



Council Policy Prioritization: Early Consideration Response Form

Department Housing/Finance

Department Rep. Name/Ext. Jacky Morales-Ferrand (535-3855)/Julia Cooper (535-7011)

Policy/Ord. Subject JPA-issued Bonds for Moderate-income Housing

Rules Date 10/28/2020 Item G(3)

Council Member Sponsorship Councilmember Johnny Khamis

Councilmember Lan Diep

Staff Recommendation

- ☐ GREEN The Administration can implement this Nominated Idea under its current workplan
- ☐ ALREADY UNDERWAY ☐ MINIMAL WORK LESS THAN 40 HOURS ☐ REQUEST FOR INFORMATION
- ☒ YELLOW The Administration recommends Council send this Nominated Idea to the Priority Setting Process (See Complexity Level Below)
- ☐ RED The Administration recommends Council not adopt this Nominated Idea
- ☐ NEEDS CLARIFICATION OR MORE TIME TO EVALUATE

Criterion to Determine Scale of Project Complexity

Project complexity is determined by scoring the project in each of the 3 criteria below and then summing the score.

- a. Low Complexity is a sum of 6 or less.
- b. Medium Complexity is a sum of 7 - 9
- c. High Complexity is a sum of 10 or greater.

Total Score = 10

DEPT. Required	Scoring Criterion	Low Complexity		Medium Complexity		High Complexity	
		Estimated Duration	Organizational Complexity (Internal)	Estimated Duration	Organizational Complexity (Internal)	Estimated Duration	Organizational Complexity (Internal)
<input type="checkbox"/> Airport	6 - 9 months	<input type="checkbox"/> =1	9 - 18 months	<input type="checkbox"/> =2	More than 18 months	<input type="checkbox"/> =3	
<input checked="" type="checkbox"/> CA	Can Easily be Absorbed into Existing Workplan	<input type="checkbox"/> =1	Planned Work (Future)	<input checked="" type="checkbox"/> =2	Work Not Currently Proposed	<input type="checkbox"/> =3	
<input type="checkbox"/> Housing	Have staff with required skillset/ knowledge	<input type="checkbox"/> =1	Have staff with required skillset/ requires moderate research	<input checked="" type="checkbox"/> =2	Do not have staff with required skillset/ requires significant research	<input type="checkbox"/> =3	
<input type="checkbox"/> ES	Less than or equal 2 Staff required	<input type="checkbox"/> =1	3 - 4 Staff required	<input type="checkbox"/> =2	More than 5 Staff required	<input checked="" type="checkbox"/> =3	
<input type="checkbox"/> CMO	1 Additional Departments	<input type="checkbox"/> =1	2 Other Department Involved	<input type="checkbox"/> =2	3 or more Depts Involved	<input checked="" type="checkbox"/> =3	
<input type="checkbox"/> DOT							
<input checked="" type="checkbox"/> OED							
<input type="checkbox"/> LIB.							
<input type="checkbox"/> PRNS							
<input type="checkbox"/> PW							
<input type="checkbox"/> PD							
<input type="checkbox"/> PBCE							
<input type="checkbox"/> EM							

Finance Department

Analysis

Explain the rationale for Staff recommendation, including any mitigating factors that need to be considered (recent legislative action, significant workplan changes, etc). Please address the following as well.

GREEN LIGHT: The Administration can implement this Nominated Idea under its current workplan. Item should be sent to Council to add to Department workplan. Explain how the Idea will be approached.

YELLOW LIGHT: The Administration recommends Council send this Nominated Idea to the Priority Setting Process due to [describe cost implications, workload impacts, or other factors].

Prior to COVID-19 pandemic, evaluation of Public Purpose Bonds Issued by Joint Powers Authority for Mod-Income Housing was part of the Housing Department's workplan in coordination with the Finance Department and the City Attorney's Office and initial review had commenced which identified issues and challenges with the structure as marketed by the CalCHA Joint Powers Authority, which was formed between Kings County and the Kings County Housing Authority, a small rural California county. In addition, analysis of a very similar product now available from another conduit issuer, CSCDA, is necessary. CSCDA, based in Sacramento, has extensive affordable housing conduit bond issuance experience, has a track record of issuing in San Jose, and has different terms and conditions to their new program that staff should analyze as part of this work. Priorities in Housing, Finance, and the City Attorney's Office have been greatly impacted by the pandemic with the Housing Department's current policy work focused on the Diridon Affordable Housing Implementation Plan and work on three high-priority Anti-Displacement initiatives. In the Finance Department, the debt management team's focus on City Hall refunding and Ice Centre expansion is now shifting its work to a large Airport refunding, examination of pension obligation bonds, FY 2022 retirement prefunding, and upcoming lease revenue and general obligation bonds issuances. This is coupled with the continued support of the affordable housing program with several upcoming bond issuances.

Ability for Housing and Finance Department staff to re-engage in the analysis of Public Purpose Bonds issued by JPA for Mod-Income Housing is largely dependent on the length of the City's ongoing response to the pandemic and ability to shift resources to evaluate both JPA's structures and their ability to fund moderate-income housing while meeting the City's objectives.

RED LIGHT: The Administration recommends Council not adopt this Nominated Idea due to [describe reason implementation would be difficult if not impossible – conflict with other laws, etc].