

RESOLUTION NO. _____

ADOPT A RESOLUTION AUTHORIZING AN EXCEPTION TO THE CITY COUNCIL’S MULTIFAMILY HOUSING REVENUE BOND POLICY, COUNCIL POLICY 1-16, FOR THE ISSUANCE OF MULTIFAMILY HOUSING REVENUE BONDS FOR MODERA THE ALAMEDA DUE TO SPECIAL CIRCUMSTANCES, THEREBY ALLOWING THE CALIFORNIA MUNICIPAL FINANCE AUTHORITY TO ISSUE THE BONDS AS QUALIFIED 501(C)(3) BONDS

WHEREAS, San José lacks enough affordable housing to meet resident’s needs, with a severe shortage of adequate affordable housing for extremely low-, very low-, and moderate-income households; and

WHEREAS, the City of San José’s (“City”) Regional Housing Needs Allocation for the 2023-2031 (sixth cycle) Housing Element is 62,200 housing units. Fifty-five percent of these units must be affordable (i.e., affordable for extremely low-, very low-, low-, and moderate-income households.); and

WHEREAS, the City adopted a policy for the issuance of Multifamily Housing Revenue bonds in 2002 (“Council Policy 1-16”) stating the parameters for when the City will serve as the bond issuer for affordable housing developments; and

WHEREAS, the City Council Policy 1-16 states that the City shall be the issuer of all bonds financing multifamily housing rental projects within the City, with specified exceptions; and

WHEREAS, one of these exceptions allows an outside issuer to issue bonds for affordable housing within the City when there are “special circumstances” merited by the circumstances of the project and the financing and in which case the City will not be the issuer of bonds for the project; and

WHEREAS, the City Council Policy 1-16 requires the issuer to assume full responsibility for issuance and ongoing compliance of the bond issue with federal tax and state laws; and

WHEREAS, due to special circumstances, as described in the Memorandum from Housing and Finance Departments dated as October 23, 2023, staff recommended an exception the City Council's Multifamily Housing Revenue Bond Policy, Council Policy 1-16, for the issuance of Multifamily Housing Revenue Bonds for Modera The Alameda ("787 the Alameda") due to special circumstances; and

WHEREAS, California Municipal Finance Authority ("CMFA") will be the issuer of the bonds as qualified 501(c)(3) bonds for 787 The Alameda and the City will hold the Tax Equity and Fiscal Responsibility Act of 1986 hearing for the CMFA issuances; and

WHEREAS, approval of the recommended exception to the Council Policy 1-16 will enable Modera The Alameda at 787 The Alameda to move forward with CMFA as their outside bond issuer and their current financing plan as set forth in the Memorandum from Housing and Finance Departments dated as October 23, 2023;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SAN JOSE THAT:

An exception to the City's Policy for the issuance of Multifamily Housing Revenue Bonds, is hereby authorized, for the Modera The Alameda development located at 787 The Alameda due to special circumstances, thereby allowing issuance for those projects by the California Municipal Finance Authority.

ADOPTED this _____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk