



Memorandum

TO: HONORABLE MAYOR
AND CITY COUNCIL

FROM: Jacky Morales-Ferrand

SUBJECT: SEE BELOW

DATE: November 6, 2020

Approved

Date

11/9/2020

COUNCIL DISTRICT: 1

SUPPLEMENTAL

SUBJECT: APPROVE REFINANCING CONDITIONS REQUIRED BY THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR HUFF AVENUE APARTMENTS

REASON FOR SUPPLEMENTAL

On November 3, 2020, the Housing Authority of Santa Clara County notified the Housing Department that there would be changes to the terms of their loan with the United States Department of Housing and Urban Development (HUD). This supplemental memorandum provides a correction to the public record for this transaction. It also corrects the identification of the Council District where the Huff Apartments are located.

ANALYSIS

The original HUD terms included in the memorandum to City Council stated that the proposed HUD Loan of \$9 million will bear an interest rate of approximately 2.65% with a maturity of 35 years, with required monthly payments of principal and interest in the amount of \$32,903 based on a 35-year amortization. Recent negotiations of this loan resulted in the shortening of the loan term to 20 years with required monthly payments of principal and interest in the amount of \$50,277 based on a 20-year amortization. This change in terms will have no impact on the City's subordination of affordability restrictions.

The Huff Apartments is located in City Council District 1.

/s/

JACKY MORALES-FERRAND
Director, Housing Department

For questions, please contact Rachel Vander Veen, Housing Deputy Director at (408) 535-8231.