

Legislation Text

File #: 21-1894, Version: 1

Approval of a Loan Commitment to Algarve Apartments Development, LP, for the Development of the Algarve (The Dahlia) Development, a New Affordable Apartment Community.

(a) Adopt a resolution:

(1) Approving a total commitment of up to \$10,500,000 in Low and Moderate Income Housing Asset Funds for a Construction-Permanent Loan to Algarve Apartments Development, LP, a California limited partnership, or an affiliated development entity, for the Algarve (also known as The Dahlia) Development, located at 1135 East Santa Clara Street, San José, which is being developed to provide 90 affordable, rent restricted apartments, and one unrestricted manager's home;

(2) Authorizing the loan terms to allow an increase in the Algarve Development's rents and income restrictions up to 60% AMI (low income) for new tenants in subsidized units in the event of expiration or termination of Project Based Vouchers, and for all tenants in the event of foreclosure, to the extent the City has determined such increase is needed for the feasibility of the Algarve Development and allowed by other funds;

(3) Authorizing the Director of Housing to negotiate and execute loan documents and all other documents, including any amendments thereto, related to City financing for Development; and

(4) Approving a loan-to-value ratio of greater than 100% for this loan.

(b) Adopt the following Appropriation Ordinance amendments in the Low-and Moderate-Income Housing Asset Fund:

(1) Decrease the Housing Project Reserve appropriation by \$10,500,000; and

(2) Increase the Housing Loans and Grants appropriation to the Housing Department by \$10,500,000.

CEQA: Exempt per Public Resources Code Section 21080(b)(1) and CEQA Guidelines Section 15369, Ministerial Project pursuant to Government Code Section 65913.4, File No. ER20-109. (Housing/City Manager)