following modifications of Pensione Esperanza Studios: <ul style="list-style-type: none"> • Consented to the exit of the Investor Limited Partner, Merritt Community Capital Fund V, L.P., to be replaced by Charities Housing Development Corporation of Santa Clara County and the exit of the co-general partner, Green Valley Corporation I, with the other general partner, Hope Charities Housing Corporation, continuing as the single general partner. • Amended the Loan Documents to reflect the consented modification. 	5.06.340.A.12
3	12/23/15	Approved the following business terms for North San Pedro Apartments for a Predevelopment loan in the amount of \$800,000.00: <ul style="list-style-type: none"> • Simple Interest Rate of 4% per annum. • A term of up to 6 months with one 6-month extension option. • A repayment guaranty from FCH. • Repayment from \$2,500,000 Infill Infrastructure Grant awarded to Successor Agency of the Redevelopment Agency of the City of San José. 	5.06.335