



# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:**  
Vice Mayor Chappie Jones  
Councilmember Maya Esparza

**SUBJECT:** JPA-Issued Bonds for Moderate-Income Housing

**DATE:** May 11, 2021

Approved  *Maya Esparza* Date: May 7, 2021

## RECOMMENDATION

Direct Staff to:

- Pursue Alternative #2: Direct staff to work with the Bay Area Housing Finance Authority to create a Bay Area JPA to issue this type of bond.
- Include updates on the progress of this effort at each Housing Crisis Workplan Update.

## DISCUSSION

Thank you to Housing and OED Staff for their time and attention to this important policy consideration. We appreciate that Staff has completed thorough analysis and respect that they have concluded that this is not an undertaking that is appropriately placed on the City of San Jose alone. Through conversations with moderate-income housing developers and Staff, we are confident that while the City may not be positioned to take on the risk and cost of forming the JPA-Issued Bond, Bay Area Housing Finance Authority (BAHFA) appears to be a promising partner in this endeavor to leverage municipal bond financing to help meet regional moderate income housing goals, while working through many of the potential concerns that Staff has raised with existing JPA models.

As Staff mentions in their memo, BAHFA's mission is to "craft innovative approaches to overcome persistent challenges the region has faced, including creative financing..." which we believe aligns perfectly with the unique and largely uncharted territory of these types of middle-income financing bonds. BAHFA has expressed interest in taking on this initiative and we are con-

fident that they can assist us in furthering middle-income housing without overburdening City Staff.

*The signers of this memorandum have not had, and will not have, any private conversation with any other member of the City Council, or that member's staff, concerning any action discussed in the memorandum, and that each signer's staff members have not had, and have been instructed not to have, any such conversation with any other member of the City Council or that member's staff.*