



Housing

Approval of the Bond Issuance for the Parkmoor Apartments

October 3, 2023

City Council Item 8.2

Kemit Mawakana

Division Manager, Housing Department

Banu San

Housing Policy Planning Administrator, Housing Department

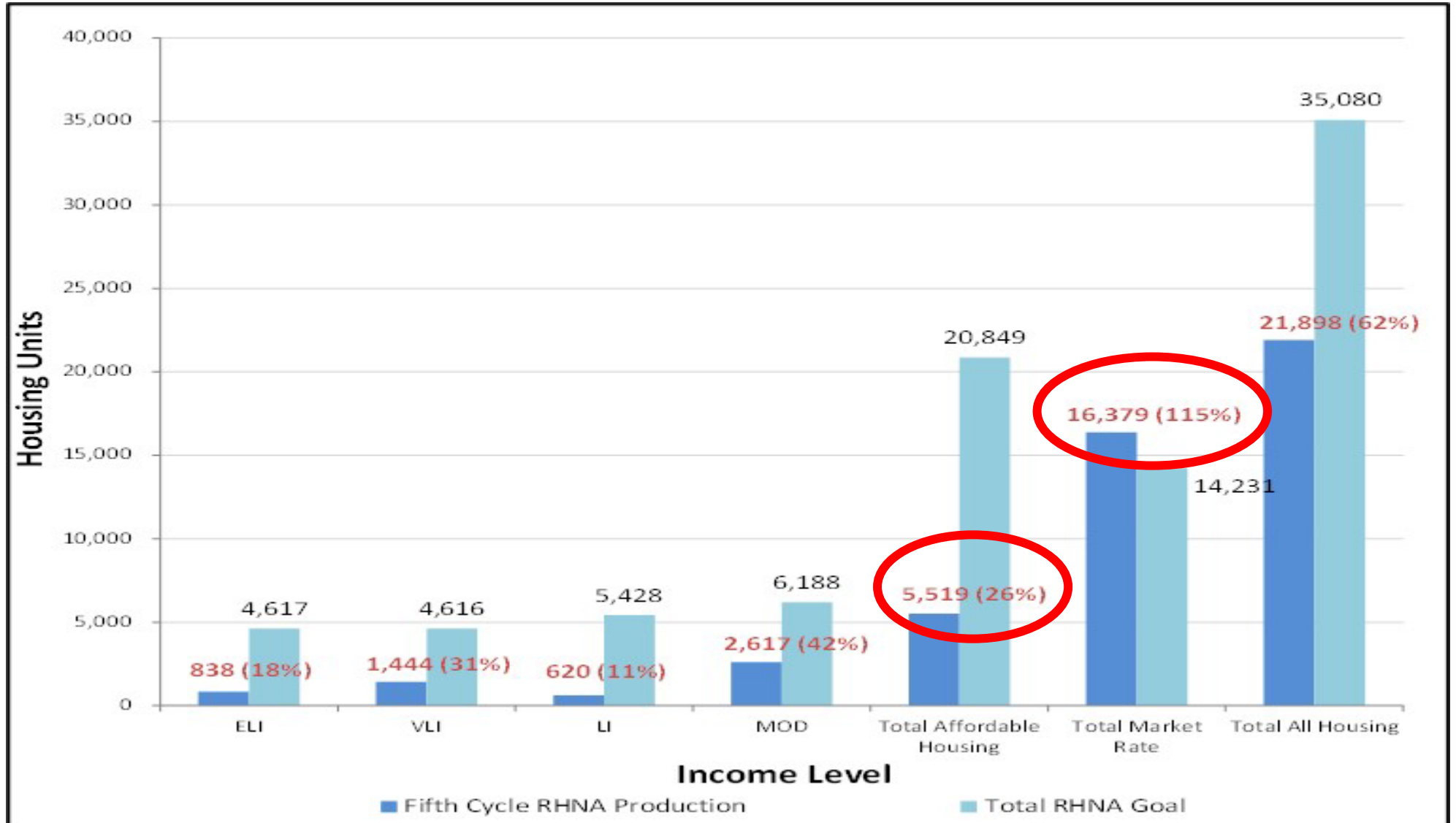
Qianyu Sun

Deputy Director, Finance Department

Context: San José's 6th Cycle RHNA Targets (2023-2031)

	INCOME CATEGORY	NUMBER OF UNITS	PERCENT OF TOTAL RHNA
55%	Extremely Low and Very Low-Income (≤ 50% AMI; includes Extremely Low-Income)	15,088	24%
	Low-Income (51-80% AMI)	8,687	14%
	Moderate-Income (81-120% AMI)	10,711	17%
	Above Moderate-Income (Market-rate)	27,714	45%
	Total	62,200	100%

Context: San José's Cumulative 5th Cycle RHNA Performance (2014-2022)



Parkmoor Apartments – Development Highlights

- 🏠 Located at **1510-1540 Parkmoor Ave. in District 6**
- 🏠 Located in Continued Investment Area
- 🏠 Developed by **Abode Housing Development**
- 🏠 **81** total apartments
 - **79** for extremely low-income and very low-income individuals and families
 - **40** set aside for transitional aged youth
 - **2** unrestricted managers' units
- 🏠 **17,000** square foot ground floor youth center
- 🏠 City investment of **\$16,826,688**



Issuance by Public Offering

- Tax exempt bonds, rated and credit enhanced
- Stifel, Nicolaus & Company is the selected underwriter

Series	Amount	Term	Rating*
2023F-1 (M-TEMS)	\$2,150,000	15 years after conversion	Aaa
2023F-2 (Cash Collateralized)	\$37,657,713	3 years	Aaa/VMIG1

* Ratings are issued by Moody's

Conversion

- Capital One will underwrite a mortgage loan pursuant to Fannie Mae's Delegated Underwriting and Servicing (DUS) Program
- Series 2023F-1 will be credit enhanced by a mortgage-backed security issued by Fannie Mae
- Fannie Mae will guarantee payments of Series 2023F-1 regardless of the actual performance of the underlying mortgage loan
- Series 2023F-2 will be paid off



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