

RULES COMMITTEE: 09/28/2022
Item: B.1
File ID: ROGC 22-409



Memorandum

TO: Honorable Mayor &
City Council

FROM: Toni J. Taber, CMC
City Clerk

SUBJECT: The Public Record
September 15 – September 22, 2022

DATE: September 28, 2022

ITEMS FILED FOR THE PUBLIC RECORD

Letters from Boards, Commissions, and Committees

Letters from the Public

1. Letter from Terri Williams, dated September 20, 2022, regarding: 9/28/22 rules meeting agenda # B.1 public comment.
2. Letter from Office of the Clerk of the Board of Supervisors, dated September 21, 2022, regarding: Measure A (2016) - Independent Citizens' Oversight Committee relating to the Fiscal Year 2021-2022 Third Quarter Report.

Toni J. Taber, CMC
City Clerk

Fw: 9/28/22 rules meeting agenda # B.1 public comment

Agendadesk <Agendadesk@sanjoseca.gov>

Tue 9/20/2022 10:18 AM

To: Rules and Open Government Committee Agendas <rulescommitteeagenda@sanjoseca.gov>

 4 attachments (5 MB)

Letter for City Council Meeting.pdf; SJMC Existing language.pdf; Proposed changes for SJMC.pdf; Current SJMC for other retirement plan in CSJ.pdf;

From: Terri Williams <[REDACTED]>
Sent: Tuesday, September 20, 2022 9:49 AM
To: Agendadesk <Agendadesk@sanjoseca.gov>
Subject: 9/28/22 rules meeting agenda # B.1 public comment

[External Email]

I am submitting my letter and supporting documents for the rules meeting on 9/28/22.

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Thank you,

Terri Williams
[REDACTED]

Dear City Council Members,

Thank you for the opportunity to submit a letter for today's council meeting. I am asking for support to make changes to the current City of San Jose (CSJ) Municipal codes (MC) that are discriminatory toward CSJ employees with disability retirements.

Applicable SJMC Federated Employees Retirement System (FERS) Sections:

- SJMC section 3.28.1325 - Reports of earnings from outside occupation**
- SJMC section 3.28.1330 - Deductions - Recipient's earnings from outside occupation**

These SJMC codes require CSJ disabled retirees, who have gainful employment outside of the CSJ and who are younger than 55, to report earnings to the CSJ. The code specifies that the former employee's retirement earnings and outside employment earnings be equal to that of an active employee in the same position from which the employee retired. If the retiree exceeds the base salary of the active position, the retiree must pay back excess earnings or have the overage amount deducted from their retirement allowance. These rules are in effect until the retiree turns 55.

Those two SJMC sections discriminate against disabled employees as the rules are different for active employees and service-connected retirees than for disabled retirees in that they require a payback provision until the age of 55 with no allowance for a service credit of 30 years. This mandate is unfair and discriminatory against employees who can or could have retired prior to age 55, with 30 years of service, had they not been injured and received a disability retirement.

Personal example:

My CSJ employment began in 1986 with a part-time position when I was 14 years old. In 1994, I was hired full-time and purchased some of my part-time service credit. In 2006, after working as a Police Safety Dispatcher II, I was injured and received a disability retirement. A month later, I was rehired as a Crime Prevention Specialist and surrendered my retirement. In 2010, I was laid off after 17.68 years of service.

In November, 2022, I will be 51 years old and would have reached 30 years of service and received a service retirement with a pension earning of 75% of my highest salary. However, the current SJMC language requires I report outside earnings until I am 55 years old; four years beyond eligible retirement age.

Recommendation:

The above-referenced CSJ MC sections be amended to align with other CSJ retirement plans in that the age-related reporting and deduction provisions be modified to include the years of service with no minimum age requirement; the same option as those with 30 years of service credit.

Conclusion:

It is my sincere wish that the honorable members of the SJ City Council support the amendment of the above referenced codes so that active employees and both service-connected and disabled retirees in the FERS are treated equally.

Attachments:

- 1. Applicable CSJMC**
- 2. Suggested amendments to the existing CSJMC**
- 3. Current CSJMC for other retirement plan which includes calculations for outside earnings and deductions**

Terri Williams, CSJ employee ID # [REDACTED]

Existing language:

3.28.1325 Reports of earnings from outside occupation.

- A. As a condition of a disability retirement allowance from the retirement fund, a person who has been retired for disability and has not reached age fifty-five (55) (sixty-two (62) in the case of a Tier 2 member recipient) shall file written statements with the Board which conform to the requirements of subsection B. below.
- B. A recipient described in subsection A. shall file statements as described either in subsection 1. or in subsection 2.:
 - 1. Monthly and annual statements.
 - a. Within ten (10) days after the end of each calendar month, the recipient shall file a monthly statement of the total income and earnings received by the recipient during the reporting month from any gainful occupation, other than service as an officer or employee of the City, and the sources of such income and earnings; and
 - b. On or before May 1 of each year, the recipient shall file a notarized declaration under penalty of perjury, in a form approved by the Board, of the total income and earnings received by the recipient during the preceding calendar year, or any portion thereof, from any gainful occupation outside City service and the sources of such income and earnings.
 - 2. Income tax returns.
 - a. Instead of the statements described in subsection 1., the recipient may file copies of the recipient's federal and state income tax returns and the recipient's W-2 and/or 1099 forms showing the total income and earnings received by the recipient from any gainful occupation, other than service as an officer or employee of the City, and the sources of such income and earnings. Such tax returns and forms shall be filed on or before the first day of May following the tax reporting period.
 - b. If a recipient elects to file tax returns, the recipient shall provide written notice of such election to the Board not later than the date the next monthly statement would otherwise be due.
 - c. If a recipient elects to file tax returns, the recipient shall file with the Board a written statement of the recipient's projected reportable income and earnings for each calendar year, and the sources of such income and earnings. Such statement shall be filed on or before the tenth (10th) day of January in the applicable calendar year. The recipient may file an amended statement in any case where there is a change in the projected income and earnings.
- C. For the purposes of this Section, income and earnings shall not include interest, dividends or rent.
- D. If a recipient described in subsection A. fails to furnish the information required by this Section, the disability retirement allowance shall be discontinued until such time as the required information is furnished. When the required information is furnished, the disability retirement allowance shall be reinstated and allowances withheld pending receipt of the required information shall be paid, less any applicable deductions.

3.28.1330 Deductions - Recipient's earnings from outside occupation.

- A. In any case where the recipient of a disability retirement allowance meets the following conditions, the recipient's disability retirement allowance shall be reduced as provided in subsection B. below:
 - 1. The recipient has not reached age fifty-five (55) (sixty-two (62) in the case of a Tier 2 member recipient); and
 - 2. The recipient is still incapacitated for the performance of duty; and
 - 3. The recipient is engaged in a gainful occupation other than service as an officer or employee of the City.
- B. During the period the recipient is engaged in gainful employment, the recipient's disability retirement allowance shall be reduced to the amount which, when added to the recipient's income or earnings from such gainful occupation and when also added to all other applicable deductions, if any, required by other provisions of this Chapter 3.28, shall not exceed the amount of the maximum compensation earnable in such period by a person holding the position which the recipient held at the time of retirement, or, if that position has been abolished, the maximum compensation earnable by a person holding it immediately prior to its abolition. In no event, however, shall the disability retirement allowance payable for any period exceed the amount of disability retirement allowance to which the recipient would have been entitled for such period in the absence of this Section.
- C. For the purposes of this Section, income and earnings shall not include interest, dividends or rent.
- D. Any overpayment of disability retirement allowance made to a recipient may be deducted from future allowances payable to the recipient or any beneficiary of the recipient or shall otherwise be collected from the recipient.
- E. The following conditions shall apply in any case where, pursuant to Section 3.28.1325, the recipient has elected to file tax returns in lieu of monthly statements of income and earnings:
 - 1. Reductions in disability retirement allowances shall be made based upon the statement of projected reportable income and earnings filed by the recipient.
 - 2. Any overpayment of disability retirement allowance made during the applicable tax reporting period may be deducted from future allowances in substantially equal monthly deductions over a period not to exceed twelve (12) months. If the deductions are made as provided in this subsection E., the deductions shall include interest on the outstanding overpayment at the actuarial rate adopted by the Board.
 - 3. Any underpayment of disability retirement allowance made during the applicable tax reporting period shall be paid to the disability retirement allowance recipient in one (1) lump sum within thirty (30) days of the verification of the underpayment by the Secretary to the Board.
- F. When the recipient of a disability retirement allowance reaches age fifty-five (55), (sixty-two (62) for Tier 2 member recipients), the deductions described in this Section shall cease except to the extent necessary to recover any overpayment.

Proposed Changes

3.28.1325 Reports of earnings from outside occupation.

- A. **Except as provided in subsection E.,** As a condition of a disability retirement allowance from the retirement fund, a person who has been retired for disability and has not reached age fifty-five (55) (sixty-two (62) in the case of a Tier 2 member recipient) shall file written statements with the Board which conform to the requirements of subsection B. below.
- B. A recipient described in subsection A. shall file statements as described either in subsection 1. or in subsection 2.:
 - 1. Monthly and annual statements.
 - a. Within ten (10) days after the end of each calendar month, the recipient shall file a monthly statement of the total income and earnings received by the recipient during the reporting month from any gainful occupation, other than service as an officer or employee of the City, and the sources of such income and earnings; and
 - b. On or before May 1 of each year, the recipient shall file a notarized declaration under penalty of perjury, in a form approved by the Board, of the total income and earnings received by the recipient during the preceding calendar year, or any portion thereof, from any gainful occupation outside City service and the sources of such income and earnings.
 - 2. Income tax returns.
 - a. Instead of the statements described in subsection 1., the recipient may file copies of the recipient's federal and state income tax returns and the recipient's W-2 and/or 1099 forms showing the total income and earnings received by the recipient from any gainful occupation, other than service as an officer or employee of the City, and the sources of such income and earnings. Such tax returns and forms shall be filed on or before the first day of May following the tax reporting period.
 - b. If a recipient elects to file tax returns, the recipient shall provide written notice of such election to the Board not later than the date the next monthly statement would otherwise be due.
 - c. If a recipient elects to file tax returns, the recipient shall file with the Board a written statement of the recipient's projected reportable income and earnings for each calendar year, and the sources of such income and earnings. Such statement shall be filed on or before the tenth (10th) day of January in the applicable calendar year. The recipient may file an amended statement in any case where there is a change in the projected income and earnings.
- C. For the purposes of this Section, income and earnings shall not include interest, dividends or rent.
- D. If a recipient described in subsection A. fails to furnish the information required by this Section, the disability retirement allowance shall be discontinued until such time as the required information is furnished. When the required information is furnished, the disability retirement allowance shall be reinstated and allowances withheld pending receipt of the required information shall be paid, less any applicable deductions.
- E. **This section shall not apply to any recipient of a disability retirement allowance when either of the following conditions is satisfied:**
 - 1. **The recipient retired for disability with at least thirty years of service credit in this plan; or**
 - 2. **The recipient's service credit in this retirement plan plus the time the recipient has been retired for disability equals at least thirty years.**

3.28.1330 Deductions - Recipient's earnings from outside occupation.

- A. In any case where the recipient of a disability retirement allowance meets the following conditions, the recipient's disability retirement allowance shall be reduced as provided in subsection B. below:
 - 1. The recipient retired for disability with less than thirty years of service credit in this retirement plan and the sum of the recipient's service credit plus the time the recipient has been retired for disability is less than thirty years, or the recipient has not reached age fifty-five (55) (age sixty-two (62) in the case of a Tier 2 member recipient); and
 - 2. The recipient is still incapacitated for the performance of duty; and
 - 3. The recipient is engaged in a gainful occupation other than service as an officer or employee of the City.
- B. During the period the recipient is engaged in gainful employment, the recipient's disability retirement allowance shall be reduced to the amount which, when added to the recipient's income or earnings from such gainful occupation and when also added to all other applicable deductions, if any, required by other provisions of this Chapter 3.28, shall not exceed the amount of the maximum compensation earnable in such period by a person holding the position which the recipient held at the time of retirement, or, if that position has been abolished, the maximum compensation earnable by a person holding it immediately prior to its abolition. In no event, however, shall the disability retirement allowance payable for any period exceed the amount of disability retirement allowance to which the recipient would have been entitled for such period in the absence of this Section.
- C. For the purposes of this Section, income and earnings shall not include interest, dividends or rent.
- D. Any overpayment of disability retirement allowance made to a recipient may be deducted from future allowances payable to the recipient or any beneficiary of the recipient or shall otherwise be collected from the recipient.
- E. The following conditions shall apply in any case where, pursuant to Section 3.28.1325, the recipient has elected to file tax returns in lieu of monthly statements of income and earnings:
 - 1. Reductions in disability retirement allowances shall be made based upon the statement of projected reportable income and earnings filed by the recipient.
 - 2. Any overpayment of disability retirement allowance made during the applicable tax reporting period may be deducted from future allowances in substantially equal monthly deductions over a period not to exceed twelve (12) months. If the deductions are made as provided in this subsection E., the deductions shall include interest on the outstanding overpayment at the actuarial rate adopted by the Board.
 - 3. Any underpayment of disability retirement allowance made during the applicable tax reporting period shall be paid to the disability retirement allowance recipient in one (1) lump sum within thirty (30) days of the verification of the underpayment by the Secretary to the Board.
- F. When the sum of the recipient's service credit in this retirement plan plus the time the recipient has been retired for disability reaches thirty years or age fifty-five (55), (age sixty-two (62) for Tier 2 member recipients), the deductions described in this Section shall cease except to the extent necessary to recover any overpayment.

Muni Code Sections for the other retirement plan in the CSJ

3.36.1035 Reports of earnings from outside occupation.

- A. Except as provided in subsection E., as a condition of payment of a disability retirement allowance from the retirement fund, a person who has been retired for disability shall file written statements with the board which conform to the requirements of subsection B. below.
 - B. A recipient described in subsection A. shall file statements as described either in subsection A.1. or in subsection A.2.:
 - 1. Monthly and annual statements.
 - a. Within ten days after the end of each calendar month, the recipient shall file a monthly statement of the total income and earnings received by the recipient during the reporting month from any gainful occupation, other than service as an officer or employee of the city, and the sources of such income and earnings; and
 - b. On or before May 1 of each year, the recipient shall file a notarized declaration under penalty of perjury, in a form approved by the board, of the total income and earnings received by the recipient during the preceding calendar year, or any portion thereof, from any gainful occupation outside city service and the sources of such income and earnings.
 - 2. Income tax returns.
 - a. Instead of the statements described in subsection A.1., the recipient may file copies of the recipient's federal and state income tax returns and the recipient's W-2 and/or 1099 forms showing the total income and earnings received by the recipient from any gainful occupation, other than service as an officer or employee of the city, and the sources of such income and earnings. Such tax returns and forms shall be filed on or before the first day of May following the tax reporting period.
 - b. If a recipient elects to file tax returns, the recipient shall provide written notice of such election to the board not later than the date the next monthly statement would otherwise be due.
 - c. If a recipient elects to file tax returns, the recipient shall file with the board a written statement of the recipient's projected reportable income and earnings for each calendar year, and the sources of such income and earnings. Such statement shall be filed on or before the tenth day of January in the applicable calendar year. The recipient may file an amended statement in any case where there is a change in the projected income and earnings.
 - C. For the purposes of this section, income and earnings shall not include interest, dividends or rent.
 - D. If a recipient described in Subsection A. fails to furnish the information required by this section, the disability retirement allowance shall be discontinued until such time as the required information is furnished. When the required information is furnished, the disability retirement allowance shall be reinstated and allowances withheld pending receipt of the required information shall be paid, less any applicable deductions.
 - E. This section shall not apply to any recipient of a disability retirement allowance when either of the following conditions is satisfied:
 - 1. The recipient retired for disability with at least twenty years of service credit in this plan; or
 - 2. The recipient's service credit in this retirement plan plus the time the recipient has been retired for disability equals at least twenty years.
-

Muni Code Sections for the other retirement plan in the CSJ.

3.36.1040 Deductions of recipient's earnings from outside occupation.

- A. In any case where the recipient of a disability retirement allowance meets the following conditions, the recipient's disability retirement allowance shall be reduced as provided in subsection B. below:
 - 1. The recipient retired for disability with less than twenty years of service credit in this retirement plan and the sum of the recipient's service credit plus the time the recipient has been retired for disability is less than twenty years; and
 - 2. The recipient is still incapacitated for the performance of duty; and
 - 3. The recipient is engaged in a gainful occupation other than service as an officer or employee of the city.
 - B. During the period the recipient is engaged in gainful employment, the recipient's disability retirement allowance shall be reduced to the amount which, when added to the recipient's income or earnings from such gainful occupation and when also added to all other applicable deductions, if any, required by other provisions of this Chapter 3.36, shall not exceed the amount of the maximum compensation earnable in such period by a person holding the position which the recipient held at the time of retirement, or, if that position has been abolished, the maximum compensation earnable by a person holding it immediately prior to its abolition. In no event, however, shall the disability retirement allowance payable for any period exceed the amount of disability retirement allowance to which the recipient would have been entitled for such period in the absence of this section.
 - C. For the purposes of this section, income and earnings shall not include interest, dividends or rent.
 - D. Any overpayment of disability retirement allowance made to a recipient may be deducted from future allowances payable to the recipient or any beneficiary of the recipient or shall otherwise be collected from the recipient.
 - E. The following conditions shall apply in any case where, pursuant to Section 3.36.1035, the recipient has elected to file tax returns in lieu of monthly statements of income and earnings:
 - 1. Reductions in disability retirement allowances shall be made based upon the statement of projected reportable income and earnings filed by the recipient.
 - 2. Any overpayment of disability retirement allowance made during the applicable tax reporting period may be deducted from future allowances in substantially equal monthly deductions over a period not to exceed twelve months. If the deductions are made as provided in this subsection E., the deductions shall include interest on the outstanding overpayment at the actuarial rate adopted by the board.
 - 3. Any underpayment of disability retirement allowance made during the applicable tax reporting period shall be paid to the disability retirement allowance recipient in one lump sum within thirty days of the verification of the underpayment by the secretary to the board.
 - F. When the sum of the recipient's service credit in this retirement plan plus the time the recipient has been retired for disability reaches twenty years, the deductions described in this section shall cease except to the extent necessary to recover any overpayment.
-

FW: Measure A (2016) - Independent Citizens' Oversight Committee relating to the Fiscal Year 2021-2022 Third Quarter Report

Taber, Toni <toni.taber@sanjoseca.gov>

Thu 9/22/2022 11:22 AM

To: Rules and Open Government Committee Agendas <rulescommitteeagenda@sanjoseca.gov>

For public record.

Toni J. Taber, CMC

City Clerk

City of San Jose

200 E Santa Clara Street

San José, CA 95113

408-535-1260

From: City Clerk <city.clerk@sanjoseca.gov>

Sent: Thursday, September 22, 2022 7:44 AM

To: Taber, Toni <toni.taber@sanjoseca.gov>

Subject: FW: Measure A (2016) - Independent Citizens' Oversight Committee relating to the Fiscal Year 2021-2022 Third Quarter Report

From: BoardOperations <[REDACTED]>

Sent: Wednesday, September 21, 2022 7:52 PM

To: BoardOperations <[REDACTED]>

Subject: Measure A (2016) - Independent Citizens' Oversight Committee relating to the Fiscal Year 2021-2022 Third Quarter Report

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[External Email]

Hello,

At its regularly scheduled meeting held on August 16, 2022 (Item No. 115), the County of Santa Clara Board of Supervisors received report from Measure A (2016 Housing Bond) Independent Citizens' Oversight Committee relating to the Fiscal Year 2021-2022 Third Quarter Report and Fiscal Year 2020-2021 Financial Audit Report from the Independent Auditor.

Enclosed is a pdf copy of the Measure A (2016 Housing Bond) - Independent Citizen's Oversight Committee Third Quarter Report Fiscal Year 2021-2022 and Fiscal Year 2020-2021 Financial Audit Report from the Independent Auditor for your records. If you have any questions regarding this information, please feel free to contact our office.

Regards,

Joanna Saucedo

Deputy Clerk, Board Operations

Office of the Clerk of the Board of Supervisors



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Office of the Clerk of the Board of
Supervisors

County Government Center, East Wing



Measure A (2016 Housing Bond) Independent Citizens' Oversight Committee
Chairperson: Lawrence E. Stone

June 23, 2022

Board of Supervisors
County of Santa Clara

Subject: Citizen's Oversight Committee's Measure A 2016 Affordable Housing Bond Program Independent Advisor's Third Quarter Report for Fiscal Year 2021-2022

Dear Board of Supervisors:

Please find attached the following documents for your review prepared by Macias Gini & O'Connell LLP (MGO) and approved by the Measure A 2016 Affordable Housing Bond Program (Program) Citizen's Oversight Committee (Committee) at our June 17, 2022 meeting:

- County of Santa Clara Citizen's Oversight Committee's Measure A 2016 Affordable Housing Bond Program Independent Advisor's Third Quarter Report for Fiscal Year 2021-2022
- Performance Dashboard/Website Snapshot

The Committee provides the following message to the Board of Supervisors regarding the Program.

Message to the Board of Supervisors

As of March 31, 2022, the Program had committed in total 81.36 percent of all allowable bond proceeds. The Program had committed to development and renovation projects 59.30 percent of available bond proceeds to finance 71.06 percent of its housing goals. During the third quarter of FY 2021-22, the Program added five development and one renovation projects with a total of 758 units; completed one development project with 135 units; and had thirteen development and renovation projects in construction. In addition, the Program had selected developers to work on preliminary designs for nine of the 20 properties listed in Section 3.1. The six new development and renovation projects, as well as shifting funds to non-Measure A for one development project, increased the average Measure A Leveraging Ratio to 4.26, which means the Program secured outside investments of over \$4 for every \$1 dollar of Measure A funding.

The Program is well managed by the County's Office of Supportive Housing (OSH) and is moving forward toward achieving its goals. However, there are areas that require attention and the Committee continues to monitor the following issues with the Program:

1. The Program's delays in delivering affordable housing units. The Program was greatly hindered and setback years due to the challenges projects faced in securing financing, as well as issues from the COVID-19 pandemic. The Program continues to make progress with 13 of the 31 (42%) development and renovation projects currently in construction and 1 renovation project anticipated to be completed during the next quarter. However, the increasing construction costs, labor shortages, and inflation could cause the Program's development and renovation projects to take longer to complete and to cost more than initially anticipated. In addition, while leveraging multiple sources of funding for each project enables more projects overall to be

Received: 08/16/2022

funded, the inclusion of multiple parties increases the projects' vulnerability to delays and resulting increase in costs depending on the length of delay. Therefore, the County should consider ways to create pools of stopgap funding to overcome any potential delays.

Recommendations:

The Committee recommends the Board of Supervisors:

- Continue to support the efforts of OSH to seek additional funding sources, especially the new State legislation and potential federal legislation.
 - Track the U.S. White House's Housing Supply Action Plan and its possible effect on the Program. The Housing Supply Action Plan includes expanding and improving existing forms of federal financing, such as reforms to the Low Income Housing Tax Credit (LIHTC), which provides credits to private investors developing affordable rental housing, and the HOME Investment Partnerships Program (HOME), which provides grants to states and localities that communities use to fund a wide range of housing activities.
 - Consider studying the use of multiple sources of funding for projects and determine whether the use of multiple parties increases the risk of delays and increased project costs.
 - Consider conducting a study on the effects of the escalating construction costs, labor shortages, and inflation on the Program in order to determine if changes need be made to the Program.
2. The slowness in spending committed funds. As of March 31, 2022, the Program had committed \$772.95 million or 81.36 percent of the \$950 million allowable bond proceeds, but had only spent \$426.23 million of the \$600 million bond proceeds issued and received. The variance between Program funds committed and spent is partly due to the timing of construction costs and to the funding structure for a number of projects which have the Program's committed funds being used for permanent financing after the completion of construction.
3. The slow rate of development of rapid rehousing (RRH) units, as shown in Section 2.4 Exhibit 7. The Committee understands that due to this type of client and housing needs it is harder to obtain funding for RRH projects. Accordingly, only 492 units or 30.75 percent of the 1,600 unit goal have been approved by the County Board of Supervisors. Of the Program's total remaining units to be constructed (1,389), more than 80 percent will need to be RRH units (1,108) in order for the Program to achieve its goal of 1,600 RRH units. The Committee recognizes the Program is tracking RRH and has set December 2022 as when it will revise the RRH goal if the goal is not attainable with the remaining Program resources.

Recommendation:

The Committee recommends the Board of Supervisors continue to review the Program's RRH unit goals and revise the goal if the target is not met by the established deadline.

4. There is a lack of evenly or diverse geographic distribution of the Program's projects. The Program's current 41 development and renovation projects, 20 properties, and 4 partnership projects are located within nine cities in the County; 44 of the 65 projects are located in the City of San Jose. The Committee recognizes that OSH has been actively working with cities in the County to assist in their developing of affordable housing. Two of the development projects added in the third quarter of FY 2021-22 were not in San Jose, but in Mountain View and Sunnyvale. OSH has developed development plans, negotiated memorandums of understanding (MOUs) for partnership projects, and offered grants. The additional Measure A goals include the following geographic areas for distribution: Campbell, Los Altos Hills, Los Gatos, Monte Sereno, Palo Alto, Saratoga, Sunnyvale, the unincorporated county, and District 8 of San Jose.

Recommendations:

The Committee recommends the Board of Supervisors:

- Continue encouraging cities to participate in the Program.
- Continue to support the efforts of OSH in developing relationships with cities other than the City of San Jose.

5. There is a lack of effectiveness with the First-Time Homebuyer Assistance Program (Empower Homebuyers), as shown in Section 4.1 Exhibits 11 and 12. Empower Homebuyers continues to have a low number of applications that make it beyond pre-screening (i.e., intake applications) to the successful funding of a new loan (i.e., closed). The Board of Supervisors approved version 7 of the Empower Homebuyers' Santa Clara County Program Guidelines (guidelines) on November 16, 2021. Version 7 of the guidelines includes homeownership as a project type and other changes, which Program staff believe will provide additional workforce and homeownership housing opportunities for the community. The Program applied for and was awarded \$5 million of CalHome Program funding from the California Department of Housing and Community Development. The Program intends to use the funds for its homeownership program within the next six months.

Recommendations:

The Committee recommends the Board of Supervisors:

- Continue to support the efforts of OSH to revise the First-Time Homebuyer Assistance Program.
- Monitor the activity of the Empower Homebuyers Program and the impact of the CalHome Program funds over the next six months.

On December 16, 2021, the 2021 Civil Grand Jury of Santa Clara County (Civil Grand Jury) issued a report about the Program. The Civil Grand Jury found that "Measure A's funding pace appears reasonable, and the money is being committed in a manner that is aligned with the language of Measure A. But construction has been slow." The Civil Grand Jury had two findings with recommendations related to rapid re-housing and the members structure of the Oversight Committee. On March 8, 2022, the County Board of Supervisors (Board) approved the Program to provide the following responses to the Grand Jury's recommendations.

1. Rapid Re-Housing:

- a. The County agrees with recommendation 3a and the County is aggressively pursuing Homekey Program funding either directly or by partnering with local jurisdictions who are also pursuing these funds.
- b. The County partially disagrees with recommendation 3b. "The County believes more time is needed to realize and analyze the impact of program changes before modifications to goals should be made. Specifically, on November 16, 2021 (Item No. 22), the Board of Supervisors approved a recommendation to update the County's development guidelines to further incentivize the production of Rapid Re-Housing Units. Furthermore, on February 8, 2022 (Item No. 46), County Administration provided an update on the County's Housing Development pipeline which should accommodate the remaining supportive housing units. The County will analyze the impact of the recent program change noted above before considering any other changes to unit goals. The County anticipates this to be done in June 2022."

2. Oversight Committee Members. The County generally agrees with recommendation 5. "The County will consider whether this selection model could extend to other advisory boards and commissions."

The Committee will continue to monitor the progress of the Program's development of rapid re-housing units. The Committee would like to thank the County's Office of Supportive Housing for their hard work and dedication to providing affordable housing in the County.

If you have any questions regarding this transmittal memorandum or the attached reports, please feel free to contact me at [REDACTED] or [REDACTED]

Sincerely,

[REDACTED]
Lawrence E. Stone
Chairperson

Measure A (2016 Housing Bond) Independent Citizens' Oversight Committee

County of Santa Clara

Citizen's Oversight Committee's Measure A
2016 Affordable Housing Bond Program

Independent Advisor's Quarterly Report –
Third Quarter Fiscal Year 2021-2022

June 17, 2022



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**Citizens' Oversight Committee
County of Santa Clara Measure A 2016 Affordable Housing Bond Program
Independent Advisor's Quarterly Report – Third Quarter FY 2021-22**

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EXECUTIVE SUMMARY

This report provides an update on the activity regarding the County of Santa Clara Measure A 2016 Affordable Housing Bond Program (Program) and to its Citizens' Oversight Committee (Committee) for the third quarter of Fiscal Year (FY) 2021-22, from January 1, 2022 through March 31, 2022.

The Program, approved by Santa Clara County (County) voters in 2016, authorizes the issuance of up to \$950 million in general obligation bonds for the acquisition or improvement of real property in order to provide affordable local housing for vulnerable populations within Santa Clara County. The Program has issued \$600 million in bonds: \$250 million in October 2017 and \$350 million in July 2021.

Message to the Board of Supervisors

As of March 31, 2022, the Program had committed in total 81.36 percent of all allowable bond proceeds. The Program had committed to development and renovation projects 59.30 percent of available bond proceeds to finance 71.06 percent of its housing goals. During the third quarter of FY 2021-22, the Program added five development and one renovation projects with a total of 758 units; completed one development project with a 135 units; and had thirteen development and renovation projects in construction. In addition, the Program had selected developers to work on preliminary designs for nine of the 20 properties listed in Section 3.1. The six new development and renovation projects, as well as shifting funds to non-Measure A for one development project, increased the average Measure A Leveraging Ratio to 4.26, which means the Program secured outside investments of over \$4 for every \$1 dollar of Measure A funding.

The Program is well managed by the County's Office of Supportive Housing (OSH) and is moving forward toward achieving its goals. However, there are areas that require attention and the Committee continues to monitor the following issues with the Program:

1. The Program's delays in delivering affordable housing units. The Program was greatly hindered and setback years due to the challenges projects faced in securing financing, as well as issues from the COVID-19 pandemic. The Program continues to make progress with 13 of the 31 (42%) development and renovation projects currently in construction and 1 renovation project anticipated to be completed during the next quarter. However, the increasing construction costs, labor shortages, and inflation could cause the Program's development and renovation projects to take longer to complete and to cost more than initially anticipated. In addition, while leveraging multiple sources of funding for each project enables more projects overall to be funded, the inclusion of multiple parties increases the projects' vulnerability to delays and resulting increase in costs depending on the length of delay. Therefore, the County should consider ways to create pools of stopgap funding to overcome any potential delays.

Recommendations:

The Committee recommends the Board of Supervisors:

- Continue to support the efforts of OSH to seek additional funding sources, especially the new State legislation and potential federal legislation.
- Track the U.S. White House's Housing Supply Action Plan and its possible effect on the Program. The Housing Supply Action Plan includes expanding and improving existing forms of federal financing, such as reforms to the Low Income Housing Tax Credit (LIHTC), which provides credits to private investors developing affordable rental housing, and the HOME Investment Partnerships Program (HOME), which provides grants to states and localities that communities use to fund a wide range of housing activities.
- Consider studying the use of multiple sources of funding for projects and determine whether the use of multiple parties increases the risk of delays and increased project costs.

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- Consider conducting a study on the effects of the escalating construction costs, labor shortages, and inflation on the Program in order to determine if changes need be made to the Program.
2. The slowness in spending committed funds. As of March 31, 2022, the Program had committed \$772.95 million or 81.36 percent of the \$950 million allowable bond proceeds, but had only spent \$426.23 million of the \$600 million bond proceeds issued and received. The variance between Program funds committed and spent is partly due to the timing of construction costs and to the funding structure for a number of projects which have the Program's committed funds being used for permanent financing after the completion of construction.
 3. The slow rate of development of rapid rehousing (RRH) units, as shown in Section 2.4 Exhibit 7. The Committee understands that due to this type of client and housing needs it is harder to obtain funding for RRH projects. Accordingly, only 492 units or 30.75 percent of the 1,600 unit goal have been approved by the County Board of Supervisors. Of the Program's total remaining units to be constructed (1,389), more than 80 percent will need to be RRH units (1,108) in order for the Program to achieve its goal of 1,600 RRH units. The Committee recognizes the Program is tracking RRH and has set December 2022 as when it will revise the RRH goal if the goal is not attainable with the remaining Program resources.

Recommendation:

The Committee recommends the Board of Supervisors continue to review the Program's RRH unit goals and revise the goal if the target is not met by the established deadline.

4. There is a lack of evenly or diverse geographic distribution of the Program's projects. The Program's current 41 development and renovation projects, 20 properties, and 4 partnership projects are located within nine cities in the County¹; 44 of the 65 projects are located in the City of San Jose. The Committee recognizes that OSH has been actively working with cities in the County to assist in their developing of affordable housing. Two of the development projects added in the third quarter of FY 2021-22 were not in San Jose, but in Mountain View and Sunnyvale. OSH has developed development plans, negotiated memorandums of understanding (MOUs) for partnership projects, and offered grants. The additional Measure A goals include the following geographic areas for distribution: Campbell, Los Altos Hills, Los Gatos, Monte Sereno, Palo Alto, Saratoga, Sunnyvale, the unincorporated county, and District 8 of San Jose.

Recommendations:

The Committee recommends the Board of Supervisors:

- Continue encouraging cities to participate in the Program.
- Continue to support the efforts of OSH in developing relationships with cities other than the City of San Jose.

¹ Projects are located in the nine cities of Cupertino, Gilroy, Los Altos, Milpitas, Morgan Hill, Mountain View, San Jose, Santa Clara and Sunnyvale.

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5. There is a lack of effectiveness with the First-Time Homebuyer Assistance Program (Empower Homebuyers), as shown in Section 4.1 Exhibits 11 and 12. Empower Homebuyers continues to have a low number of applications that make it beyond pre-screening (i.e., intake applications) to the successful funding of a new loan (i.e., closed). The Board of Supervisors approved version 7 of the Empower Homebuyers' Santa Clara County Program Guidelines (guidelines) on November 16, 2021. Version 7 of the guidelines includes homeownership as a project type and other changes, which Program staff believe will provide additional workforce and homeownership housing opportunities for the community. The Program applied for and was awarded \$5 million of CalHome Program funding from the California Department of Housing and Community Development. The Program intends to use the funds for its homeownership program within the next six months.

Recommendations:

The Committee recommends the Board of Supervisors:

- Continue to support the efforts of OSH to revise the First-Time Homebuyer Assistance Program.
- Monitor the activity of the Empower Homebuyers Program and the impact of the CalHome Program funds over the next six months.

On December 16, 2021, the 2021 Civil Grand Jury of Santa Clara County (Civil Grand Jury) issued a report about the Program. The Civil Grand Jury found that "Measure A's funding pace appears reasonable, and the money is being committed in a manner that is aligned with the language of Measure A. But construction has been slow." The Civil Grand Jury had two findings with recommendations related to rapid re-housing and the members structure of the Oversight Committee. On March 8, 2022, the County Board of Supervisors (Board) approved the Program to provide the following responses to the Grand Jury's recommendations.

1. Rapid Re-Housing:
 - a. The County agrees with recommendation 3a and the County is aggressively pursuing Homekey Program funding either directly or by partnering with local jurisdictions who are also pursuing these funds.
 - b. The County partially disagrees with recommendation 3b. "The County believes more time is needed to realize and analyze the impact of program changes before modifications to goals should be made. Specifically, on November 16, 2021 (Item No. 22), the Board of Supervisors approved a recommendation to update the County's development guidelines to further incentivize the production of Rapid Re-Housing Units. Furthermore, on February 8, 2022 (Item No. 46), County Administration provided an update on the County's Housing Development pipeline which should accommodate the remaining supportive housing units. The County will analyze the impact of the recent program change noted above before considering any other changes to unit goals. The County anticipates this to be done in June 2022."
2. Oversight Committee Members. The County generally agrees with recommendation 5."The County will consider whether this selection model could extend to other advisory boards and commissions."

The Committee will continue to monitor the progress of the Program's development of rapid re-housing units.

The Committee would like to thank the County's Office of Supportive Housing for their hard work and dedication to providing affordable housing in the County.

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Bond Proceeds

During the third quarter of FY 2021-22, the Program's bond activity was as follows:

Balance of Bond Proceeds	
at December 31, 2021	\$ 226,336,522
Other revenues	236,770
Spending during the quarter	<u>(52,561,043)</u>
Net decrease in bond proceeds	<u>(52,324,273)</u>
Balance of Bond Proceeds	
at March 31, 2022	<u>\$ 174,012,249</u>

The Program's net spending of bond proceeds amounted to \$52.56 million during the third quarter of FY 2021-22, which was primarily used for development and renovation projects and property acquisition.

Quarterly Update

During the third quarter of FY 2021-22, January 1, 2022 through March 31, 2022, the Program spent the following:

Development projects	\$ 35,889,176
Renovation projects	2,530,142
Property acquisitions	14,022,562
Partnership projects	83,128
First-Time Homebuyer Assistance Program	929
Administrative costs	35,106
Spending during third quarter	<u>\$ 52,561,043</u>

During the third quarter of FY 2021-22, the Program had the following activity:

- Six development and renovation projects with a total of 758 units added. See Section 2.
- Committed program funding was changed for two development projects resulting in a net shift of \$6.4 million to non-Measure A funds. See Section 2.
- The following activity occurred (See Section 2.5):
 - ✓ One project completed construction (Iamesi Village);
 - ✓ Three projects (Sango Court, Mariposa Place and Vitalia) started and ten projects continued construction; and
 - ✓ One project secured all financing (Roosevelt Park).
- Committed program funding of \$8 million was shifted to non-Measure A funds for two properties. See Section 3.1.

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Progress to Date

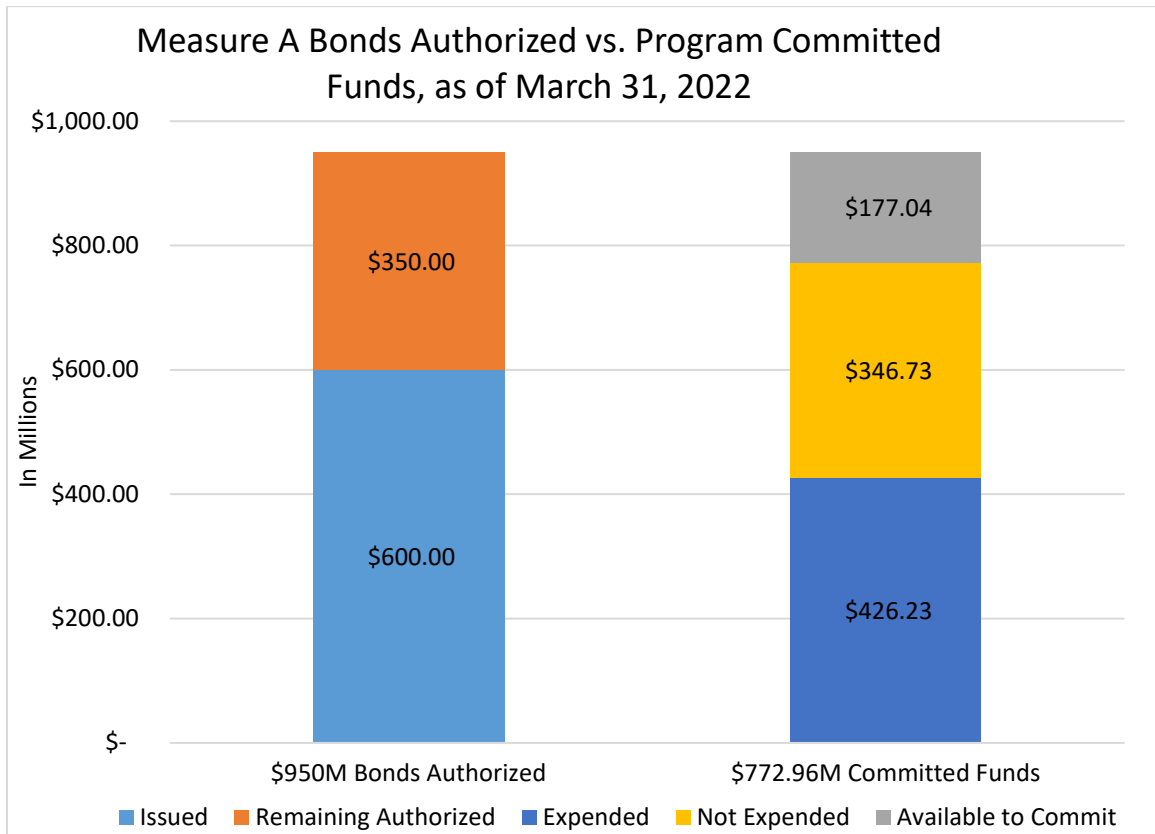
As of March 31, 2022, the Program had committed \$772.95 million as follows:

- \$563.32 million for 41 development and renovation projects and \$25 million for a bridge loan (see Section 2),
- \$146.93 million for 20 properties and \$800,000 for 4 VTA partnerships (see Section 3),
- \$25.0 million to the first-time homebuyer assistance program (Empower Homebuyers) (Section 4.1), and
- \$11.9 million to the supportive housing fund (Section 4.2).

As of March 31, 2022, the Program had spent \$426.23 million (Section 1). The Program had financed approximately 19.01 percent of total development and renovation costs for 41 projects, at an average per unit cost of approximately \$126,845 (see Section 2.1), and 71.06 percent (3,411 units) of its goal of 4,800 affordable housing units (see Section 2.4).

Chart 1 below compares the Measure A affordable housing bonds authorized to the Program's commitment and spending of the bonds proceeds as of March 31, 2022. The left bar shows the total of the \$950 million in affordable housing bonds authorized, of which \$600 million have been issued. The right bar depicts the \$772.96 million the Program has committed for affordable housing projects, which is split into three categories: expended, not expended, and available to commit. The County Board of Supervisors has approved the commitment of funds for projects beyond the \$600 million in bonds issued. The Program does not anticipate those funds to be expended before the issuance of the remaining \$350 million in bonds. The Program has committed more funds than spent mainly due to the funding structure of a number of projects, which will use the Program's committed funds for permanent financing after the completion of construction.

Chart 1



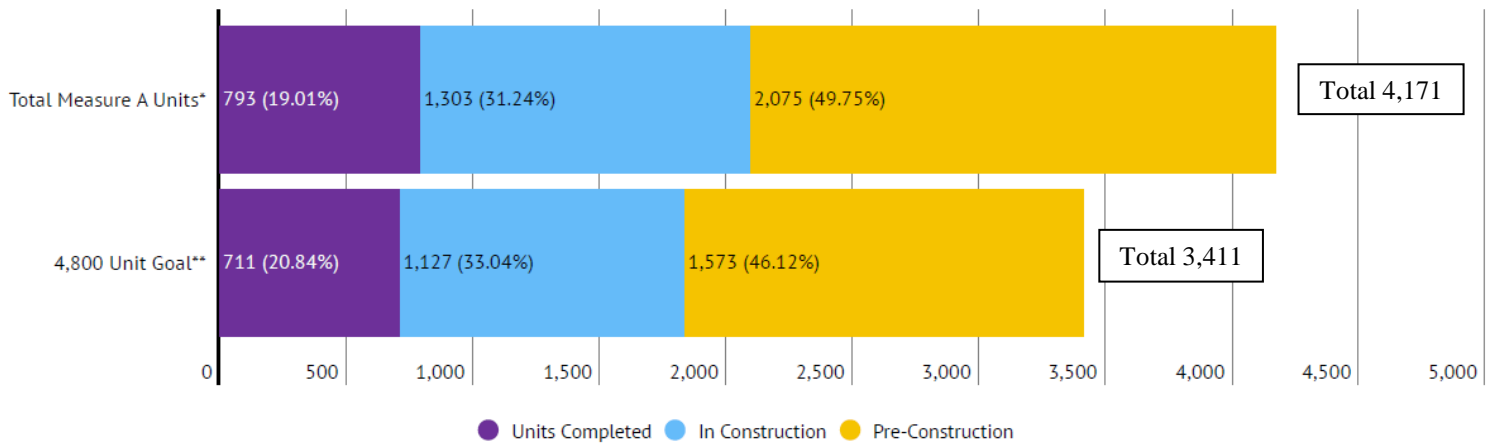
Source: Data provided by the Office of Supportive Housing

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Chart 2 below shows the number of units completed, in construction, and in pre-construction. As of March 31, 2022, a total of 4,171 units were committed for development; 3,411 units counted towards the goal of 4,800 units. There were 1,389 units remaining to be developed to reach the goal of 4,800 units.

Chart 2

The affordable housing development goal of Measure A is to commit and/or deliver 4,800 units of affordable housing within Santa Clara County starting November 2016 and over approximately 10 years. As of **March 31, 2022**, a total of 4,171 units were committed for development using Measure A funds; 3,411 units counted towards the goal of 4,800 units.



* Note: Excludes the 270 pre-existing units for Curtner Studios (68 units, Completed), Markham I (103 units, Completed), and Markham II (99 units, In Construction).

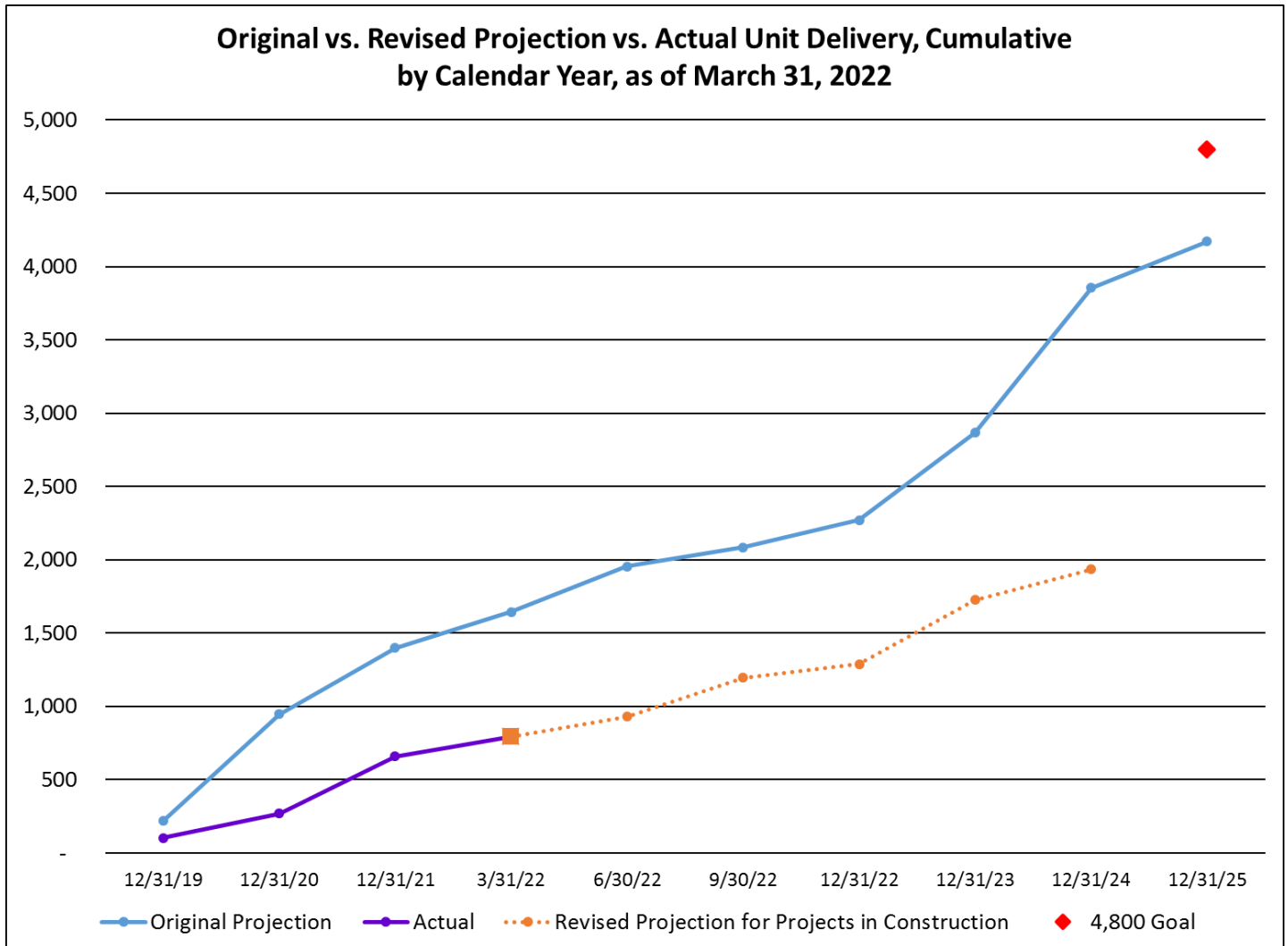
** Note: The number of units excludes moderate (MI) and low income (LI) units (705 units), property manager units (55 units), and renovation projects' pre-existing units (270 units).

Source: Data provided by the Office of Supportive Housing.

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Development and renovation projects prepare timelines with dates for key development milestones to estimate when the project will be completed and submit revised timelines throughout the course of the projects. Chart 3 below shows for the Program's development and renovation projects the cumulative number of units to be delivered in each calendar year from 2019 through 2025 based on the original projection dates, actual dates, and revised projection dates. The original projections total the 4,171 units that had been committed as of March 31, 2022. Due to the nature of the Program, only the revised projections for development and renovation projects completed or in construction were included.

Chart 3



Source: Data provided by the Office of Supportive Housing.

INTRODUCTION

Period in Review

This report provides an update on the activity regarding the County of Santa Clara Measure A 2016 Affordable Housing Bond Program (Program) and its Citizens' Oversight Committee (Committee) for the of FY 2021-22, January 1, 2022 through March 31, 2022.

Purpose of the Measure A Affordable Housing Bond Program

Generate up to \$950 million through the issuance of general obligation bonds for the acquisition or improvement of real property in order to provide affordable local housing for vulnerable populations within Santa Clara County.

Purpose of the Independent Citizens' Oversight Committee

In accordance with County Ordinance No. NS-300.902, the Committee was formed to serve as an advisory body to the County Board of Supervisors over the implementation of the Program with the following purpose:

1. To advise on whether the County is spending the bond proceeds for the stated purpose approved by voters and not for any other purpose;
2. To advise on whether the County has been spending bond proceeds efficiently, effectively, and in a timely manner;
3. To advise on whether the County's issuance of bond proceeds and temporary investment of bond proceeds has been fiscally sound;
4. To recommend any changes to the County's implementation of the Housing Bond in order to ensure that bond proceeds are spent for the stated purpose approved by voters; and
5. To conduct an annual review of the report issued by the County describing the amount of funds collected and expended, and the status of any project required or authorized to be funded.

Activity Reported: Citizens' Oversight Committee

Oversight Committee Meetings and Report

During this reporting period, the Oversight Committee met on March 17, 2022, and one report was submitted and approved by the Committee: the Independent Advisor's Second Quarter Report for Fiscal Year 2021-22. The report was subsequently forwarded by the County Clerk of the Board to the County Board of Supervisors and each city within the County.

Performance Dashboards

MGO collaborated with the Subcommittee of the Citizens' Oversight Committee, the County's Office of Supportive Housing, and the County's Finance Agency to develop user-friendly and easily understandable dashboards that assist in presenting Program data and operational performance in order to promote accountability and transparency. The performance dashboards are located on the County's Office of Supportive Housing's website at <https://www.sccgov.org/sites/osh/Pages/home.aspx>.

Summary of Program Activity in Quarter

The following information summarizes the different sections of the report and highlights the Program's activities during the third quarter of FY 2021-22 or as of the quarter end, March 31, 2022:

- [Section 1](#): The Program committed in total 81.36 percent of all allowable bond proceeds. The Program committed to development and renovation projects 59.30 percent of available bond proceeds to finance 71.06 percent of its housing goals.
- [Section 2.1](#): During the quarter, the Program added five development projects and one renovation project, increased committed program funding for one project, and shifted committed program funds to non-Measure A funding for one project. The Program committed \$563.32 million for 41 development and renovation projects.
- [Section 2.2](#): 14 development and renovation projects expended \$38.42 million during the quarter. As a result, the cumulative expenditures increased 14.02 percent to \$312.46 million as of quarter end.
- [Section 2.3](#): During the quarter, the Program's changes described in Section 2.1 caused the Measure A Leveraging Ratio to increase to an average of 4.26 of non-Measure A funds invested for every dollar of Measure A funding.
- [Section 2.4](#): The Program's current funding commitment will result in developing a total of 4,171 units: 3,411 units (71.06 percent) count toward the Program's goal of 4,800 units, and an additional 760 units do not count toward the Program's goal.
- [Section 2.5](#): The following milestones were achieved during the period: one project completed construction; three projects started construction; one project secured all financing; and six projects were added.
- [Section 3.1](#): During the quarter, the Program did not add properties, but for two properties shifted committed program funds to non-Measure A funds. The Program committed \$146.93 million in total and expended \$14.02 million on 3 properties during the quarter.
- [Section 3.2](#): The Program committed \$800,000 and expended \$83,128 on the four VTA partnership projects during the quarter.
- [Section 4.1](#): The First-Time Homebuyer Assistance Program (Empower Homebuyers) received 283 intake applications, purchased no loans, and expended \$929 for the administration of the loan program during the quarter.
- [Section 4.2](#): The Housing Trust Silicon Valley (HTSV) – Supportive Housing Fund (SHF) did not provide or have predevelopment loans outstanding during the quarter.
- [Section 5](#): The principal and interest outstanding on the 2017 Series A Housing General Obligation Bonds issued in October 2017 was \$143.61 million. The principal and interest outstanding on the 2021 Series B Housing General Obligation Bonds issued in July 2021 was \$418.19 million.

More information on Measure A, including an interactive performance dashboard, can be found online on the County's Office of Supportive Housing's website at <https://osh.sccgov.org/housing-community-development/2016-measure-affordable-housing-bond>.

SECTION 1 – TOTAL PROGRAM COMMITMENTS

The 2016 Measure A Affordable Housing Bond Program approved by Santa Clara County voters authorized the issuance of up to \$950 million in general obligation bonds to fund the Program. The Program has issued \$600 million in bonds: \$250 million in October 2017 and \$350 million in July 2021.

As of March 31, 2022, the Program had committed a total of \$772.95 million of the \$950 million of bonds authorized, or 81.36 percent of all allowable bond proceeds. Although the total commitments to-date exceeded the amount available from the bonds issued of \$600 million, the Program had only spent \$426.23 million, or 71.04 percent of the \$600 million of bond proceeds as of March 31, 2022. The Program does not anticipate spending more than the \$600 million before the next issuance of bonds due to the funding structure of a number of the projects, which will use the Program's committed funds for permanent financing after construction is completed.

As of March 31, 2022, the Program had committed \$563.32 million of the \$950 million of authorized bonds to development and renovation projects, or 59.30 percent of available bond proceeds. As discussed in Section 2.4.3, the \$563.32 million will finance the development of 3,411 units that count towards the Program's goal of 4,800 units, or 71.06 percent of the Program's housing goals.

Exhibit 1 below provides a summary of the Program's total committed and expended funds as of March 31, 2022.

Exhibit 1

Total Committed and Expended Program Funds As of Third Quarter FY 2021-22			
Project Name	Committed Program Funding to-date	Total Program Funds Expended to-date	Percent of \$950 million of bonds authorized ^a
Development and Renovation Projects (Section 2)	\$ 563,319,628	\$ 287,454,066	59.30%
Bridge Loan for Hillview Court (Section 2) ^b	25,000,000	25,000,000	2.63%
Property Acquisitions (Section 3.1)	146,933,900	96,116,629	15.47%
Partnership Projects (Section 3.2)	800,000	226,756	0.08%
First-Time Homebuyer Assistance Program (Section 4.1)	25,000,000	5,041,040	1.25%
HTSV – Supportive Housing Fund ^c (Section 4.2)	11,900,000	11,900,000	2.63%
Consulting and audit services		489,824	
Program Totals	\$ 772,953,528	\$ 426,228,315	81.36%

Source: Data provided by the Office of Supportive Housing.

^a Percentage of \$950 million bonds authorized is calculated by dividing the Committed Program Funding to-date column by \$950,000,000 (maximum bonds approved).

^b The bridge loan to the developers of Hillview Court will be repaid by the developers and the funds returned to the Program.

^c The HTSC – Supportive Housing Fund is a revolving loan program. It continuously loans up to \$11.9 million to Program projects as the projects repay the loans.

SECTION 2 – DEVELOPMENT AND RENOVATION PROJECTS

2.1 – Development and Renovation Projects' Financials

As shown in Exhibit 2 below and on the following pages, as of March 31, 2022, the Program had committed \$563.32 million of Measure A funds for 41 development and renovation projects, which are estimated to finance approximately 19.01 percent of all total development and renovation costs, at an average cost share per unit of \$126,845.

During the third quarter of FY 2021-22, the Program added five development projects and one renovation project with an estimated total development cost totaling \$618.02 million and 758 units; increased committed program funds by \$200,000 for one project (Gallup & Mesa); shifted \$6.6M in committed program funds to non-Measure A funds for one project (Kifer Senior Apartments); and reallocated the committed program funds between two joint projects by moving \$20.5 million from the Dupont Family Apartments to the McEvoy Apartments. Exhibit 2 below and on the following pages lists projects in two different categories (development projects and renovation projects) and sequences projects in each category in the order that the projects were approved by the County Board of Supervisors (program commitment date). For example, for development projects, Gateway Senior Apartments was the first project approved on November 14, 2017, and Residence Inn was the most recent housing development project approved on February 8, 2022.

Exhibit 2²

Development and Renovation Projects' Financial Data as of March 31, 2022 (unaudited)								
#	Project Name (City)	Program Commitment Date	No. of Units/ Bedrooms	Estimated Total Development Cost ^a	Estimated Total Cost Per Unit	Committed Program Funding To-Date	Program Commitment as % of Total Estimated Cost	Program's Estimated Cost Share Per Unit
Development Projects								
1	Gateway Senior Apartments (Gilroy)	11/14/2017 (Q2 FY18)	75/86	\$34,972,249	\$466,297	\$ 7,500,000	21.45%	\$ 100,000
2	Crossings on Monterey (Morgan Hill)	11/14/2017 (Q2 FY18)	39/87	26,056,436	668,114	5,800,000	22.26	148,718
3	Leigh Avenue Senior Apartments (San Jose)	11/14/2017 (Q2 FY18)	64/65	50,348,927	786,702	13,500,000	26.81	210,938

² Project names colored grey indicate projects completed.

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Development and Renovation Projects' Financial Data as of March 31, 2022 (unaudited)								
#	Project Name (City)	Program Commitment Date	No. of Units/ Bedrooms	Estimated Total Development Cost ^a	Estimated Total Cost Per Unit	Committed Program Funding To-Date	Program Commitment as % of Total Estimated Cost	Program's Estimated Cost Share Per Unit
4	Villas on the Park (San Jose)	12/05/2017 (Q2 FY18)	84/85	41,955,319	499,468	7,200,000	17.16	85,714
5	The Veranda (Cupertino)	12/05/2017 (Q2 FY18)	19/20	11,937,416	628,285	1,000,000	8.38	52,632
6	Quetzal Gardens (San Jose)	12/05/2017 (Q2 FY18)	71/140	63,630,448	896,203	9,830,000	15.45	138,451
7	Sango Court (Milpitas) ^b	06/05/2018 (Q4 FY18)	102/153	72,488,258	710,669	16,000,000	22.07	156,863
8	Iamesi Village (formerly North San Pedro Apartments) (San Jose)	06/05/2018 (Q4 FY18)	135/136	69,418,863	514,214	10,327,100	14.88	76,497
9	Calabazas (formerly Corvin) Apartments (Santa Clara)	06/05/2018 (Q4 FY18)	145/146	104,480,486	720,555	29,000,000	27.76	200,000
10	Page Street Apartments (San Jose)	06/05/2018 (Q4 FY18)	82/83	55,178,667	672,911	14,000,000	25.37	170,732
11	Agrihood Senior Apartments (Santa Clara)	12/18/2018 (Q2 FY19)	165/177	83,273,350	504,687	23,550,000	28.28	142,727
12	Mariposa Place (formerly West San Carlos Housing) (San Jose)	12/18/2018 (Q2 FY19)	80/103	51,687,253	646,091	9,300,000	17.99	116,250
13	Blossom Hill Housing (San Jose)	12/18/2018 (Q2 FY19)	147/163	79,676,906	542,020	19,100,000	23.97	129,932
14	Vela Apartments (formerly Alum Rock Family Housing) (San Jose)	12/18/2018 (Q2 FY19)	87/155	61,433,464	706,132	15,650,000	25.47	179,885
15	Roosevelt Park (San Jose)	12/18/2018 (Q2 FY19)	80/135	69,658,643	870,733	14,400,000	20.67	180,000
16	Auzerais Apartments (San Jose)	10/22/2019 (Q2 FY20)	130/148	92,062,481	708,173	13,200,000	14.34	101,538

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Development and Renovation Projects' Financial Data as of March 31, 2022 (unaudited)								
#	Project Name (City)	Program Commitment Date	No. of Units/ Bedrooms	Estimated Total Development Cost ^a	Estimated Total Cost Per Unit	Committed Program Funding To-Date	Program Commitment as % of Total Estimated Cost	Program's Estimated Cost Share Per Unit
17	Gallup & Mesa (San Jose)	10/22/2019 (Q2 FY20)	46/63	33,741,318	733,507	2,600,000	7.71	56,522
18	Villas at 4 th St (formerly 4th and E. Younger Apartments) (San Jose)	03/10/2020 (Q3 FY20)	94/94	46,811,323	497,993	7,500,000	16.02	79,787
19	Immanuel-Sobrato (formerly Moorpark) Apartments (San Jose)	03/10/2020 (Q3 FY20)	108/110	73,548,992	681,009	16,654,646	22.64	154,210
20	Vitalia (formerly Bascom) Apartments (San Jose) ^b	03/10/2020 (Q3 FY20)	79/101	64,054,314	810,814	15,800,000	24.67	200,000
21	Kifer Senior Apartments (Santa Clara)	03/10/2020 (Q3 FY20)	80/85	59,016,497	737,706	7,400,000	12.54	92,500
22	La Avenida Apartments (Mountain View)	03/10/2020 (Q3 FY20)	100/111	78,077,678	780,777	19,000,000	24.33	190,000
23	Algarve Apartments (San Jose)	03/10/2020 (Q3 FY20)	91/119	64,635,282	710,278	11,500,000	17.79	126,374
24	Gateway Tower (San Jose)	03/10/2020 (Q3 FY20)	300/381	243,010,413	810,035	53,000,000	21.81	176,667
25	Alum Rock Multifamily (San Jose)	02/23/2021 (Q3 FY 21)	60/106	47,804,774	796,746	11,600,000	24.27	193,333
26	Dupont Family Apartments (San Jose)	02/23/2021 (Q3 FY 21)	141/269	135,698,724	962,402	7,000,000	5.16	49,645
27	Sunol-West San Carlos (San Jose)	02/23/2021 (Q3 FY 21)	154/273	139,383,616	905,088	29,720,215	21.32	192,988
28	Tamien Station TOD (San Jose)	02/23/2021 (Q3 FY 21)	135/240	100,867,325	747,165	25,000,000	24.79	185,185
29	The Charles (San Jose)	02/23/2021 (Q3 FY 21)	99/177	78,729,074	795,243	12,480,000	15.85	126,061

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Development and Renovation Projects' Financial Data as of March 31, 2022 (unaudited)								
#	Project Name (City)	Program Commitment Date	No. of Units/ Bedrooms	Estimated Total Development Cost ^a	Estimated Total Cost Per Unit	Committed Program Funding To-Date	Program Commitment as % of Total Estimated Cost	Program's Estimated Cost Share Per Unit
30	Royal Oak Village (Morgan Hill)	08/31/2021 (Q1 FY22)	73/169	49,438,333	677,237	9,891,000	20.01	135,493
31	McEvoy Apartments (San Jose)	02/08/2022 (Q3 FY22)	224/224	134,939,435	602,408	23,500,000	17.42	104,911
32	Orchard Gardens (Sunnyvale)	02/08/2022 (Q3 FY22)	93/116	107,210,734	1,152,804	13,850,000	12.92	148,925
33	Bellarmino Place (San Jose)	02/08/2022 (Q3 FY22)	116/204	96,736,665	833,937	5,750,000	5.94	49,569
34	Hawthorn Senior Apartments (San Jose)	02/08/2022 (Q3 FY22)	103/108	76,107,250	738,905	15,550,000	20.43	150,971
35	Lot 12 (Mountain View)	02/08/2022 (Q3 FY22))	120/211	115,683,548	964,030	9,750,000	8.43	81,250
35 Development Projects Total			3,721 ^c / 5,043	\$2,713,754,460		\$506,902,961	18.68%	\$ 136,228
Renovation Projects								
1	Markham I ^d (San Jose)	12/18/2018 (Q2 FY19)	153/155	26,809,742	175,227	7,000,000	26.11	45,752
2	Markham II ^d (San Jose)	12/18/2018 (Q2 FY19)	152/154	26,593,698	174,959	7,200,000	27.07	47,368
3	Curtner Studios ^d (San Jose)	12/18/2018 (Q2 FY19)	179/179	14,995,679	83,775	14,950,000	99.70	83,520
4	Hillview Court ^e (Milpitas)	10/06/2020 (Q2 FY21)	134/134	80,300,000	599,254	21,900,000	27.27	163,433
5	Casa de Novo ^f (San Jose)	12/08/2020 (Q2 FY21)	TBD	TBD	TBD	4,366,667	32.83	TBD

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Development and Renovation Projects' Financial Data as of March 31, 2022 (unaudited)								
#	Project Name (City)	Program Commitment Date	No. of Units/ Bedrooms	Estimated Total Development Cost ^a	Estimated Total Cost Per Unit	Committed Program Funding To-Date	Program Commitment as % of Total Estimated Cost	Program's Estimated Cost Share Per Unit
6	Residence Inn (San Jose)	02/08/2022 (Q3 FY22)	102/201	87,340,000	856,275	1,000,000	1.14	9,804
6 Renovation Projects Total			720 ^c / 823	\$ 249,339,119		\$ 56,416,667	22.63%	\$ 78,356
41 Total Development and Renovation Projects			4,441^c / 5,866	\$2,963,093,579		\$ 563,319,628	19.01%	\$ 126,845 ^d

Source: Data provided by the Office of Supportive Housing.

* TBD = To be determined.

^a The estimated total development costs include items such as common lounges, community kitchens, fitness rooms, and laundry facilities, in addition to the costs necessary to build the respective projects.

^b Program is in the process of acquiring the real property as included in the original Program commitment. The Program would own the land and ground lease for the development of affordable housing.

^c The number of units includes units dedicated for a property manager for each development (55 property manager units in total) and 270 existing renovation units (see footnote d).

^d The number of units for each project includes pre-existing units that were inherited with Markham I (102 units), Markham II (101 units), and Curtner Studios (67 units). It is important to note that while only a portion of these renovated units will contribute to Program Housing Goals, the Estimated Total Development Cost and the Estimated Total Cost Per Unit incorporate costs for the renovation of other affordable housing units in these structures not specified in the Measure A Program. The Program's Estimated Cost Share Per Unit excludes the 270 existing units as the Program's Committed Funding is not financing the renovation of those units.

^e The County acquired property that is currently developed with a 146-room hotel. The intent of the Program acquiring the property is to convert to a 132 unit permanent supportive housing (PSH) development with approximately 6,000 square feet of community space and outdoor space of over 10,000 square feet including a community garden, sports court, barbecue and seating area, dog park and pet wash area. The developers received a \$25 million bridge loan from the County, which is to be repaid and is not included in the Committed Program Funding.

^f The County acquired property that is currently developed with a 54-room motel. The intent of the Program acquiring the property is to operate the 54 units as permanent supportive housing and interim housing until approximately July 2022, when the buildings would be demolished and the site redeveloped as affordable housing.

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2.2 – Program Expenditures per Housing Project

Of the \$563.32 million committed to the 41 development and renovation projects, \$312.45 million, or approximately 55.47 percent, was expended as of March 31, 2022. During the third quarter of FY 2021-22, the Program expended \$38.42 million, which represented an increase in cumulative expenditures of 14.02 percent when compared to the \$274.03 million spent as of December 31, 2021. Exhibit 3 below and on the following pages provides an overview by project of the expenditures to-date (as of March 31, 2022) by cost category (acquisition, pre-development, construction and permanent financing³) expended from Measure A funds.

Exhibit 3⁴

Program Expenditures per Housing Project through March 31, 2022								
#	Project Name	Total Program Funds Committed To-Date	Total Program Funds Expended	Program Funds Expended During Q3	Program to-date Expenditures			
					Acquisition	Pre- Development	Construction	Permanent Financing
Development Projects								
1	Gateway Senior Apartments	\$ 7,500,000	\$ 7,500,000	\$ 0	\$ 3,600,000	\$ 0	\$ 3,900,000	\$ 0
2	Crossings on Monterey	5,800,000	5,800,000	0	2,400,000	1,179,946	2,220,054	0
3	Leigh Ave Senior Apartments	13,500,000	10,745,963	0	3,700,000	49,723	6,996,240	0
4	Villas on the Park	7,200,000	7,199,999	0	0	1,644,502	5,555,497	0
5	The Veranda	1,000,000	1,000,000	0	68,564	151,434	780,002	0
6	Quetzal Gardens	9,830,000	9,830,000	0	3,900,000	284,522	5,645,477	0
7	Sango Court	16,000,000	9,400,000	38,289	6,900,000	2,500,000	0	0
8	Iamesi Village (formerly North San Pedro Apartments)	10,327,100	9,530,901	0	93,633	0	9,437,268	0
9	Calabazas (formerly Corvin) Apartments	29,000,000	29,000,000	0	9,500,000	2,000,000	17,500,000	0
10	Page Street Apartments	14,000,000	12,652,812	(920,425)	4,186,089	1,053,911	7,412,812	0

³ Permanent expenditures occur when a project is completed and the Program uses committed funds to payment to decrease the construction loan.

⁴ Project names colored grey indicate projects completed.

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Program Expenditures per Housing Project through March 31, 2022								
#	Project Name	Total Program Funds Committed To-Date	Total Program Funds Expended	Program Funds Expended During Q3	Program to-date Expenditures			
					Acquisition	Pre- Development	Construction	Permanent Financing
11	Agrihood Senior Apartments	23,550,000	23,550,000	10,522,004	0	2,000,000	21,550,000	0
12	Mariposa Place (formerly West San Carlos Housing)	9,300,000	9,300,000	2,472,000	5,500,000	1,328,000	2,472,000	0
13	Blossom Hill Housing	19,100,000	19,100,000	0	9,000,000	2,000,000	8,100,000	0
14	Vela Apartments (formerly Alum Rock Family Housing)	15,650,000	8,587,052	0	3,700,000	2,000,000	2,887,052	0
15	Roosevelt Park	14,400,000	6,433,597	0	4,000,000	2,433,597	0	0
16	Auzerais Apartments	13,200,000	13,200,000	0	12,500,000	0	700,000	0
17	Gallup & Mesa	2,600,000	0	0	0	0	0	0
18	Villas at 4th St. (formerly 4th and E. Younger Apartments)	7,500,000	7,500,000	0	6,798,000	0	702,000	0
19	Immanuel-Sobrato (formerly Moorpark) Apartments	16,654,646	3,475,305	2,440,491	0	0	3,475,305	0
20	Vitalia (formerly Bascom Apartments)	15,800,000	6,468,944	6,468,944	5,450,000	0	1,018,944	0
21	Kifer Senior Apartments	7,400,000	5,642,928	269,228	4,700,000	942,928	0	0
22	La Avenida Apartments	19,000,000	0	0	0	0	0	0
23	Algarve Apartments	11,500,000	5,995,000	0	3,495,000	2,500,000	0	0
24	Gateway Tower	53,000,000	0	0	0	0	0	0
25	Alum Rock Multifamily	11,600,000	10,366,121	4,498,174	3,000,000	1,498,174	5,867,948	0
26	Dupont Family Apartments	7,000,000	0	0	0	0	0	0
27	Sunol-West San Carlos	29,720,215	12,230,322	78,603	11,200,000	1,030,322	0	0
28	Tamien Station TOD	25,000,000	0	0	0	0	0	0
29	The Charles	12,480,000	4,641,520	4,641,520	3,200,000	1,441,520	0	0

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Program Expenditures per Housing Project through March 31, 2022								
#	Project Name	Total Program Funds Committed To-Date	Total Program Funds Expended	Program Funds Expended During Q3	Program to-date Expenditures			
					Acquisition	Pre- Development	Construction	Permanent Financing
30	Royal Oak Village	9,891,000	5,380,348	5,380,347	4,835,000	545,348	0	0
31	McEvoy Apartments	23,500,000	0	0	0	0	0	0
32	Orchard Gardens	13,850,000	0	0	0	0	0	0
33	Bellarmino Place	5,750,000	0	0	0	0	0	0
34	Hawthorn Senior Apartments	15,550,000	0	0	0	0	0	0
35	Lot 12	9,750,000	0	0	0	0	0	0
Development Projects Total		506,902,961	244,530,812	35,889,176	111,726,286	26,583,927	106,220,660	0
Renovation Projects								
1	Markham I	7,000,000	5,766,050	66,050	0	0	0	5,766,050
2	Markham II	7,200,000	0	0	0	0	0	0
3	Curtner Studios	14,950,000	13,036,104	1,024,240	0	0	13,036,104	0
4	Hillview Court	21,900,000	44,754,434 ^a	1,439,852	44,754,434 ^a	-	-	0
5	Casa de Novo	4,366,667	4,366,667	0	4,366,667	-	-	0
6	Residence Inn	1,000,000	0	0	0	0	0	0
Renovation Projects Total		56,416,667	67,923,255	2,530,142	49,121,101	0	13,036,104	5,766,050
Total Development and Renovation Projects		\$563,319,628	\$312,454,067	\$38,419,318	\$160,847,387	\$26,583,927	\$119,256,703	\$5,766,050

Source: Data provided by the Office of Supportive Housing.

^a The developers for Hillview Court received a bridge loan of \$25 million from the Program that is to be repaid to the Program. The bridge loan amount is included in the expenditures, but is not included in the Total Program Funds Committed.

2.3 – Measure A Leveraging Ratio

2.3.1 – Average vs. Median Leveraging Ratios

Exhibit 4 below provides the average vs. median leveraging ratios for the third quarter of FY 2021-22. During the quarter, the Program added five development projects and one renovation project with an estimated total development cost totaling \$618.02 million and 758 units, increased the committed program funds by \$200,000 for one project, and shifted committed program funds to non-Measure A funding for \$6.6 million for one project. These changes increased the average leveraging ratios from the second quarter of FY 2021-22.

Average Leveraging Ratio - Based on the financial projections for the housing projects, it is estimated that in the third quarter of FY 2021-22 for every one dollar invested by the Measure A Program, the Program incentivized 4.26, on average, from outside investments (non-Measure A Funding)⁵ into affordable housing projects.

Median Leveraging Ratio - Based on the financial projections for the housing projects, it is estimated that in the third quarter of FY 2021-22 for every one dollar invested by the Measure A Program, the Program incentivized 3.69, per the median, from outside investments (non-Measure A Funding)⁵ into affordable housing projects.

The average of a set of numbers is the total of those numbers divided by the number of items in that set. The median of a set of numbers is the middle number, where half the numbers are lower and half the numbers are higher. The median and average might be close, but they could also be significantly different, depending upon outliers (data points that may have wide variances [differences] between the low and high points).

The County's *Supportive Housing Development Program Guidelines*, version 5 (approved by the Board of Supervisors on August 13, 2019), requires that Program applicants must propose the maximum use of available non-local funds to achieve the highest reasonable financial leverage of capital resources. Measure A funds must be leveraged at a 1:3 ratio, which is, for every one dollar invested by the Measure A Program, there are three dollars available from non-Measure A funds. For purposes of the Measure A leveraging requirements, local funds will be considered non-Measure A funds.

Exhibit 4

Estimated Ratio of Outside Investments					
Quarter FY 2021-22	Estimated Total Development Cost	Committed Program Funding To-Date	Non-Measure A Funding ⁵	Measure A Leveraging Ratio	
				Average	Median
Q3	\$ 2,963,093,579	\$ 563,319,628	\$ 2,399,773,951	4.26	3.69
Q2	\$ 2,345,075,947	\$ 520,819,628	\$ 1,824,256,319	3.50	3.49
Q1	\$ 2,329,526,832	\$ 520,819,628	\$ 1,808,707,204	3.47	3.49

Source: Data provided by the Office of Supportive Housing.

⁵ Non-Measure A Funding includes other County funds, such as No Place Like Home funds, as well as funds from cities, the State, Federal Government and non-public entities.

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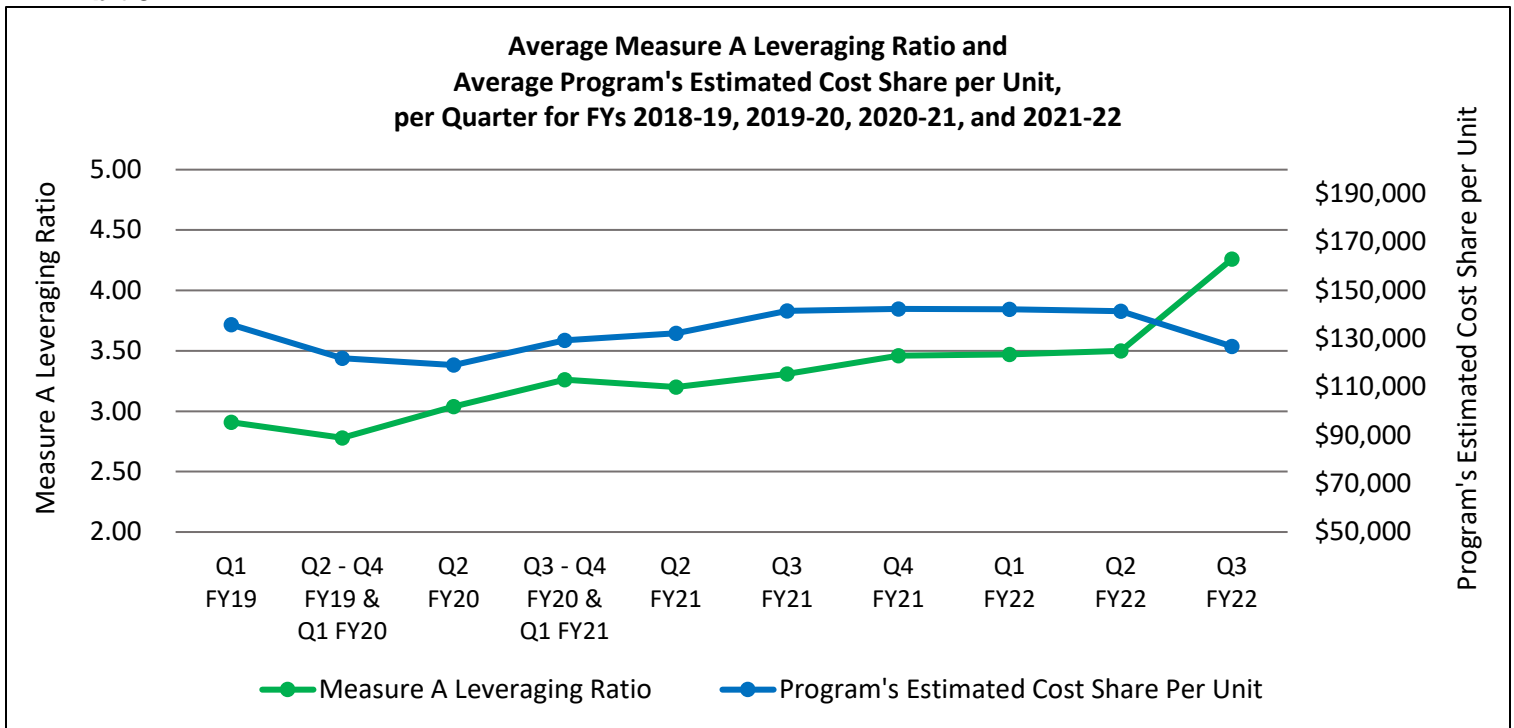
2.3.2 – Leveraging Ratio vs. Program's Estimated Cost Share per Unit

Exhibit 5 below compares the average Measure A leveraging ratio and the average for the Program's estimated cost share per unit (from Exhibit 2) for all development and renovation projects from the beginning of FY 2018-19 through the third quarter of FY 2021-22. For the third quarter of FY 2021-22, the average Measure A Leverage Ratio increased and the Program's estimated cost share per unit decreased due to the Program adding five development projects and one renovation project, increasing the committed program funds for one project, and shifting the committed program funds to non-Measure A funds for one project.

For the second quarter of FY 2021-22, the average Measure A Leverage Ratio increased and the Program's estimated cost share per unit decreased due to the Program increasing the estimated total development cost and the number of units of one development project, The Charles. For the first quarter of FY 2021-22, the average Measure A Leverage Ratio increased and the Program's estimated cost share per unit decreased due to the Program adding one development project. For the fourth quarter of FY 2020-21, the two averages increased due to the adjusting of the Program committed funding for one development project, adjusting the estimated total development costs for fifteen development projects, and adding two units to one development project. For the third quarter of FY 2020-21, the two averages increased due to the Program adding five development projects and adjusting the estimated total development costs and/or the number of units for seven development projects. For the second quarter of FY 2020-21, the average Measure A Leverage Ratio decreased and the Program's estimated cost share per unit increased due to adding two new renovation projects – Hillview Court and Casa de Novo. The two averages held steady from third quarter FY 2019-20 through the first quarter of FY 2020-21 as no new housing projects were added to the Program.

The averages will continue to fluctuate each quarter as new housing projects are added, estimated costs and Program committed funding are adjusted and finalized when projects are completed, and the number of units change.

Exhibit 5



Source: Data provided by the Office of Supportive Housing.

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2.3.3 – Measure A Leveraging Ratio By Project

For the 41 development and renovation projects in the Program, the Measure A Leveraging Ratio ranged from a high of 86.34 for Residence Inn, which leveraged significant outside funding, to a low of 0.0031 for Curtner Studios, where nearly all funding came from the Program.

Exhibit 6⁶

Estimated Ratio of Outside Investments per Housing Project as of March 31, 2022					
#	Project Name	Estimated Total Development Cost	Committed Program Funding To-Date	Non-Measure A Funding ^a	Measure A Leveraging Ratio ^b
Development Projects					
1	Gateway Senior Apartments	\$ 34,972,249	\$ 7,500,000	\$ 27,472,249	3.66
2	Crossings on Monterey	26,056,436	5,800,000	20,256,436	3.49
3	Leigh Avenue Senior Apartments	50,348,927	13,500,000	36,848,927	2.73
4	Villas on the Park	41,955,319	7,200,000	34,755,319	4.83
5	The Veranda	11,937,416	1,000,000	10,937,416	10.94
6	Quetzal Gardens	63,630,448	9,830,000	53,800,448	5.47
7	Sango Court	72,488,258	16,000,000	56,488,258	3.53
8	Iamesi Village (formerly North San Pedro Apartments)	69,418,863	10,327,100	59,091,763	5.72
9	Calabazas (formerly Corvin) Apartments	104,480,486	29,000,000	75,480,486	2.60
10	Page Street Apartments	55,178,667	14,000,000	41,178,667	2.94
11	Agrihood Senior Apartments	83,273,350	23,550,000	59,723,350	2.54
12	Mariposa Place (formerly West San Carlos Housing)	51,687,253	9,300,000	42,387,253	4.56
13	Blossom Hill Housing	79,676,906	19,100,000	60,576,906	3.17
14	Vela Apartments (formerly Alum Rock Family Housing)	61,433,464	15,650,000	45,783,464	2.93
15	Roosevelt Park	69,658,643	14,400,000	55,258,643	3.84
16	Auzerais Apartments	92,062,481	13,200,000	78,862,481	5.97
17	Gallup & Mesa	33,741,318	2,600,000	31,141,318	11.98

⁶ Project names colored grey indicate projects completed.

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Estimated Ratio of Outside Investments per Housing Project as of March 31, 2022					
#	Project Name	Estimated Total Development Cost	Committed Program Funding To-Date	Non-Measure A Funding ^a	Measure A Leveraging Ratio ^b
18	Vilas at 4 th St (formerly 4th and E. Younger Apartments)	46,811,323	7,500,000	39,311,323	5.24
19	Immanuel-Sobrato (formerly Moorpark) Apartments	73,548,992	16,654,646	56,894,346	3.42
20	Vitalia (formerly Bascom) Apartments	64,054,314	15,800,000	48,254,314	3.05
21	Kifer Senior Apartments	59,016,497	7,400,000	51,616,497	6.98
22	La Avenida Apartments	78,077,678	19,000,000	59,077,678	3.11
23	Algarve Apartments	64,635,282	11,500,000	53,135,282	4.62
24	Gateway Tower	243,010,413	53,000,000	190,010,413	3.59
25	Alum Rock Multifamily	47,804,774	11,600,000	36,204,774	3.12
26	Dupont Family Apartments	135,698,724	7,000,000	128,698,724	18.39
27	Sunol-West San Carlos	139,383,616	29,720,215	109,663,401	3.69
28	Tamien Station TOD	100,867,325	25,000,000	75,867,325	3.03
29	The Charles	78,729,074	12,480,000	66,249,074	5.31
30	Royal Oak Village	49,438,333	9,891,000	39,547,333	4.00
31	McEvoy Apartments	134,939,435	23,500,000	111,439,435	4.74
32	Orchard Gardens	107,210,734	13,850,000	93,360,734	6.74
33	Bellarmino Place	96,736,665	5,750,000	90,986,665	15.82
34	Hawthorn Senior Apartments	76,107,250	15,550,000	60,557,250	3.89
35	Lot 12	115,683,548	9,750,000	105,933,548	10.86
Development Projects Total		2,713,754,460	506,902,961	2,206,851,499	
Renovation Projects					
1	Markham I	26,809,742	7,000,000	19,809,742	2.83
2	Markham II	26,593,698	7,200,000	19,393,698	2.69
3	Curtner Studios	14,995,679	14,950,000	45,679	<0.01
4	Hillview Court	80,300,000	21,900,000	58,400,000	2.67

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Estimated Ratio of Outside Investments per Housing Project as of March 31, 2022					
#	Project Name	Estimated Total Development Cost	Committed Program Funding To-Date	Non-Measure A Funding ^a	Measure A Leveraging Ratio ^b
5	Casa de Novo	13,300,000	4,366,667	8,933,333	2.05
6	Residence Inn	87,340,000	1,000,000	86,340,000	86.34
Renovation Projects Total		249,339,119	56,416,667	192,922,452	
Total Development and Renovation Projects		\$ 2,963,093,579	\$ 563,319,628	\$ 2,399,773,951	4.26

Source: Data provided by the Office of Supportive Housing.

^a Non-Measure A Funding includes other County funds, such as No Place Like Home funds, as well as funds from cities, the State, Federal Government and non-public entities.

^b The Measure A Leveraging Ratio is calculated by dividing "Non-Measure A Funding" by "Committed Program Funding." It is important to note that the Measure A Leveraging Ratios are based on projections and are likely to change over time as more housing projects are added to the Program and as individual projects are completed and actual costs are finalized.

2.4 – Housing Development Units

2.4.1 – Housing Types

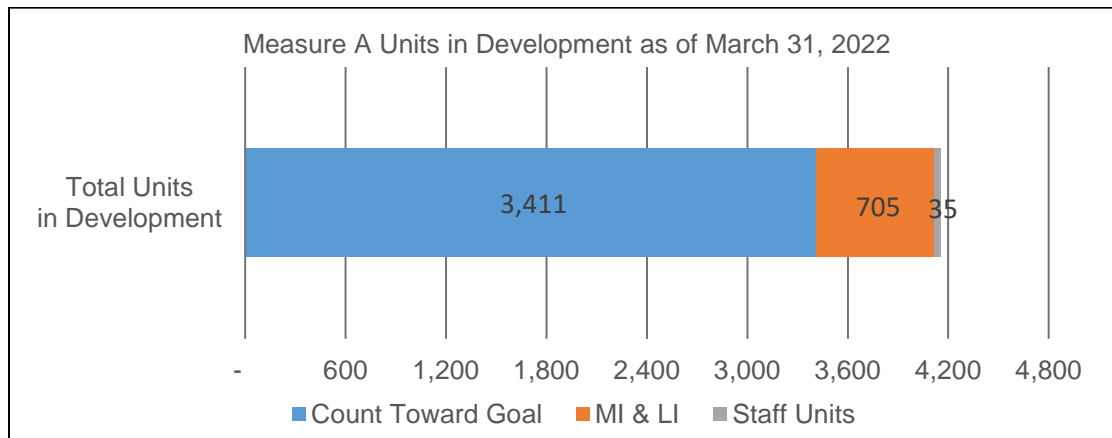
The following six types of housing are being developed by the Program's development and renovation projects. The *Measure A Program Guidelines* includes development goals for four of the six housing types, which are listed below. Goals are not included in the guidelines for low income and moderate income.

- Permanent Supportive Housing (PSH): Housing units that provide long-term rental assistance, case management, and supportive services to the most vulnerable chronically homeless individuals and families. Goal is 1,800 units.
- Rapid Rehousing (RRH): Housing units offered to individuals and families to transition from homelessness to permanent housing through time-limited support services such as rental and financial assistance, case management, and other support services. Goal is 1,600 units.
- Extremely Low-Income (ELI): Housing units offered at rental rates below market value to households making up to 30 percent of the area median income (AMI). Goal is 800 units.
- Very Low-Income (VLI): Housing units offered at rental rates below market value to households making 31 to 50 percent of the AMI. Goal is 600 units.
- Low Income (LI): Housing units offered at rental rates below market value to households making 51 to 80 percent of the AMI. The *Measure A Program Guidelines* do not include a development goal for LI.
- Moderate Income (MI): Housing units offered at rental rates below market value to households making between 81 percent and 120 percent of the AMI. The *Measure A Program Guidelines* do not include a development goal for MI.

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2.4.2 – Total Housing Development Units

The Program's current funding commitment will result in developing a total of 4,171 units as of March 31, 2022. 3,411 units (71.06 percent) have housing types that count towards the Program's development goal of 4,800 units. An additional 760 units (705 low and moderate income units, and 55 staff units⁷) are in development but do not count towards the Program's development goal of 4,800.



Source: Data provided by the Office of Supportive Housing.

2.4.3 – Housing Development Goals

As of March 31, 2022, the Program's current funding commitment will assist in developing 71.06 percent of development and renovation units (3,411) per the Program's goal (4,800). As of March 31, 2022, each housing type had the following development commitments:

- 88.33 percent of the goal for PSH units,
- 30.75 percent of the goal for RRH units,
- 78.50 percent of the goal for ELI housing units, and
- 116.83 percent of the goal for VLI housing units.

There are also 630 units of LI housing and 80 units of MI housing that are currently planned for development or being built. The Program Guidelines do not stipulate a development goal for those types of housing.

Exhibit 7 below and on the following pages outlines, by project, the number of units being built by the Program by the six housing types. Exhibit 7 also includes at the end of the table the Program's development goals for each housing type as listed in the *Measure A Program Guidelines*.

The Program's units and percentages increased during the third quarter of FY 2021-22 due to the Program adding six development and renovation projects. In addition, the types of housing units changed for eight development projects.

⁷ Staff units are units that staff of the property management company occupy in exchange for managing the property.

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Exhibit 7⁸

Housing Development Goals vs Units Under Development as of March 31, 2022								
#	Project Name	No. of Units ^a	PSH	RRH	ELI	VLI	LI ^b	MI ^b
Development Projects								
1	Gateway Senior Apartments	75	37	0	0	7	30	0
2	Crossings on Monterey	39	20	0	0	11	7	0
3	Leigh Avenue Senior Apartments	64	63	0	0	0	0	0
4	Villas on the Park	84	83	0	0	0	0	0
5	The Veranda	19	6	0	6	6	0	0
6	Quetzal Gardens	71	28	0	19	0	23	0
7	Sango Court	102	47	0	30	16	8	0
8	Iamesi Village (formerly North San Pedro Apartments)	135	109	0	0	25	0	0
9	Calabazas (formerly Corvin) Apartments	145	80	0	0	50	14	0
10	Page Street Apartments	82	27	0	27	27	0	0
11	Agrihood Senior Apartments	165	54	0	54	0	55	0
12	Mariposa Place (formerly West San Carlos Housing)	80	0	40	0	20	19	0
13	Blossom Hill Housing	147	49	0	48	48	0	0
14	Vela Apartments (formerly Alum Rock Family Housing)	87	29	14	8	18	16	0
15	Roosevelt Park	80	0	40	0	20	19	0
16	Auzerais Apartments	130	64	0	0	43	21	0
17	Gallup & Mesa	46	23	0	2	15	5	0
18	Villas at 4 th St (formerly 4th and E. Younger Apartments)	94	93	0	0	0	0	0
19	Immanuel-Sobrato (formerly Moorpark) Apartments	108	106	0	0	0	0	0
20	Vitalia (formerly Bascom) Apartments	79	16	23	0	4	34	0
21	Kifer Senior Apartments	80	47	0	15	17	0	0
22	La Avenida Apartments	100	32	0	18	39	9	0
23	Algarve Apartments	91	46	0	0	44	0	0

⁸ Project names colored grey indicate projects completed.

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Housing Development Goals vs Units Under Development as of March 31, 2022								
#	Project Name	No. of Units ^a	PSH	RRH	ELI	VLI	LI ^b	MI ^b
24	Gateway Tower	300	55	18	73	19	53	80
25	Alum Rock Multifamily	60	0	30	0	29	0	0
26	Dupont Family Apartments	141	20	20	53	0	46	0
27	Sunol-West San Carlos	154	0	51	51	0	51	0
28	Tamien Station TOD	135	0	67	0	0	67	0
29	The Charles	99	0	49	0	48	0	0
30	Royal Oak Village	73	0	18	30	24	0	0
31	McEvoy Apartments	224	20	56	56	0	90	0
32	Orchard Gardens	93	14	31	12	25	9	0
33	Bellarmino Place	116	24	0	29	52	10	0
34	Hawthorn Senior Apartments	103	20	0	27	54	0	0
35	Lot 12	120	0	20	20	40	39	0
Development Projects Total		3,721	1,212	477	578	701	625	80
Renovation Projects								
1	Markham I	153 ^c	50	0	0	0	0	0
2	Markham II	152 ^c	50	0	0	0	0	0
3	Curtner Studios	179 ^c	111	0	0	0	0	0
4	Hillview Court	134	132	0	0	0	0	0
5	Casa de Novo	TBD	TBD	TBD	TBD	TBD	TBD	TBD
6	Residence Inn	102	35	15	50	0	0	0
Renovation Projects Total		720	378	15	50	0	0	0
Program Totals Development and Renovation Projects^d		3,411	1,590	492	628	701	625	80
Program Goals		4,800	1,800	1,600	800	600	N/A	N/A
Percentage of Units for Development and Renovation Projects		71.06%	88.33%	30.75%	78.50%	116.83%	N/A	N/A

Source: Data provided by the Office of Supportive Housing.

^{*} TBD = To be determined. N/A = not applicable.

^a The number of units includes units dedicated for property managers for each project.

^b Amounts are only included for tracking purposes since the *Measure A Program Guidelines* do not stipulate a development goal for LI or MI units.

^c These projects contain ELI and VLI units that are going to be renovated with Measure A funds. As these units are pre-existing units, they are not counted toward the housing development goals. However, pre-existing conversions to new PSH and RRH are counted towards the housing development goals identified above.

^d Total number of units excludes the LI units (625 units) and MI units (80 units) since the Program Guidelines do not stipulate a development goal for LI or MI units. The total number of units also excludes the property manager units (55 units) and the pre-existing units that were inherited with the Markham I (102 units), Markham II (101 units), and Curtner Studios (67 units) projects.

2.5 – Housing Development Milestones

Exhibit 8 on the following pages shows the key development milestones for development and renovation projects as of March 31, 2022, and presents the initial or revised projected dates and the actual dates of achieving each milestone. The colors in the actual columns indicate the timeliness of the actual milestone dates compared to the projected dates. Green indicates the actual milestone was on time or early; yellow indicates that it occurred within 6 months of the projected date; and red indicates that it occurred six months or more after the projected date.

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Exhibit 8⁹

Development Timeline: Projected vs. Actual Milestones as of March 31, 2022											
#	Project Name	Land Use Approval		Securing All Financing		Construction Starts		Construction Completion		100% Occupancy	
		Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
Development Projects											
1	Gateway Senior Apartments	4/2016	4/2016	11/2017	11/2017	4/2018	9/2018	5/2020*	5/2020	7/2020*	7/2020
2	Crossings on Monterey	1/2016	2/2018	6/2018	5/2018	10/2018	10/2018	10/2019	1/2020	1/2020	1/2020
3	Leigh Avenue Senior Apartments	7/2009	7/2009	5/2018	5/2018	8/2018	2/2019	5/2021*	4/2021	7/2021*	7/2021
4	Villas on the Park	11/2016	11/2016	11/2017	11/2017	3/2018	3/2018	4/2019	10/2019	10/2019*	3/2020
5	The Veranda	6/2017	6/2017	11/2017	12/2017	3/2018	5/2018	4/2019	5/2019	6/2019	6/2019
6	Quetzal Gardens	6/2017	6/2017	12/2018	7/2019	1/2019	1/2020	10/2021*	12/2021	1/2022*	2/2022
7	Sango Court	7/2018	6/2018	8/2021*	8/2021	1/2022*	2/2022	5/2023*		8/2023*	
8	Iamesi Village (formerly North San Pedro Apartments)	12/2011	12/2011	9/2018	9/2018	11/2018	3/2019	2/2022*	2/2022	5/2022*	
9	Calabazas (formerly Corvin) Apartments	11/2018	1/2019	5/2019	6/2019	9/2019	1/2020	11/2021*	11/2021	3/2022*	3/2022
10	Page Street Apartments	9/2018	12/2018	4/2020*	4/2020	11/2020*	11/2020	9/2022*		2/2023*	
11	Agrihood Senior Apartments	1/2019	1/2019	9/2020*	9/2020	6/2021*	6/2021	11/2023*		5/2024*	
12	Mariposa Place (formerly West San Carlos Housing)	12/2018	12/2019	8/2021*	8/2021	1/2022*	1/2022	4/2024*		9/2023*	
13	Blossom Hill Housing	4/2019	12/2019	5/2021*	6/2021	6/2021*	6/2021	3/2023*		1/2024*	

⁹ Project names colored grey indicate projects completed.

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Development Timeline: Projected vs. Actual Milestones as of March 31, 2022											
#	Project Name	Land Use Approval		Securing All Financing		Construction Starts		Construction Completion		100% Occupancy	
		Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
14	Vela Apartments (formerly Alum Rock Family Housing)	4/2019	1/2020	4/2020*	4/2020	11/2020*	12/2020	7/2022*		7/2023*	
15	Roosevelt Park	2/2019	2/2019	2/2022*	2/2022	7/2022*		4/2024*		7/2024*	
16	Auzerais Apartments	N/A	6/2018	4/2021*	4/2021	10/2021*	10/2021	12/2024*		4/2025*	
17	Gallup & Mesa	11/2019	5/2020	12/2020*	12/2020	4/2021*	4/2021	9/2022*		6/2023*	
18	Villas at 4 th St (formerly 4th and E. Younger Apartments)	6/2020	6/2020	3/2021	4/2021	4/2021	4/20/21	10/2022*		4/2023*	
19	Immanuel-Sobrato (formerly Moorpark) Apartments	7/2020	8/2020	4/2021	6/2021	7/2021*	7/2021	3/2023*		9/2023*	
20	Vitalia (formerly Bascom) Apartments	2/2021*	2/2021	8/2021*	8/2021	1/2022*	1/2022	8/2023*		10/2023*	
21	Kifer Senior Apartments	8/2021*	3/2021	12/2021*	12/2021	6/2022*		6/2024*		8/2024*	
22	La Avenida Apartments	7/2021*	7/2021	6/2022*		12/2022*		6/2024*		9/2024*	
23	Algarve Apartments	10/2020*	10/2020	12/2021*	12/2021	6/2022*		5/2024*		5/2024*	
24	Gateway Tower		12/2016	12/2023*		1/2023*		10/2024		1/2025	
25	Alum Rock Multifamily	8/2021*	9/2021	9/2022*		11/2022		5/2024		9/2024	
26	Dupont Family Apartments		2/2020	12/2022*		1/2023*		11/2024*		5/2025*	
27	Sunol-West San Carlos Apartments	6/2021	8/2021	9/2022*		12/2022*		10/2024		12/2024	
28	Tamien Station TOD		12/2020	9/2022*		12/2022*		4/2024		7/2024	
29	The Charles	6/2021	10/2021	9/2022*		11/2022		11/2024*		7/2025*	
30	Royal Oak Village		8/2021	12/2021	12/2021	6/2022*	6/2022	12/2024*		3/2025*	
31	McEvoy Apartments		2/2020	5/2022		6/2022		3/2024		9/2024	

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Development Timeline: Projected vs. Actual Milestones as of March 31, 2022											
#	Project Name	Land Use Approval		Securing All Financing		Construction Starts		Construction Completion		100% Occupancy	
		Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual	Projected	Actual
32	Orchard Gardens		11/2021	4/2023		4/2023		5/2025		8/2025	
33	Bellarmino Place		12/2020	12/2022		12/2022		7/2024		9/2024	
34	Hawthorn Senior Apartments	6/2022		1/2024		1/2024		6/2025		7/2025	
35	Lot 12	3/2022		9/2023		9/2023		9/2025		3/2026	
Renovation Projects											
1	Markham I ^a	N/A	N/A	5/2019	5/2019	11/2019*	11/2019	12/2020	12/2020	12/2020	12/2020
2	Markham II ^a	N/A	N/A	12/2020*	12/2020	5/2021*	5/2021	8/2022*		9/2022*	
3	Curtner Studios	2/2019	2/2019	3/2019	3/2020	9/2019	3/2020	10/2021*	10/2021	1/2022*	
4	Hillview Court		8//2020		12/2020		12/2020	5/2022*		5/2022*	
5	Casa de Novo ^b										
6	Residence Inn	3/2022		4/2022		7/2022		4/2023		7/2023	

Source: Data provided by the Office of Supportive Housing.

Green indicates the actual date of the action occurred ahead of or on schedule with the revised projected date.

Yellow indicates the actual date of the action occurred later than the revised projected date, but within six months of the revised projected date; or no action has occurred within six months of the revised projected date.

Red indicates the actual date of the action occurred more than six months after the revised projected date; or no action has occurred more than six months after the original projected date.

* Original project dates were revised.

^a These projects have previously been constructed and the Program's commitment is to preserve and renovate the existing ELI housing, which will also result in new PSH units.

^b The property is currently operating the 54-room motel as permanent supportive housing and interim housing until approximately July 2022, when the buildings will be demolished and the site redeveloped as affordable housing. Therefore, milestone dates are not applicable.

2.5.1 – Significant Activities by Development and Renovation Projects

The following milestones were achieved during the third quarter of FY 2021-22 (January 1, 2022 through March 31, 2022):

- One project completed construction (Iamesi Village);
- Three projects started construction (Sango Court, Mariposa Place and Vitalia);
- One project secured all financing (Roosevelt Park); and
- Six projects were added.

While it is taking longer than originally planned for development and renovation projects to be completed, all of the development and renovation projects continue to move forward. Below are highlights of significant activity by project as of March 31, 2022, and as illustrated in Exhibit 8 on the previous pages. Statements in bold are new to the report.¹⁰ For activity occurring after March 31, 2022, see the [County OSH website](#).

- Quetzal Gardens
 - **100% occupancy as of February 2022.**
- Sango Court
 - Missed its initial goal to begin construction by March 2019, but **started in February 2022. Estimated completion is May 2023.**
- Iamesi Village (formerly North San Pedro Apartments)
 - Missed its initial goal to complete construction by July 2020, but **completed in February 2022.**
 - Lease up activities are underway with a target date of May 2022 for 100% occupancy.
- Calabazas (formerly Corvin) Apartments
 - 100% occupancy as of March 2022.
- Page Street Apartments
 - Missed its initial goal to complete construction by March 2021. The revised target date is September 2022.
- Agrihood Senior Apartments
 - **Missed its initial goal to complete construction by January 2022. The revised target date is November 2023.**
- Mariposa Place (formerly West San Carlos Housing)
 - **Missed its initial goal to begin construction by January 2020, but started January 2022.**
 - **Missed its initial goal to complete construction by January 2022. The revised target date is April 2024.**
- Blossom Hill Housing
 - Missed its initial goal to complete construction by September 2021. The revised target date is March 2023.
- Vela Apartments (formerly Alum Rock Family Housing)
 - Missed its initial goal to complete construction by August 2021. The revised target date is July 2022.
- Roosevelt Park
 - **Missed its initial goal to secure all financing by March 2020, but secured in February 2022.**
 - **Missed its initial goal to start construction by May 2020. The revised target date is July 2022.**

¹⁰ Project status information provided by the Office of Supportive Housing.

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- Auzerais Apartments
 - Missed its initial goal to begin construction by December 2020, but began construction in October 2021. The construction completion target date is December 2024.
- Gallup and Mesa
 - Missed its initial goal to begin construction in October 2020, but started construction in April 2021.
 - The construction completion target date is September 2022.
- Villas at 4th St (formerly 4th & E Younger Apartments)
 - Missed its initial goal to start construction by March 2021, but started in April 2021 with a target completion date of October 2022.
- Immanuel-Sobrato (formerly Moorpark) Apartments
 - Missed its initial goal to start construction by June 2021, but started in July 2021 with a target completion of March 2023.
- Vitalia (formerly Bascom) Apartments
 - **Missed its initial goal to start construction by May 2021, but started in January 2022 with a target completion date of August 2023.**
- Kifer Senior Apartments
 - Missed its initial goal to secure all financing by June 2021, but received in December 2021 with the awarding of a 4 percent tax credit.
 - Missed its initial goal to start construction by June 2021. The revised target date is June 2022.
- La Avenida Apartments
 - Missed its initial goal to secure all financing by July 2021. The revised target date is September 2022.
 - **Submitted financing application for a 4 percent tax credit in March 2022, with an anticipated award date in June 2022.**
- Algarve Apartments
 - Missed its initial goal to secure all financing by October 2020, but received in December 2021 with the awarding of a 4 percent tax credit.
 - Missed its initial goal to start construction by November 2020. The revised target date is June 2022.
- Gateway Tower
 - Missed its initial goal to secure all financing by September 2021. The revised target date is December 2023.
- Alum Rock Multifamily
 - Missed its initial goal to obtain land use approval by August 2021, but received in September 2021.
 - **Anticipates applying for a 9 percent tax credit in June 2022. The revised target date to secure all financing in September 2022.**
- Dupont Family Housing
 - **Missed its initial goal to secure all financing by December 2021. The revised target date is December 2022. Anticipates applying for a 4 percent tax credit in September 2022**
- Sunol-West San Carlos Apartments
 - **Missed its initial goal to secure all financing by December 2021. The revised target date is September 2022. Anticipates applying for a 4 percent tax credit in July 2022.**
- The Charles
 - Missed its initial goal to obtain land use approval by June 2021, but received in October 2021.
 - **Anticipates applying for a 4 percent tax credit in July 2022.**
- Royal Oak Village
 - Submitted a financing application for a 4 percent tax credit in September 2021, with anticipated award date in December 2021. Target date to secure all financing and start construction is June 2022.

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- Markham II
 - Missed its initial goal to begin construction by September 2019, but started construction in May 2021.
 - Missed its initial goal to complete construction by October 2020. The revised target date is August 2022.
- Curtner Studios
 - Completed construction in October 2021.
 - Lease up activities are underway with a target date of May 2022 for 100% occupancy.
- Hillview Court
 - The project achieved its Homekey goal of occupying 50% of the units in February 2021.
 - **Missed its initial goal to complete construction of the second rehabilitation phase by December 2021. The revised target date is May 2022.**

SECTION 3 – PROPERTIES AND PARTNERSHIPS

3.1 – Properties' Financial Data

Starting in FY 2019-20, in response to concerns of the Committee and at the direction of the Board of Supervisors, the Program began the strategy of purchasing property and re-purposing County-owned property to use for future development of affordable housing. Acquiring property in advance is a promising strategy to reduce the Program's future cost share per unit for these developments. During the third quarter of FY 2021-22, the Program did not add any properties, but shifted \$8 million in total from committed program funds to non-Measure A funding for 330 Distel Circle and The Hub. As presented in Exhibit 9 below, the Program had committed \$146.93 million of Program funds to-date and expended \$96.10 million on 20 properties as of March 31, 2022.

The Program expects to develop each property with affordable housing within five years of the property's acquisition date. Until a development plan has been approved by the Board of Supervisors, the estimated total cost, additional committed program funding to develop the properties into affordable housing, and the number of units will be unknown. The Program estimates a total of 600 – 700 units will developed on the following properties. Developers have been selected for nine of the properties as noted in Exhibit 9 below.

Exhibit 9

Properties' Financial Data as of March 31, 2022 (Unaudited)					
#	Project Name	Program Funds Committed To-Date	Total Program Funds Expended To-Date	Program Funds Expended During Q3	Developer Selected
1	Western Motel ^a (Santa Clara)	\$ 9,000,000	\$ 9,000,000	\$ 0	Yes
2	3071 Driftwood Drive ^b (San Jose)	830,000	760,699	0	Yes
3	62 Ferrari Avenue ^c (San Jose)	763,406	760,000	0	
4	92 Ferrari Avenue ^c (San Jose)	763,406	760,000	0	
5	98 Ferrari Avenue ^c (San Jose)	763,406	760,000	0	
6	110 Ferrari Avenue ^c (San Jose)	763,406	760,000	0	
7	120 Ferrari Avenue ^c (San Jose)	743,316	740,000	0	
8	Atlanta Avenue & Hull Avenue ^d (San Jose)	1,305,826	1,300,000	0	
9	Clayton Avenue ^d (San Jose)	592,644	590,000	0	
10	Almaden Road ^d (San Jose)	9,994,590	9,950,000	0	
11	330 Distel Circle ^e (Los Altos)	11,031,600	500,000	0	Yes
12	3075 Driftwood Drive ^f (San Jose)	2,199,800	2,001,314	0	Yes
13	10591 N. De Anza Blvd ^g (Cupertino)	8,300,000	6,901,228	15,785	
14	The Hub, 1540 Parkmoor Ave ^h (San Jose)	12,000,000	0	0	Yes
15	2001 The Alameda ⁱ (San Jose)	14,862,500	14,869,588	0	Yes
16	1870 & 1888 Senter Road ^j (San Jose)	28,040,000	27,995,967	0	

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Properties' Financial Data as of March 31, 2022 (Unaudited)					
#	Project Name	Program Funds Committed To-Date	Total Program Funds Expended To-Date	Program Funds Expended During Q3	Developer Selected
17	1390 S Winchester Blvd. ^k (San Jose)	4,440,000	4,402,090	0	Yes
18	3550 El Camino Real ^l (Santa Clara)	14,040,000	14,002,778	14,002,778	Yes
19	901 and 903 E El Camino Real ^m (Mountain View)	7,000,000	62,966	4,000	
20	East Santa Clara Street Site ⁿ (San Jose)	19,500,000	0	0	Yes
Properties Total		\$ 146,933,900	\$ 96,116,629	\$ 14,022,562	

Source: Data provided by the Office of Supportive Housing.

- ^a The County acquired property that is currently developed with a single-story 31-room motel building totaling 12,150 square feet. The intent of the Program acquiring the property is to work with a development corporation to redevelop the property for affordable housing to provide between 35 and 65 units.
- ^b The County acquired property that is currently developed with a single-tenant office building with a gross and rentable area of 4,259 square feet. The property was the former fire department headquarters and has been vacant since 2014. The intent of the Program acquiring the property is to demolish the building and develop affordable housing.
- ^c The County transferred property it owns from the Roads and Airports Department. The property is currently developed with a single family home, which the Program would preserve and offer as affordable housing.
- ^d The County transferred property it owns from the Roads and Airports Department. The property is currently vacant and zoned for residential use. The intent of transferring the property is for the Program to develop affordable housing.
- ^e The County acquired property that is currently developed with a 12,204 square foot building with a single tenant. The intent of the Program acquiring the property is to develop affordable housing.
- ^f The County acquired property that is currently developed with a vacant one-story retail building containing 2,600 square feet. The intent of the Program acquiring the property is to hold the property in its vacant condition for two to three years in connection with a potential assemblage of the 3071 Driftwood Drive property and the 1390 S Winchester Blvd property (owned by Charities Housing Development Corporation) for development as affordable housing in the future.
- ^g The County acquired property that is currently developed with a single-story commercial building including 13,300 square feet of space formerly occupied by the Outback Steakhouse. The intent of the Program acquiring the property is to hold the property in its vacant condition and work with a developer in the County's Developer Qualified Pool to explore options for the development of the site.
- ^h In August 2017, the County used non-Measure A funds to acquire the property at 1540 Parkmoor Ave. to be part of the Hub, the Social Services Agency program that serves current and former foster youth. In December 2019, the Board directed the County to proceed with exploring a affordable and supportive housing option for the property. In March 2021, the Program selected a developer proposal for the property and the Board approved delegation of authority to execute a development agreement on May 25, 2021.
- ⁱ The County acquired property that is currently developed with a 26,341 square foot class C office and 137 parking spaces. The intent of the Program acquiring the property is to redevelop the property for affordable housing. The property is located in the Alameda (West) Urban Village, an area slated for growth in the City of San Jose's Horizon 3 timeframe under the Envision San Jose 2040 General Plan.
- ^j The County acquired property that is currently developed with a 35,343 square foot single story office building on 3.04 acres, a 26,546 square foot single story office building on 1.93 acres, and a vacant 1.16 acre parcel. The intent of the Program acquiring the property is to work with a developer in the County's Developer Qualified Pool to explore options for the development of the site.
- ^k The County acquired this property with the intent to assemble it with the properties of 3071 Driftwood Drive and 3075 Driftwood Drive to develop affordable housing.
- ^l The County acquired property that is currently developed with the Bella Vista Hotel, consisting of approximately 1.12 acres of land and a hotel with 67 total rooms and 61 parking spaces. The intent of the Program acquiring the property is to use it for interim housing for people experiencing homelessness or who are at risk of experiencing homelessness and then work with a development corporation to redevelop the property for affordable housing.
- ^m The County acquired property that is currently developed with the Crestview Hotel, consisting of 66 total rooms and 79 parking spaces. The intent of the Program acquiring the property is to rehabilitate it into a site suitable for families and youth experiencing homelessness or who are at risk of experiencing homelessness and then work with a development corporation to redevelop the property for affordable housing.
- ⁿ The County used non-Measure A funds to acquire the property that is approximately comprised of seven acres bounded by East Santa Clara Street, East St. John Street, N. Seventeenth Street, and a vacated portion of N. Fifteenth Street in San José. The intent of the Program acquiring the property is to work with a development corporation to develop multi-family affordable housing.

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3.2 – Partnership Projects' Financial Data

On November 17, 2020, the Program entered into a ten year funding agreement with the Santa Clara Valley Transportation Authority (VTA). Through the funding agreement the Program will provide funding for pre-development activities and VTA will provide staff to serve as contract administrators. In addition, VTA commits to making the four sites listed in Exhibit 10 below available for affordable and supportive housing.

As of March 31, 2022, the Program had committed \$800,000 and expended \$226,756 for the four VTA partnership projects. As presented in Exhibit 10 below, these properties are in the pre-development phase, and therefore, the estimated total cost, additional committed program funding to develop the properties into affordable housing, and the number of units are unknown as of March 31, 2022.

Exhibit 10

Partnership Projects' Financial Data as of March 31, 2022 (Unaudited)				
#	Project Name ^a	Program Funds Committed To-Date	Total Program Funds Expended To-Date	Program Funds Expended During Q3
1	VTA Berryessa BART Station	\$ 800,000	\$ 226,756	\$ 83,128
2	VTA Branham Station			
3	VTA Capitol LRT Station			
4	VTA Gilroy Transit Center			
Partnership Projects Total		\$ 800,000	\$ 226,756	\$ 83,128

Source: Data provided by the Office of Supportive Housing.

SECTION 4 – AFFORDABLE HOUSING LOAN PROGRAMS

In addition to housing developments and property acquisitions, the Program has also committed funds to the First-Time Homebuyer Assistance Program and the Housing Trust Silicon Valley – Supportive Housing Fund, which are discussed in this section.

4.1 – First-Time Homebuyer Assistance Program (Empower Homebuyers)

On June 5, 2018, the County Board of Supervisors approved \$25 million of Measure A funds to finance a new, first-time homebuyer down payment loan program. The First-Time Homebuyer Assistance Program is administered through a partnership between the County's Office of Supportive Housing and the Housing Trust Silicon Valley (HTSV) and is called Empower Homebuyers. Of the \$25 million, \$23.5 million will be used to fund loans; and \$1.5 million will be used for expenditures associated with the administration of the loan program, including program administration, outreach activities, educational workshops for first-time homebuyers, underwriting, and loan origination. The funds will assist approximately 235 households over the first five years of the program by providing deferred loans for down payments of up to 17% of a home's purchase price. The loan will be subordinate to the first mortgage. The program does not require monthly principal or interest payments. Borrowers will repay the principal loan amount plus a share of the appreciation, based on the percentage of the loan borrowed. Payments will be deferred until the earlier of the maturity date of the loan, the sale of the home, or a refinance of the first mortgage.

In accordance with the Office of Supportive Housing's agreement with HTSV for the administration of the loan program, HTSV monitors the number of applicants that apply for a Measure A funded loan. HTSV maintains statistics for six different stages of the loan process as defined below:

- Intake Applications: This is the pre-screening of applicants to determine whether applicants are eligible for the loan program (review income, confirm first-time homebuyer status, and review credit history).
- Applications: Only the applicants that make it through the pre-screening in the intake application phase are able to submit an Empower program eligibility application that includes required documentation such as a senior lender pre-approval letter by an interested applicant during a face-to-face appointment with HTSV staff.
- Pre-Approvals: Completion of underwriting and determination of program eligibility for the applicant. A program pre-approval letter will be provided to verify program eligibility that includes a 90-day expiration date. Includes a one-time underwriting review after the 90-day expiration and reissuance of the program eligibility for 90 days.
- Purchase Loan Application: Submission of the purchase loan application and accompanying purchase transaction documents after acceptance of a purchase sale agreement for selected property. Begin the preparation of program loan documents and escrow instructions. Funding and recording of purchase loan.
- Closed: Successful funding and the creation of a new loan. Recorded legal documents are received.
- Cancelled: Applicant failed to provide required documentation for the program within 30 days of submission of application.
- Withdrawn: Applicant decides to withdraw the application.
- Denied: Applicant fails to meet required eligibility requirements for the program.

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Exhibit 11 below provides an overview of the application statistics for the six stages of the loan process described above for the third quarter of FY 2021-22.

Exhibit 11

Empower Homebuyers Application Statistics By Quarter of FY 2021-22							
Quarter	Intake Applications	Applications	Pre-Approvals	Purchase Loan Application	Closed*	Cancelled/Withdrawn/Denied	Loans Purchased
Q3	283	5	3	2	1	15	0
Q2	327	16	9	2	4	6	11
Q1	424	13	4	6	5	4	0

Source: Data provided by the Office of Supportive Housing.

*There may be timing differences between when a loan is closed and when it is funded.

HTSV received their first intake applications in September 2018, and Empower Homebuyers officially launched November 20, 2018. Empower Homebuyers began funding loans in the second quarter of FY 2019-20, and to-date has purchased a total of 36 loans for \$4,135,810. Exhibit 12 below provides a summary of the funds expended for the administration of the loan program and the total program funds expended to-date. Of the \$25 million committed to Empower Homebuyers, \$5.04 million was expended to-date for the purchase of loans and administration of the loan program. During the third quarter of FY 2021-22, Empower Homebuyers expended \$929 for the administration of the loan program.

Exhibit 12

Empower Homebuyers Funds Expended By Quarter of FY 2021-22						
Administration of Program			Funding of Loans		Total Empower Funds Expended	
Quarter	Program Funds Expended During Quarter	Total Program Funds Expended to-date*	Program Funds Expended During Quarter	Total Program Funds Expended to-date*	Expended during the Quarter	Expended to-date*
Q3	\$ 929	\$ 905,230	\$ 0	\$ 4,135,810	\$929	\$ 5,041,040
Q2	\$ 98,011	\$ 904,301	\$ 1,266,500	\$ 4,135,810	\$1,364,511	\$ 5,040,111
Q1	(\$ 28,203)	\$ 806,290	\$ 0	\$ 2,869,310	(\$ 28,203)	\$ 3,675,600

Source: Data provided by the Office of Supportive Housing.

* Total program funds expended to-date from the inception of the Empower Homebuyers through the third quarter of FY 2021-22, which ended March 31, 2022.

4.2 – Housing Trust Silicon Valley (HTSV) – Supportive Housing Fund (SHF)

In June 2015, the County Board of Supervisors approved \$5 million in lending capital (“County Contribution”) to the Supportive Housing Fund (SHF) to make predevelopment loans for the creation and preservation of permanent housing with supportive services for extremely low-income individuals and families, and those with special needs. In addition, in June 2015, the County Board of Supervisors entered into a memorandum of understanding (MOU) with Housing Trust Silicon Valley (HTSV) to administer the SHF to make loans to qualified developers.

On April 11, 2017, the County Board of Supervisors entered into an amended MOU with HTSV to augment the County's contribution to the SHF by an additional \$11.9 million to make predevelopment loans in accordance with the 2016 Measure A Affordable Housing Bond. This additional contribution to SHF was initially funded through the County's general fund, with the intent to be repaid by Measure A bond funds once the bonds were issued. The 2016 Measure A Affordable Housing Bond, which was approved by the voters of Santa Clara County, authorizes the County Board of Supervisors to provide affordable housing for vulnerable populations including veterans, seniors, the disabled, low and moderate income individuals or families, foster youth, victims of abuse, the homeless, and individuals suffering from mental health or substance abuse illness.

The amended MOU stipulates that the use of the \$11.9 million funded by Measure A shall be used only for the purposes authorized by Measure A. The MOU further states that HTSV will provide the County with an annual summary report on all SHF's disbursed funds, including demographic information collected. HTSV shall also provide the County with a report showing the amount of funds expended and the status of any project required or authorized to be funded with sufficient detail that is needed for the completion of an annual report and to ensure compliance with Measure A. Upon termination of the MOU, HTSV is to return to the County and County Contributions (including Measure A contributions) funds that have never been committed to a revolving loan through the SHF to the County no later than 30 days from the date of termination, expiration, or cancellation of the MOU. After termination, expiration, or cancellation of the MOU, any loan repayments received by HTSV must continue to be used for the intent and purpose of the SHF.

The SHF is a revolving loan fund, which uses Program funds to continuously provide predevelopment loans to qualified Program housing developments. SHF provides new loans using the funds received from the repayments of its loans. As of the third quarter of FY 2021-22, no new loans had been provided or were outstanding during the quarter.

SECTION 5 – GENERAL OBLIGATION BONDS

5.1 – 2017 Series A Housing General Obligation Bonds

On November 9, 2017, the County issued the 2017 Series A Housing General Obligation Bonds in the amount of \$250 million. The total cost of the bonds is projected to be \$321.38 million, including \$71.38 million in interest. The 2017 Series A Housing General Obligation Bonds fully mature in 30 years on August 1, 2047. Exhibit 14 below details the amount of bonds issued, the cost of the bonds, total interest payable, total amount paid on the bonds through March 31, 2022, and the amount left to pay on the bonds as of March 31, 2022. Exhibit 15 details the amount of interest paid during the third quarter of FY 2021-22. Interest on the bonds is payable semi-annually on February 1st and August 1st. No principal payment was made during the quarter as the principal is payable annually on August 1st.

Exhibit 14

2017 Series A Housing General Obligation Bonds					
Quarter	Amount of Bonds Issued	Total Cost of Bonds*	Total Interest Payable on Bonds	Total Amount Paid Through end of quarter	Total Amount Left to Pay as of end of quarter
Q3	\$ 250,000,000	\$ 321,376,386	\$ 71,376,386	\$ 177,763,551	\$ 143,612,835

Source: Data provided by the County Finance Agency.

* This is the total cost of the bonds (principal and interest) over the 30 years that the bonds will be outstanding.

Exhibit 15

2017 Series A Housing General Obligation Bonds Activity Amounts Paid During the Quarter of FY 2021-22			
Quarter	Principal Paid	Interest Paid	Total Debt Service Paid
Q3	\$ 0	\$ 1,543,978	\$ 1,543,978

Source: Data provided by the County Finance Agency.

The total interest cost for the 2017 bonds issued was 3.199%. The range of interest rates is dependent upon the type and duration of the bonds. The serial bonds that mature through 2032 range from 1.65% to 3.24%. The term bonds, which are due in 2037 and 2047, have interest rates of 3.43% and 3.55%, respectively. The bonds were rated AAA and AA+, respectively, by two of the national rating agencies, Standard and Poor's (S&P) and Fitch Ratings, Inc. (Fitch).

5.2 – 2021 Series B Housing General Obligation Bonds

On July 14, 2-21, the County issued the 2021 Series B Housing General Obligation Bonds in the amount of \$350 million. The total cost of the bonds is projected to be \$422.01 million, including \$72.01 million in interest. The 2021 Series B Housing General Obligation Bonds fully mature in 26 years on August 1, 2047. Exhibit 16 below details the amount of bonds issued, the cost of the bonds, total interest payable, total amount paid on the bonds through March 31, 2022, and the amount left to pay on the bonds as of March 31, 2022. Exhibit 17 details the amount of interest paid during the third quarter of FY 2021-22. Interest on the bonds is payable semi-annually on February 1st and August 1st. No principal payment was made during the quarter as the principal is payable annually on August 1st.

Exhibit 16

2021 Series B Housing General Obligation Bonds					
Quarter	Amount of Bonds Issued	Total Cost of Bonds*	Total Interest Payable on Bonds	Total Amount Paid Through end of quarter	Total Amount Left to Pay as of end of quarter
Q3	\$ 350,000,000	\$ 422,006,152	\$ 72,006,152	\$ 3,812,313	\$ 418,193,839

Source: Data provided by the County Finance Agency.

* This is the total cost of the bonds (principal and interest) over the 26 years that the bonds will be outstanding.

Exhibit 17

2021 Series B Housing General Obligation Bonds Activity Amounts Paid During the Quarter of FY 2021-22			
Quarter	Principal Paid	Interest Paid	Total Debt Service Paid
Q3	\$ 0	\$ 3,812,313	\$ 3,812,313

Source: Data provided by the County Finance Agency.

The total interest cost for the 2021 bonds issued was 2.148%. The 2021 bonds were issued (sold) in a competitive sale and were rated AAA and AA+, respectively, by two of the national rating agencies, Standard and Poor's (S&P) and Fitch Ratings, Inc. (Fitch).

Draft Performance Dashboard / Website Snapshot

Program Overview

On November 8, 2016, the people of the County of Santa Clara approved Measure A, a proposition authorizing the County to issue up to \$950 million in general obligation bonds to acquire or improve real property for the purpose of providing affordable housing for vulnerable populations throughout the County. The following are highlights about the Measure A Program (Program):

- Program funds are targeted to help construct 4,800 units of affordable housing, in addition to assisting about 235 families to secure loans to finance their first homes.
- In October 2017 the County issued its first series of bonds for \$250 million and in July 2021 issued the second series of bonds for \$350 million.
- As of March 31, 2022, the Program has committed \$772.95 million, of which \$25 million is committed to the first-time homebuyer loan program, \$11.9 million has been committed to a Supportive Housing Fund for predevelopment loans, \$25 million bridge loan for Hillview Court, \$146.93 million for 20 property acquisitions, \$800,000 for 4 partnership projects, and \$563.32 million for 41 development and renovation projects.
- The development and renovation projects are in the process of adding 3,411 units of affordable housing included in the County's housing goals, and an additional 625 units of low-income housing and 80 units of moderate-income housing that are not addressed in the Program's housing goals (as discussed in the Housing Program Goals section below).
- As detailed in the program overview dashboard below, this means that 59.30 percent of the bond proceeds committed for development and renovation projects are financing the development of 71.06 percent of the Program's housing goals.
- In addition, for every dollar invested by the Program, the Program incentivizes an average of \$4.26 from outside investments (Public/Private Leveraging Ratio).

Use of Bond Proceeds

The dashboards below provide details on the estimated cost share per unit and housing development, sources of funding by housing development, and actual expenditures to-date. As of March 31, 2022, we provide the following highlights:

- The Program has committed \$563.32 to 41 development and renovation projects, with individual commitments ranging from \$1 million (The Veranda) to \$53 million (Gateway Tower).
- When looking at the estimated cost per unit of housing, the Program has committed anywhere from \$45,752 per unit (Markham I) to \$210,938 per unit (Leigh Avenue Senior Apartments), with an average cost share of \$126,845 per unit of housing.
- Although \$563.32 million has been committed by the Program for these 41 development and renovation projects to-date, only \$312.45 million has been actually expended to-date.

Housing Program Goals

Program housing goals aim to create 4,800 units of affordable housing. As of March 31, 2022, Program funds committed to date are projected to finance 59.30 percent of the Program's total affordable housing goal. Based on the Program's funding commitments through March 31, 2022, the status of housing development goals by type of housing are as follows:

- Helping to finance 88.33 percent of the Permanent Supportive Housing (PSH) goal.
- Helping to finance 30.75 percent of the Rapid Rehousing (RRH) goal.
- Helping to finance 78.50 percent of the Extremely Low-Income (ELI) housing goal.
- Helping to finance 116.83 percent of the Very Low-Income (VLI) housing goal.
- There are 625 units of Low-Income (LI) housing incorporated into the current housing projects; however, the Program has no stated goal for this category of housing.
- There are 80 units of Moderate-Income (MI) housing incorporated into the current housing projects; however, the Program has no stated goal for this category of housing.

The dashboards below provide detail on the number of units in development by housing type, as well as how each housing development contributes to each housing goal.

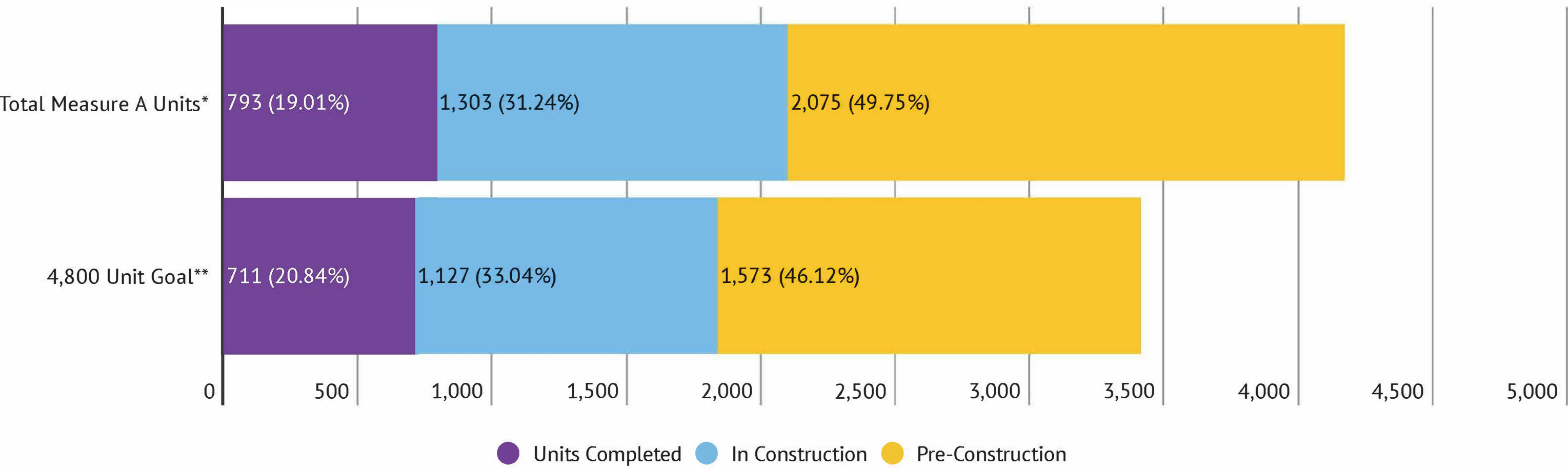


Measure A 2016 Affordable Housing Bond Program

A high level summary of Measure A key financial and program performance metrics as of **March 31, 2022**.

Affordable Housing Development Goal

The affordable housing development goal of Measure A is to commit and/or deliver 4,800 units of affordable housing within Santa Clara County starting November 2016 and over approximately 10 years. As of **March 31, 2022**, a total of 4,171 units were committed for development using Measure A funds; 3,411 units counted towards the goal of 4,800 units.

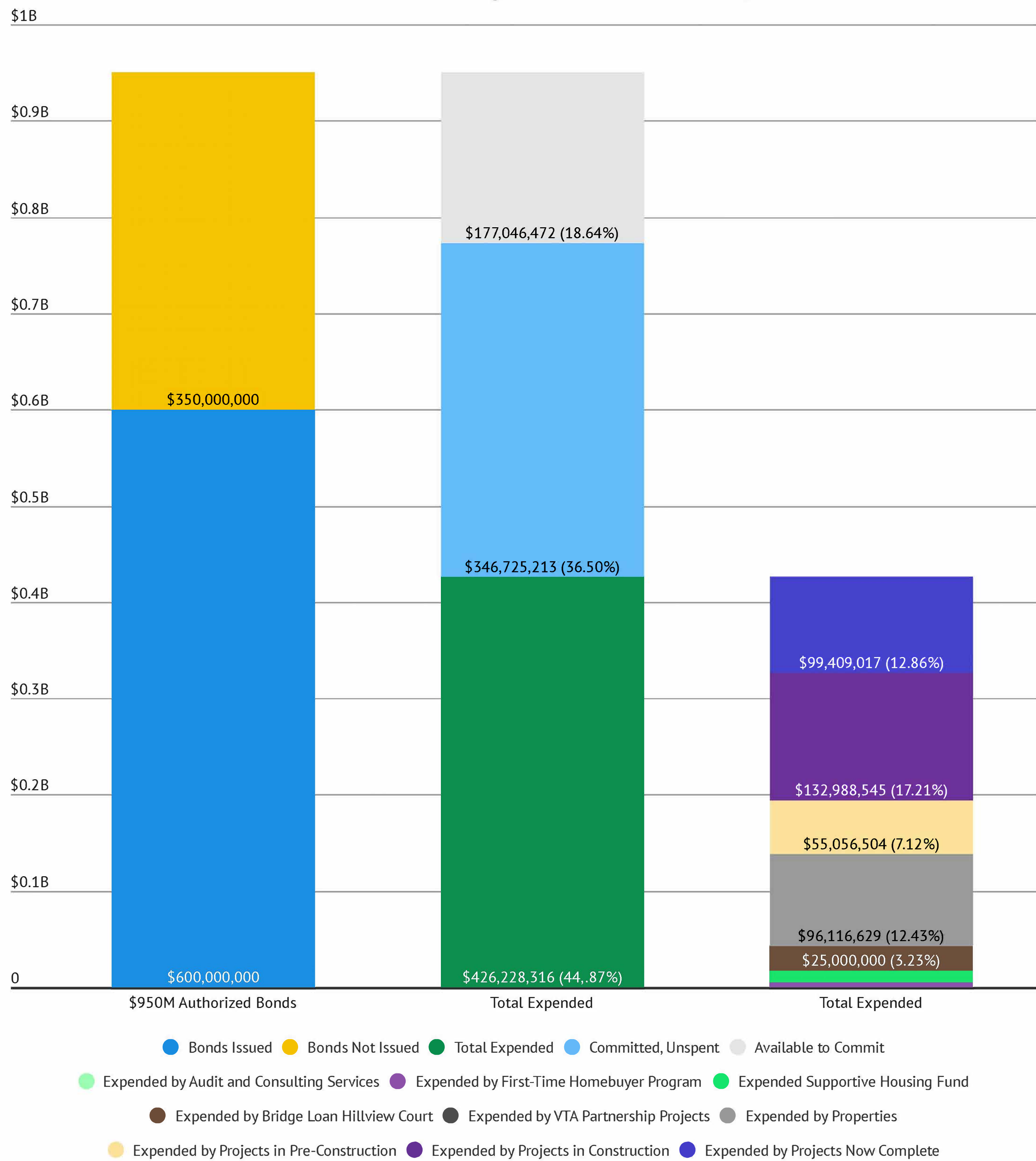


* Note: Excludes the 270 pre-existing units for Curtner Studios (68 units, Completed), Markham I (103 units, Completed), and Markham II (99 units, In Construction).
** Note: The number of units excludes moderate (MI) and low income (LI) units (705 units), property manager units (55 units), and renovation projects' pre-existing units (270 units).

Measure A Affordable Housing Bonds

The graph below compares the Measure A affordable housing bonds authorized to the Program's commitment and spending of the bonds proceeds as of **March 31, 2022**. The left bar shows the total of the \$950 million in affordable housing bonds authorized, of which \$600 million have been issued. The middle bar depicts the \$786.35 million the Program has committed and expended and the \$177.05 million available to commit for affordable housing projects. The right bar shows the total expended as of March 31, 2022, \$426.23 million. The County Board of Supervisors has approved the commitment of funds for projects beyond the \$600 million in bonds issued. The Program does not anticipate those funds to be expended before the issuance of the remaining \$350 million in bonds. The Program has committed more funds than spent mainly due to the funding structure of a number of projects, which will use the Program's committed funds for permanent financing after the completion of construction.

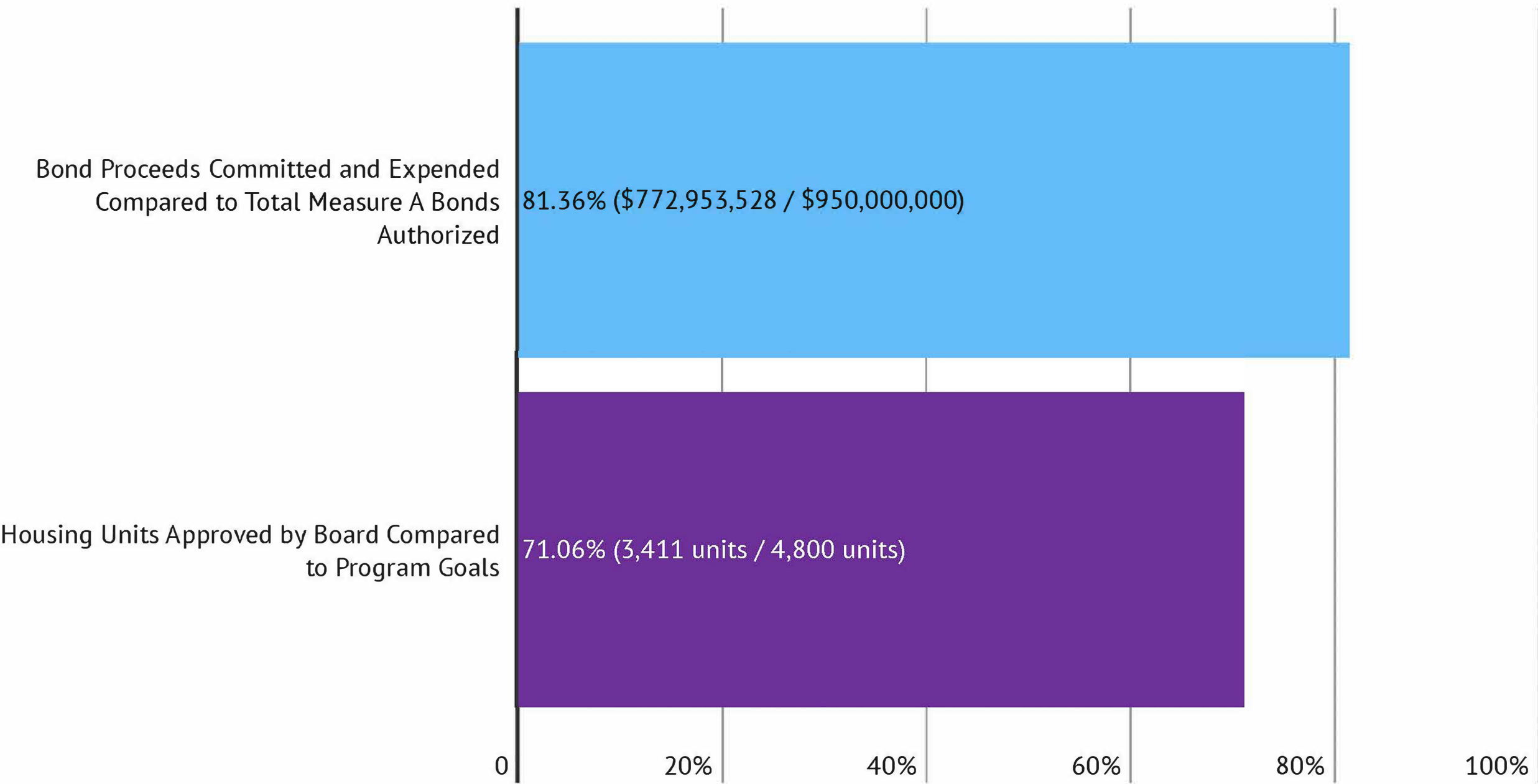
Bonds Authorized vs. Program Funds Committed and Expended



Key Performance Results:

Bond Proceeds Committed vs Housing Units Approved

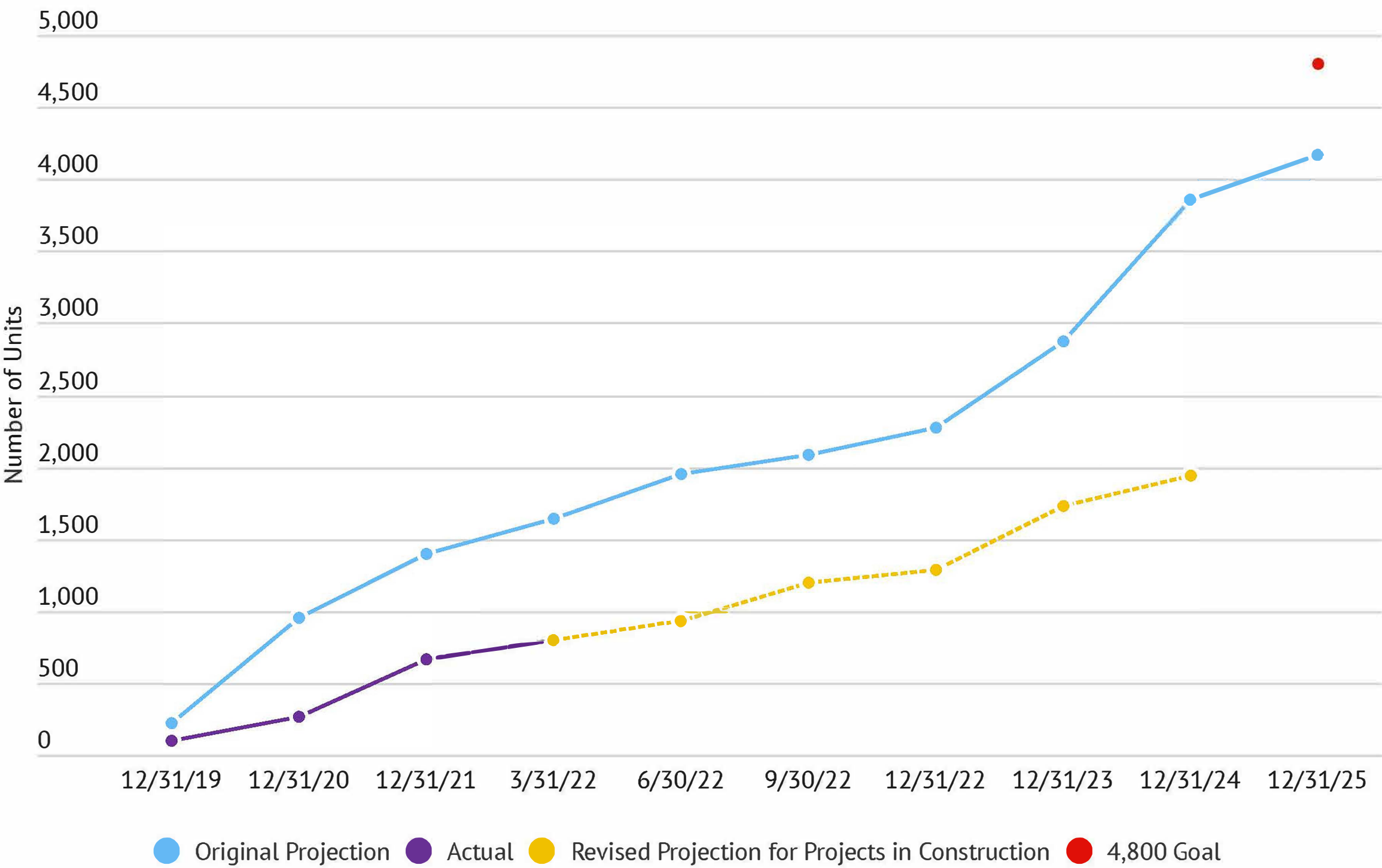
The chart below depicts as of **March 31, 2022**, 1) the percentage of bond proceeds committed and expended of the \$950 million authorized and 2) the percentage of housing units in development towards the goal of 4,800 units.



Delivery Projections

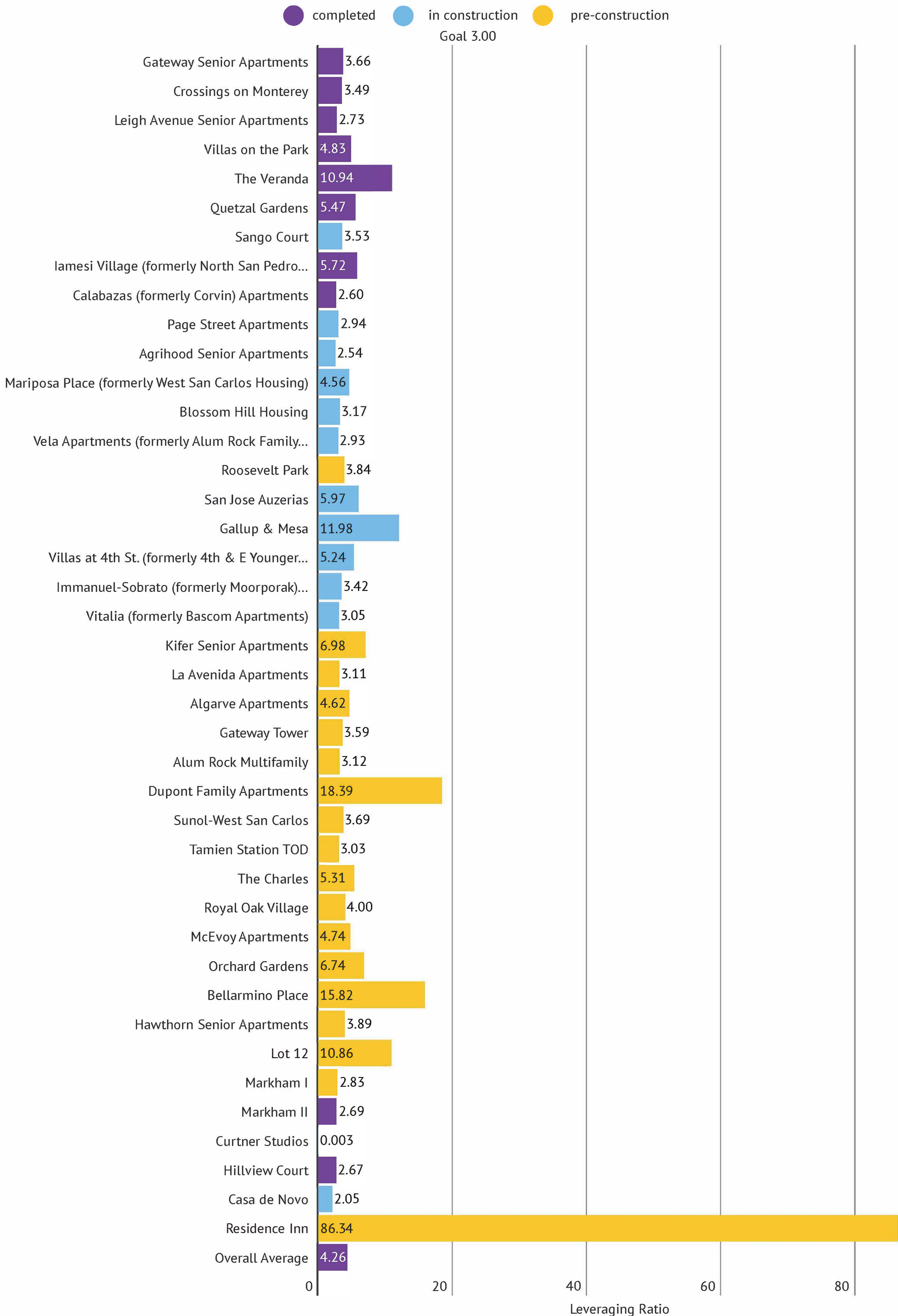
Development and renovation projects prepare timelines with dates for key development milestones to estimate when the project will be completed and submit revised timelines throughout the course of the projects. Chart 2 below shows for the Program’s development and renovation projects the cumulative number of units to be delivered in each calendar year from 2019 through 2024 based on the original projection dates, actual dates, and revised projection dates. Due to the nature of the Program, only the revised projections for development and renovation projects completed or in construction were included.

Original vs. Revised Projection vs. Actual Unit Delivery, Cumulative
by Calendar Year, as of March 31, 2022



Measure A Leveraging Ratio

The chart below shows the leveraging ratio from outside sources for every \$1 of Measure A funding committed to date per affordable housing development project. Measure A funds must be leveraged at a 1:3 ratio, which is, for every one dollar invested by the Measure A Program, there are \$3.00 available from non-Measure A funds.

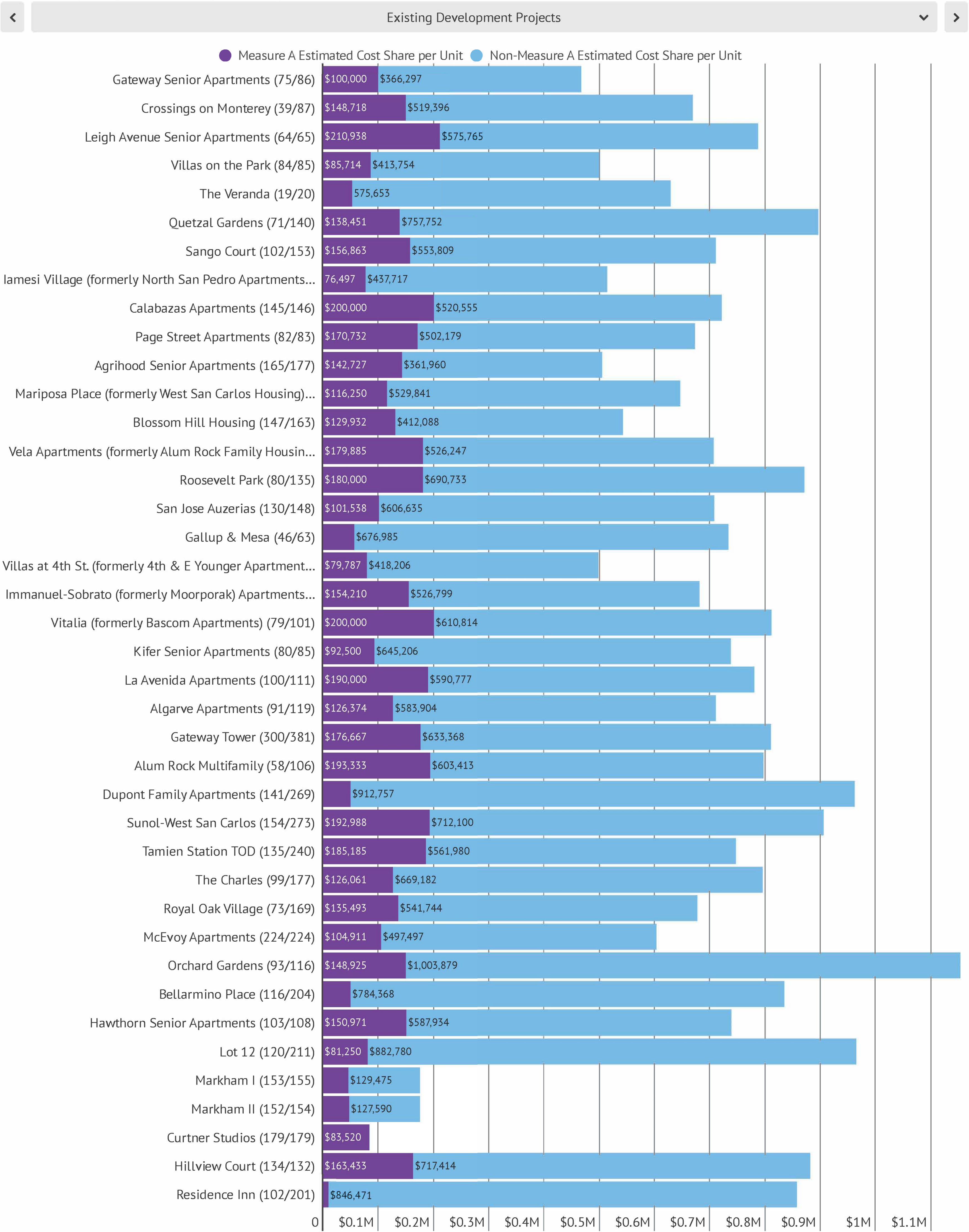


Development and Renovation Projects

Estimated Cost Share Per Unit

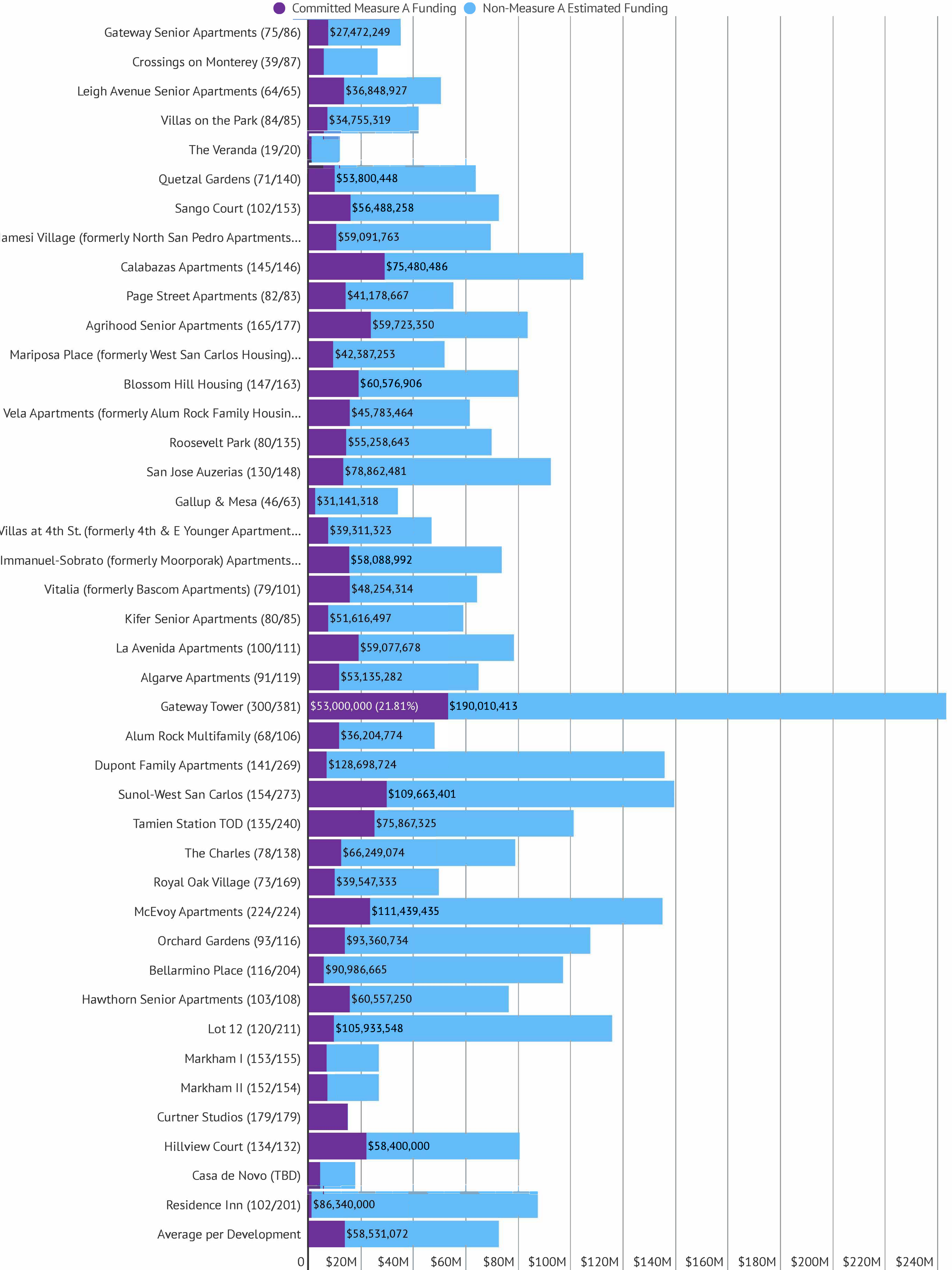
For information on the location of each development and renovation project, use the arrows within the title bar to navigate to listings of the projects organized by city. Only cities with existing Measure A Program housing projects are included.

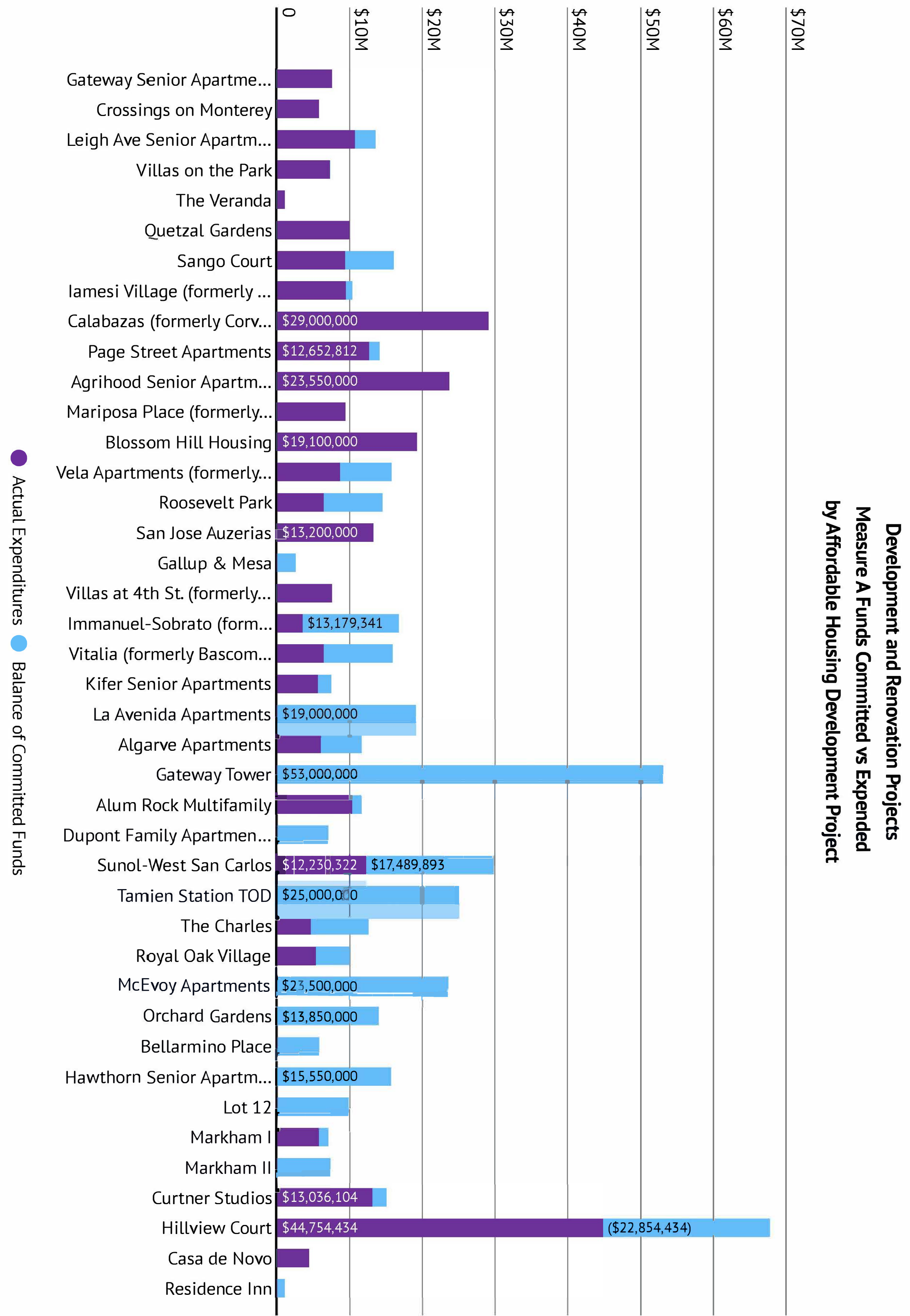
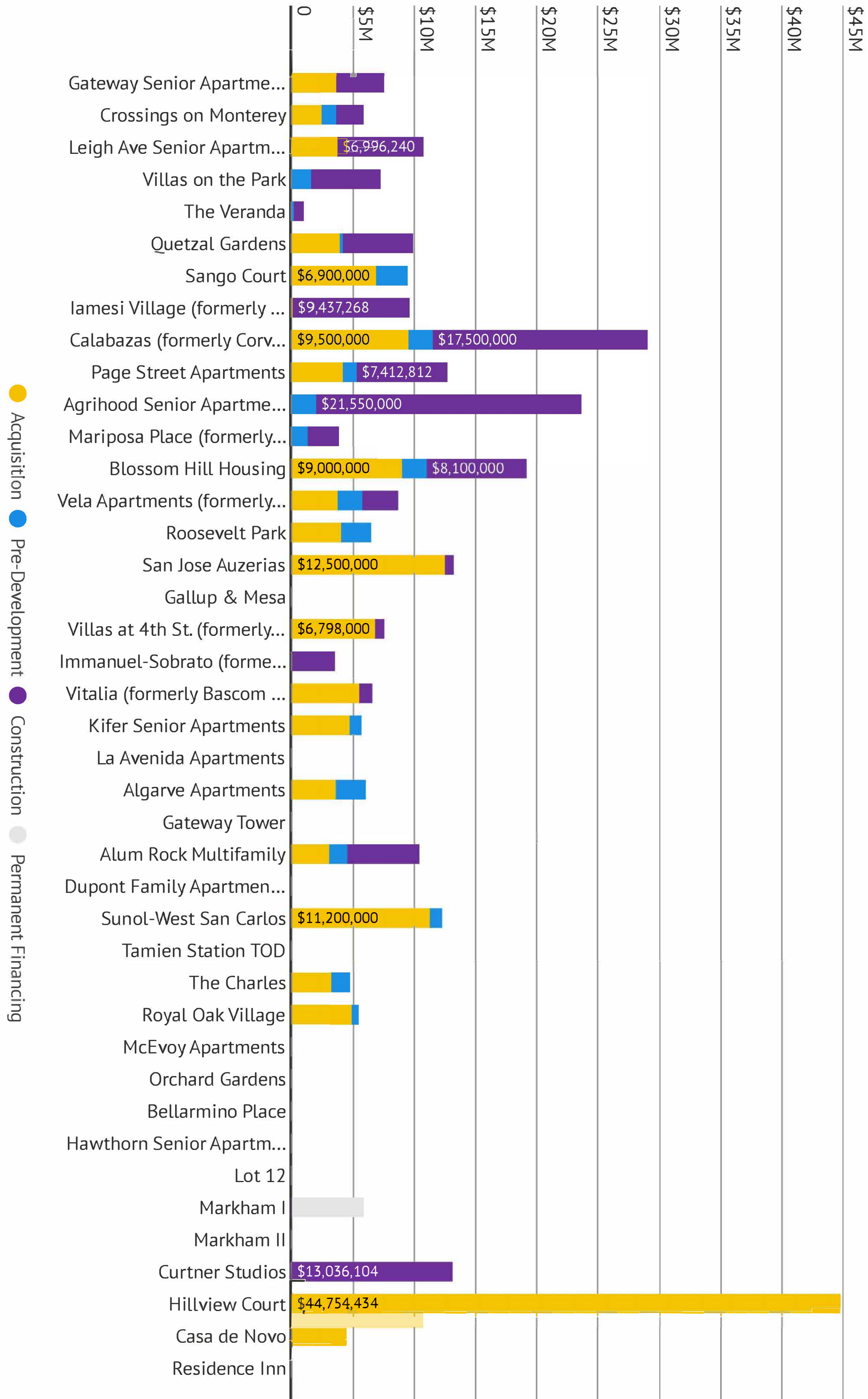
Development (Number of Units / Bedrooms)



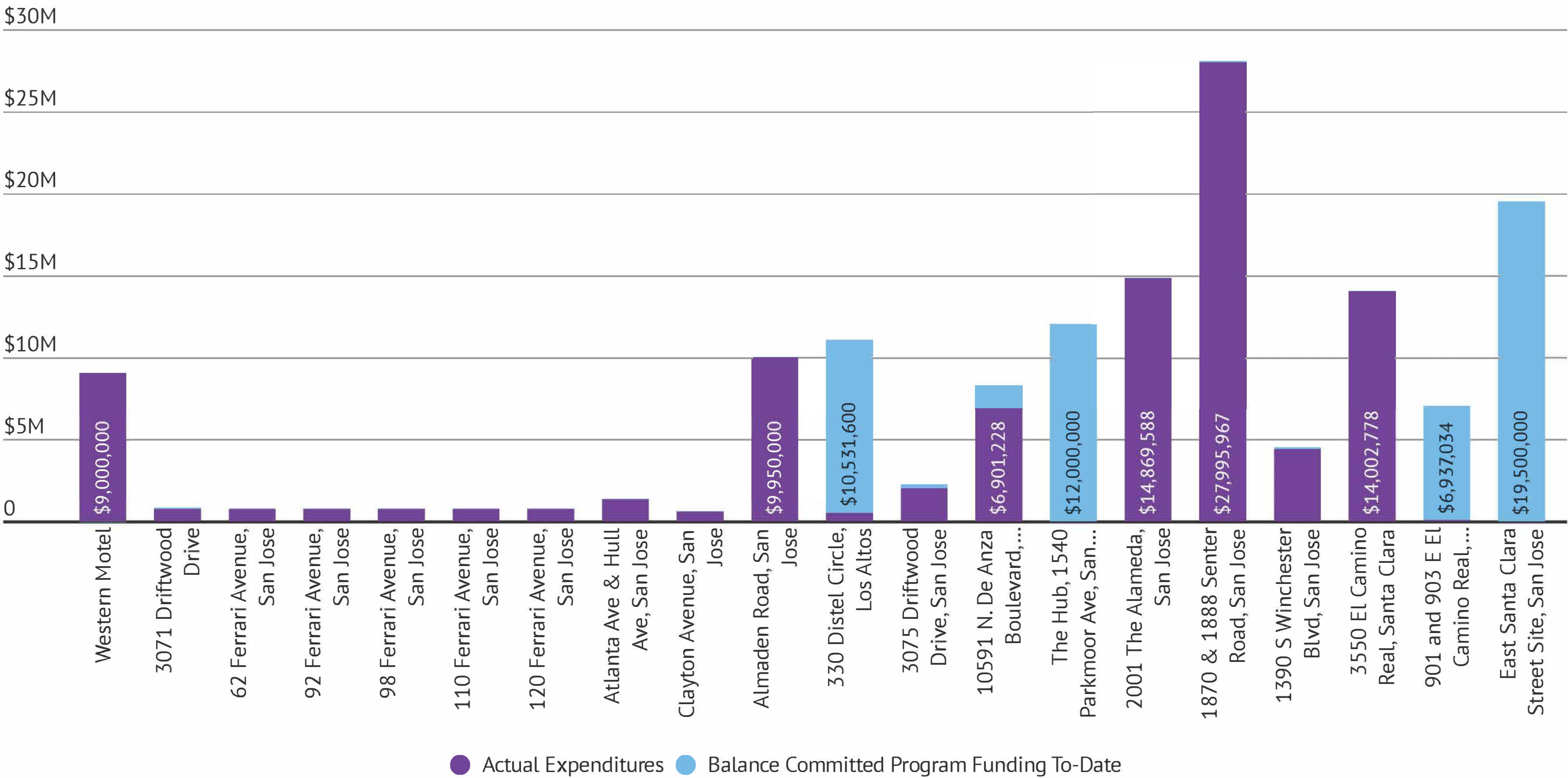
Development and Renovation Projects
Sources of Funding for Developments

Development (Number of Units/Bedrooms)

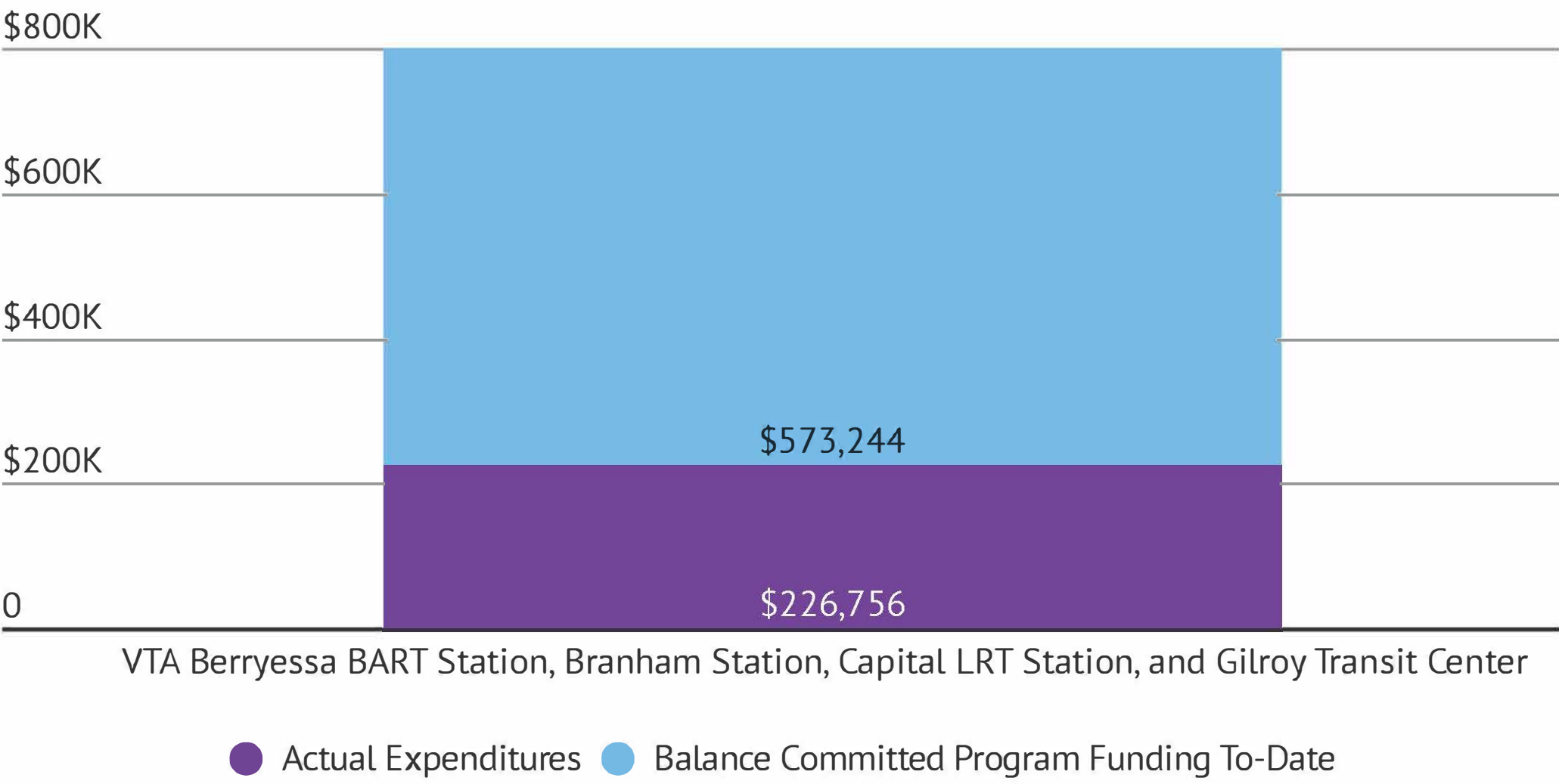




Program Properties Measure A Commitments and Expenditures by Property



Program VTA Partnership Projects Measure A Commitments and Expenditures by Property



(Number of Units)



(Number of Units)

