

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING THE UNDERWRITING GUIDELINES PROPOSED BY THE HOUSING DEPARTMENT FOR USE IN UNDERWRITING AND STRUCTURING AFFORDABLE HOUSING TRANSACTIONS

WHEREAS, the Housing Department uses its Underwriting Guidelines to establish the appropriate allocation of risks and to communicate with developers, borrowers, and other lending institutions regarding the expectations of the City with respect to key project financing, development and operating parameters that constrain affordable housing development as well as to evaluate project proposals that are submitted to the City in response to the Housing Department's Notices of Funding Availability, when issued; and

WHEREAS, the Director of Housing normally adopts the Department's Underwriting Guidelines, but in the interest of communication with the Council and public this important step in implementing the Affordable Housing Investment Plan, staff is presenting the Underwriting Guidelines to Council for approval; and

WHEREAS, the Housing Department's Underwriting Guidelines were last updated in October 2006, and there have been major changes in the affordable housing development industry since that time including changes in financial markets, tax law, the lending and investment industry, the construction industry and in the San José housing market itself; and

WHEREAS, the proposed Underwriting Guidelines, attached hereto as Attachment A, will establish clear requirements to address risk and project feasibility related to

underwriting affordable housing development in order to fund affordable projects as quickly and efficiently as possible when funds are available;

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

The Underwriting Guidelines proposed by the Housing Department for use in underwriting and structuring affordable housing transactions, attached hereto as Attachment A, are hereby approved.

ADOPTED this _____ day of _____, 2018, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk

RD:SSG:JGH
8/9/2018

ATTACHMENT A
UNDERWRITING GUIDELINES

[to be attached]