

**SAN JOSE FINANCE DEPARTMENT
FINANCE DIRECTOR'S TEFRA HEARING**

San José City Hall
200 East Santa Clara Street, Room T-1352
San José, CA 95113-1905

Meeting Agenda
March 27, 2023, 10:00 a.m.
Julia H. Cooper, Director of Finance

Due to technical difficulties, the original hearing via Zoom on February 27, 2023 was not held. This is to reschedule the hearing. The March 27, 2023 hearing will be held in person.

1. Call to Order

2. Evidence

Consider and File Evidence of the TEFRA hearings held on March 28, 2022, which have been posted by the City along with the agenda.

3. Public Hearing

The public hearing (known as a TEFRA hearing) is required by Section 147(f) of the Internal Revenue Code of 1986 to provide an opportunity for the public to comment on the proposed issuance of tax-exempt obligations (Notes). Following consideration of oral petitions and staff recommendation, the Mayor of San José will execute a certificate indicating that the hearing was held for the following projects and the certificate will be filed with the City Clerk.

1. Name: 777 West San Carlos Apartments
Location: 266 Sunol St, 270 Sunol St and 777 West San Carlos, San José, CA 95126
Owner/User: San José Sunol Street LP
Issuer: City of San José
Note Amount: \$72,700,000
2. Name: The Charles
Location: 551 Keyes Street, San José, CA 95112
Owner/User: Keyes, L.P.
Issuer: City of San José

Note Amount: \$55,000,000

3. Name: Tamien Station Affordable
Location: 1197 Lick Avenue, San José, CA 95110
Owner/User: Tamien Affordable, LP
Issuer: City of San José
Note Amount: \$75,000,000
4. Name: 1860 Alum Rock Apartments
Location: 1860 Alum Rock Avenue, San José, CA 95116
Owner/User: Alum Rock, L.P.
Issuer: City of San José
Note Amount: \$38,000,000

4. Oral Petitions

Any comments provided at these hearings will be made available to the City Council prior to it taking action on note issuance resolutions

5. Adjournment

DECLARATION NO. 2022-1

**A DECLARATION OF THE DIRECTOR OF FINANCE
OF THE CITY OF SAN JOSE
EVIDENCING A TEFRA HEARING
(ALGARVE APARTMENTS)**

WHEREAS, the City of San Jose (City) is authorized by Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as amended (Act), to issue tax-exempt revenue obligations for providing financing for the acquisition, construction, and development of Algarve Apartments by private developers of multifamily rental housing facilities located within the City of San José, California, to be occupied by low-income and very low-income tenants; and

WHEREAS, on behalf of Algarve Apartments Development, LP, a California limited partnership, or another affiliated entity to be formed by the Reed Community Partners (Borrower), Reed Community Partners requested the City to issue tax-exempt obligations in the aggregate amount not to exceed \$32,532,700 (Obligations) pursuant to the Act for financing the acquisition, construction and development of a 91-unit (including one unrestricted manager's unit) residential rent and income-restricted apartments project located at 1135 East Santa Clara Street, San José, CA 95116 (Project'); and

WHEREAS, it is intended that the interest on Obligations the City intends to issue to assist in the financing of the acquisition, construction and development of the Project would be excluded from gross income of the owners of the Obligations for federal income tax purposes; and

WHEREAS, the Obligations will constitute "qualified bonds" under Section 141(e) of the Internal Revenue Code of 1986 (Code) provided that, pursuant to Section 147(f) of the Code, the "applicable elected representative" of the City approves the issuance of the Obligations after a duly noticed public hearing (TEFRA Hearing); and

WHEREAS, pursuant to Municipal Code Section 5.06.430, the City Director of Finance is authorized to hold the TEFRA Hearing; and

WHEREAS, a notice of public hearing in a newspaper of general circulation in the City was published on March 16, 2022, to the effect that the TEFRA Hearing would be held by the City's Director of Finance on March 28, 2022, regarding the issuance of the Obligations by the City and the nature and location of the Project.

**NOW THEREFORE, THE DIRECTOR OF FINANCE DOES HEREBY RESOLVE,
ORDER AND DETERMINE AS FOLLOWS:**

SECTION 1. The City Director of Finance held the TEFRA Hearing on March 28, 2022 at which hearing interested persons were given an opportunity to express their views for or against the issuance of the Obligations and on the nature and location of the Project.

SECTION 2. The adoption of this Declaration is solely for the purpose of evidencing the holding of the TEFRA Hearing as described in Section 1. Neither the City nor its staff have fully reviewed or considered the financial feasibility of the Project or the expected operation of the Project with regard to any State of California statutory requirements. Such adoption shall not obligate the City to issue the Obligations without further formal action to be taken by the City Council, including, but not limited to any obligation with respect to, (i) the approval of the financing documents by the City Council by resolution, (ii) the City to provide financing to the Borrower for the acquisition, construction and development of the Project or to issue the Obligations or incur other debt taxable obligations for purposes of such financing; or (iii) the City, or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the construction or operation of the Project.

EXECUTED 28 day of April, 2022.

City of San José, a
municipal corporation

BY:  Digitally signed by Julia H. Cooper
DN: cn=Julia H. Cooper, o=City of
San Jose, ou=Finance Department,
email=julia.cooper@sanjoseca.gov,
c=US
Date: 2022.04.28 20:06:30 -07'00'

Julia H. Cooper
Director of Finance

DECLARATION NO. 2022-2

**A DECLARATION OF THE DIRECTOR OF FINANCE
OF THE CITY OF SAN JOSE
EVIDENCING A TEFRA HEARING
(MCEVOY APARTMENTS)**

WHEREAS, the City of San José (City) is authorized by Chapter 7 of Part 5 of Division 31 of the Health and Safety Code of the State of California, as amended (Act), to issue tax-exempt revenue obligations for providing financing for the acquisition, construction, and development, by private developers, of multifamily rental housing facilities located within the City of San José, California, to be occupied by low- or moderate-income households; and

WHEREAS, on behalf of McEvoy Street, LP, a California limited partnership, or an affiliated entity formed by the First Community Housing, a California non-profit corporation (Borrower) , First Community Housing has requested the City to issue tax-exempt obligations in the aggregate amount not to exceed \$64,160,884 (Obligations) pursuant to the Act for financing the acquisition, construction and development of a 224-unit (including two unrestricted managers' units) residential rent and income-restricted apartments project located at 280 McEvoy Street (also known as 699 W. San Carlos Street), San José, CA 95126 (Project); and

WHEREAS, it is intended that the interest on Obligations the City intends to issue to assist in the financing of the acquisition, construction and development of the Project would be excluded from gross income of the owners of the Obligations for federal income tax purposes; and

WHEREAS, the Obligations will constitute "qualified bonds" under Section 141(e) of the Internal Revenue Code of 1986 (Code) provided that, pursuant to Section 147(f) of the Code, the "applicable elected representative" of the City approves the issuance of the Obligations after a duly noticed public hearing (TEFRA Hearing); and

WHEREAS, pursuant to Municipal Code Section 5.06.430, the City Director of Finance is authorized to hold the TEFRA Hearing; and

WHEREAS, a notice of public hearing in a newspaper of general circulation in the City was published on March 16, 2022, to the effect that the TEFRA Hearing would be held by the City Director of Finance on March 28, 2022, regarding the issuance of the Obligations by the City and the nature and location of the Project.

**NOW THEREFORE, THE DIRECTOR OF FINANCE DOES HEREBY RESOLVE,
ORDER AND DETERMINE AS FOLLOWS:**

SECTION 1. The City Director of Finance held the TEFRA Hearing on March 28, 2022.

SECTION 2. The adoption of this Declaration is solely for the purpose of evidencing the holding of the TEFRA Hearing as described in Section 1. Neither the City nor its staff have fully reviewed or considered the financial feasibility of the Project or the expected operation of the Project with regard to any State of California statutory requirements. Such adoption shall not obligate the City to issue the Obligations without further formal action to be taken by the City Council, including, but not limited to any obligation with respect to, (i) the approval of the financing documents by the City Council by resolution, (ii) the City to provide financing to the Borrower for the acquisition, construction and development of the Project or to issue the Obligations or incur other debt taxable obligations for purposes of such financing; or (iii) the City, or any department of the City, to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the construction or operation of the Project.

EXECUTED 28 day of April, 2022.

City of San José, a
municipal corporation

BY:  Digitally signed by Julia H. Cooper
DN: cn=Julia H. Cooper, o=City of
San Jose, ou=Finance Department,
email=julia.cooper@sanjoseca.gov,
c=US
Date: 2022.04.28 20:08:14 -07'00

Julia H. Cooper
Director of Finance