



Housing

TEFRA Hearing for Valley Palms Apartments

March 10, 2020
Item 8.2

Jacky Morales-Ferrand
Director

Rachel VanderVeen
Deputy Director



What is a TEFRA



- 🏠 A TEFRA (Tax Equity and Fiscal Responsibility Act) is a required hearing for bond issuance



Valley Palms



- 🏠 Total of 354 units
- 🏠 106 Apartments at 50% AMI
 - **\$58,550** Two-person household Income
- 🏠 244 Apartments at 60% AMI.
 - **\$70,260** Two-person household income
- 🏠 Four Manager's units



Acquisition and Rehabilitation of Valley Palms



Project Cost Summary at Application	
Land and Acquisition	\$110,500,000
Construction Costs	\$0
Rehabilitation Costs	\$15,705,017
Construction Hard Cost Contingency	\$2,355,752
Soft Cost Contingency	\$50,000
Relocation	\$432,000
Architectural/Engineering	\$173,100
Construction Interest, Permanent Financing	\$8,116,951
Legal Fees	\$150,000
Reserves	\$1,659,767
Other Costs	\$405,291
Developer Fee	\$17,964,000
Commercial Costs	\$0
TOTAL	\$157,511,878

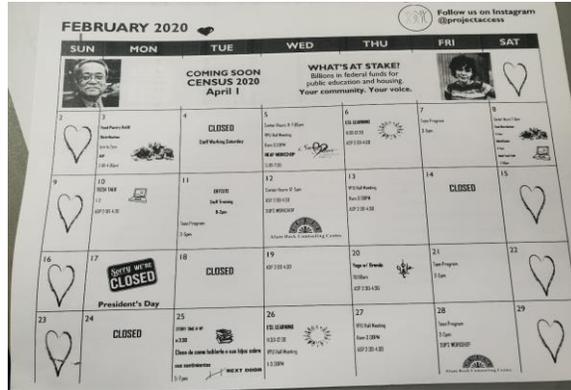
February 5, 2019-TEFRA

Council Directed the City Manager to:

- In line with the due diligence staff carried out in preparation of this item, continue to monitor the scope of work and fulfillment of the commitments made by the applicant in seeking the issuance of Tax-Exempt Multifamily Revenue Bonds
- Work with KDF Valley Palms, L.P. and subsequently Valley Palms 2018 LP and seek implementation of the priorities that have been identified by the tenants:
 - Establish and implement a security plan for the site
 - Expand existing family resource center to provide more space for services to the residents
 - transform existing tennis court into a turf soccer field



March 10, 2020-TEFRA



- Current TEFRA Expired on February 5, 2020
- Since February 5, 2019 there have been additional concerns presented to the Housing Department.
- New Community Concerns raised regarding issues of safety and quality service at Valley Palms.



Next Steps

- Replacement of current property management company
- Collaboration with the Santa Clara County, Neighborhood Safety/Services Unit for onsite resident services
- Establishment of a Resident Grievance Process
- Establishment of a Tenant Participation Program
- Establishment of an anonymous resident survey regarding the services provided by Project Access
- On-going collaboration with SJPD concerning safety and security at the Development

➔ Implementation of next step items within the next 6 to 12 months





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Captain Jason Ta
Police Department

