

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) APPROVING A FUNDING LOAN INCREASE OF \$1,880,000 TO THE ORIGINAL \$9,415,000 FOR A TOTAL COMMITMENT OF \$11,295,000; (B) AUTHORIZING A CHANGE IN CITY LOAN TERMS TO ALLOW AN INCREASE IN THE ROOSEVELT PARK APARTMENTS RENTS AND INCOME UP TO 60% AREA MEDIAN INCOME FOR NEW TENANTS IN SUBSIDIZED UNITS IN THE EVENT OF EXPIRATION OR TERMINATION OF PROJECT BASED VOUCHERS AND, FOR ALL TENANTS IN THE EVENT OF FORECLOSURE, TO THE EXTENT THE CITY HAS DETERMINED SUCH INCREASE IN NEEDED FOR FEASIBILITY OF THE DEVELOPMENT AND ALLOWED BY OTHER FUNDS**

**WHEREAS**, the Roosevelt Park Apartments (“Development”) received a City funding commitment in February of 2019, and 21 N 21<sup>st</sup> Street, LP (“Developer”) secured the Affordable Housing and Sustainable Communities Program (“AHSC”) award in July of 2019; and

**WHEREAS**, Developer partnered with the City of San José (“City”) Housing Department to submit a California Debt Limit Allocation Committee (“CDLAC”) application in both January and May of 2021 but was not able to secure a CDLAC allocation of tax exempt bonds; and

**WHEREAS**, in February the Department of Housing and Community Development (“HCD”) accelerator program awarded permanent funding to the Development , allowing it to move forward without a CDLAC allocation; and

**WHEREAS**, because the proposed Development had to wait in the funding application queues for several years and through global supply chain issues due to the pandemic,

the construction costs for the project have increased by approximately 23%, creating a financing gap; and

**WHEREAS**, to help this gap, Developer leveraged an additional \$1,000,000 from the Federal Home Loan Bank of San Francisco Affordable Housing Program, and Developer requested a \$1,880,000 loan increase from the City Housing Department in the fall of 2021; and

**WHEREAS**, staff requested that Developer provide deeper affordability on the units by replacing the ten 80% Area Median Income (“AMI”) units with ten 60% AMI units before bringing the funding loan increase request to Council and the Developer agreed; and

**WHEREAS**, staff is also requesting that Development rents and income restrictions be allowed to increase (but not more than 60% AMI) for new tenants in units with Section 8 project based vouchers (Project Based Vouchers”) in the event of expiration or termination of contract for Project Based Vouchers, and for all tenants in the event of foreclosure, to the extent the City has determined the increase is necessary to ensure the Development’s continued financial feasibility; and

**WHEREAS**, the Development will consist of 79 units of multifamily housing and will serve residents at 60% AMI, 50% AMI, 30% AMI and one unrestricted manager’s unit, and given the range of unit sizes and target populations; and

**WHEREAS**, City staff recommends the approval of \$1,880,000 funding increase for the construction and permanent loan from \$9,415,000 for a total commitment of \$11,295,000 in City loan in order to provide the Development with the funds necessary to create 79 new affordable apartments.

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

- a. A funding loan increase of \$1,880,000 to the original \$9,415,000 for a total commitment of \$11,295,000, is hereby authorized;
- b. A change in the City loan terms, is hereby authorized, to allow an increase in the Roosevelt Park Apartments ("Development") rents and income up to 60% Area Median Income for new tenants in subsidized units in the event of expiration or termination of contract for Project Based Vouchers, and for all tenants in the event of foreclosure, to the extent the City has determined such increase is needed for feasibility of the Development and allowed by other funds.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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SAM LICCARDO  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk