TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: Leslye Corsiglia
Julia H. Cooper
DATE: November 18, 2013

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 first quarter of FY 2013-14 (July 1, 2013 through September 30, 2013). During this reporting period, the Director of Housing approved actions modifying the terms of four single-family homes. These transactions are listed in Attachment A.

In addition, the Director of Housing approved: three new rehabilitation loans and grants totaling $67,000; three new homebuyer loans totaling $284,200; and two Housing Trust Fund grants totaling $101,000. 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, 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 July 1, 2013 through September 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 July 1, 2013 through September 30, 2013.

COORDINATION

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

/s/ JULIA H. COOPER /s/ LESLYE CORSIGLIA
Director of Finance 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
1st Quarter 2012 – 2013 (July - September 2013)

<table>
<thead>
<tr>
<th>#</th>
<th>Date</th>
<th>Action</th>
<th>Muni Code Citation</th>
</tr>
</thead>
</table>
| 1 | 9/8/13 | Approved the following for the single family home located on Somerset Park Circle:  
- Allowed the short sale and acceptance of $1,000 as full payment of the City loan;  
- Reduced deferred income by $64,000;  
- Reconveyed the City Deed of Trust and released the Affordability Restrictions.  
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           |
| 2 | 9/20/13| Approved the following for the single family home located on Saddlerack:  
- Allowed the short sale and acceptance of $1,000 as full payment out of escrow towards the amount owed to the City;  
- Accepted an additional $3,000 payable to the City for the difference between the escrow proceeds and the 10% minimum the City expects according to policy guidelines for short sale transactions.  
- Reduced deferred income by $36,000;  
- Reconveyed the City Deed of Trust and released the Affordability Restrictions.  
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           |
| 3 | 9/23/13| Approved the following for the single family home located on Clayton Road:  
- Allowed the short sale and acceptance of $4,000 as full payment of the City loan;  
- Reduced deferred income by approximately $36,000;  
- Reconveyed the City Deed of Trust and released the Affordability Restrictions.  
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           |
| 4 | 9/25/13| Approved the following for the single family home located on Fruitdale Avenue:  
- Allowed the short sale and acceptance of $14,467.44 as full payment of the City loan;  
- Reduced deferred income by approximately $35,532.50;  
- Reconveyed the City Deed of Trust and released the Affordability Restrictions.  
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
1st Quarter 2013 – 2014 (July – September 2013)

Single Family Rehabilitation and Improvement Loans and Grants approved by the Director of Housing during the first Quarter of FY 2013-14.

<table>
<thead>
<tr>
<th>REHABILITATION LOANS AND GRANTS</th>
<th>NUMBER</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rehabilitation Loans</td>
<td>2</td>
<td>$55,000</td>
</tr>
<tr>
<td>Single Family Rehabilitation Grants</td>
<td>1</td>
<td>$12,000</td>
</tr>
<tr>
<td>Mobilehome Rehabilitation Grants</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3</td>
<td>$67,000</td>
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Homebuyer Loans approved by the Director of Housing during the first Quarter of FY 2013-14.

<table>
<thead>
<tr>
<th>HOMEBUYER LOANS</th>
<th>NUMBER</th>
<th>AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEGIN – Loan Program</td>
<td>3</td>
<td>$284,200</td>
</tr>
<tr>
<td>Neighborhood Stabilization Program 2 (HOME Funds)</td>
<td>0</td>
<td>$0</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3</td>
<td>$284,200</td>
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</tbody>
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Housing Trust Fund Grants approved by the Director of Housing during the first Quarter of FY 2013-14.

<table>
<thead>
<tr>
<th>AGENCY NAME</th>
<th>PROJECT NAME</th>
<th>FUNDED AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Health Trust</td>
<td>Food Access Plan for San Jose</td>
<td>$50,000</td>
</tr>
<tr>
<td>The County of Santa Clara</td>
<td>UPLIFT Transit Pass Program</td>
<td>$51,000</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>$101,000</td>
</tr>
</tbody>
</table>

TEFRA Hearings held by the Director of Finance

There were no TEFRA Hearings held during this quarter.