Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Leslye Corsiglia
Julia H. Cooper

SUBJECT: SEE BELOW

DATE: May 9, 2014

Approved

Date 5/9/14

INFORMATION


EXECUTIVE SUMMARY

This memorandum details actions taken under the delegation of authority to the Director of Housing and the Director of Finance for the third quarter of FY 2013-14 (January 1, 2014 through March 31, 2014). During this reporting period, the Director of Housing approved actions modifying terms of: one (1) single-family home; and one (1) miscellaneous action pertaining to a multifamily project. These transactions are listed in Attachment A.

In addition, the Director of Housing approved: eight (8) new rehabilitation loans and grants totaling $349,080; and three (3) new homebuyer loans totaling $238,644. The Director of Housing did not approve any Housing Trust Fund Grants during this quarter. The Director of Finance held one (1) TEFRA hearing for Cambrian Center Apartments. 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,
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 January 1, 2014 through March 31, 2014.

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 January 1, 2014 through March 31, 2014.

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

<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Action</th>
<th>Muni Code Citation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2/7/14</td>
<td>Approved a loan increase of $100,000, to be funded from HOME funds, to the existing $500,000 predevelopment loan for Japantown Seniors Apartments, L.P. The developer, First Community Housing (FCH), was successful in round two of the 2013 9% tax credit competition, and the development closed construction in mid March. As FCH continues to be unreimbursed on some predevelopment expenses, they have requested an additional $100,000 to be disbursed under our predevelopment loan, which will be repaid at the close of construction financing.</td>
<td>5.06.340</td>
</tr>
</tbody>
</table>
| 2  | 3/28/14| Approved the following for the single family home located on Summerton Drive:  
- Allowed the short sale and acceptance of $4,000; and  
- Reduced deferred income by $36,000;  
The City received information that the property would be listed for a short sale. Review of the financial information substantiates that the Borrower has a financial hardship. | 5.06.380           |
ATTACHMENT B

ACTIONS TAKEN BY THE DIRECTOR OF HOUSING
3rd Quarter 2013 – 2014 (January – March 2014)

Single Family Rehabilitation and Improvement Loans and Grants approved by the Director of Housing

<table>
<thead>
<tr>
<th>REHABILITATION LOANS AND GRANTS</th>
<th>NUMBER</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation Loans</td>
<td>7</td>
<td>$347,500</td>
</tr>
<tr>
<td>Single Family Rehabilitation Grants</td>
<td>1</td>
<td>$1,580</td>
</tr>
<tr>
<td>Mobilehome Rehabilitation Grants</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>8</strong></td>
<td><strong>$349,080</strong></td>
</tr>
</tbody>
</table>

Homebuyer Loans approved by the Director of Housing

<table>
<thead>
<tr>
<th>HOMEBUYER LOANS</th>
<th>NUMBER</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGIN – Loan Program</td>
<td>1</td>
<td>$114,844</td>
</tr>
<tr>
<td>Neighborhood Stabilization Program 2 (NSP 2 funds)</td>
<td>1</td>
<td>$66,800</td>
</tr>
<tr>
<td>CalHOME (Habitat)</td>
<td>1</td>
<td>$57,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>3</strong></td>
<td><strong>$238,644</strong></td>
</tr>
</tbody>
</table>

Housing Trust Fund Grants approved by the Director of Housing

There were no Housing Trust Fund Grant approvals during this quarter.

TEFRA Hearings held by the Director of Finance

<table>
<thead>
<tr>
<th>PROJECT NAME</th>
<th>UNITS</th>
<th>LOCATION</th>
<th>BOND AMOUNT</th>
<th>MAYOR’S CERTIFICATE NO.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambrian Center Apartments</td>
<td>153 Units</td>
<td>2360 Samaritan Place, San Jose, CA 95124</td>
<td>$41,533,000</td>
<td>Certificate No. 2014-1; Executed March 3, 2014</td>
</tr>
</tbody>
</table>