

Legislation Details (With Text)

File #: 19-796 **Version:** 1

Type: Community & Economic Development **Status:** Agenda Ready

File created: 9/3/2019 **In control:** City Council

On agenda: 9/17/2019 **Final action:**

Title: Approval of the Issuance of Tax-Exempt Multifamily Housing Revenue Bonds and the Loan of the Proceeds Thereof and Approval of Related Documents and Changes to Existing Loan and Grant Terms for the Markham Plaza I Project.

Sponsors:

Indexes:

Code sections:

Attachments: 1. Memorandum, 2. (a) Resolution, 3. (b) Resolution, 4. Indenture of Trust, 5. Public Disclosure Report, 6. Regulatory Agreement and Declaration of Restrictive Covenants, 7. Senior Loan Agreement, 8. Subordinate Indenture of Trust, 9. Subordinate Loan Agreement and Note

Date	Ver.	Action By	Action	Result
9/17/2019	1	City Council		

Approval of the Issuance of Tax-Exempt Multifamily Housing Revenue Bonds and the Loan of the Proceeds Thereof and Approval of Related Documents and Changes to Existing Loan and Grant Terms for the Markham Plaza I Project.

(a) Adopt a resolution:

(1) Authorizing the issuance of (a) tax-exempt multifamily housing revenue bonds designated as “City of San José Multifamily Housing Revenue Bonds (Markham Plaza I), Series 2019B-1” (the “Series 2019B-1 Bonds”) and “City of San José Multifamily Housing Revenue Bonds (Markham Plaza I), Subordinate Series 2019B-2” (the “Series 2019B-2 Bonds”) and with the “Series 2019B-1 Bonds, the “2019B Bonds”) in an aggregate principal amount not to exceed \$23,000,000;

(2) Approving the loan of the proceeds of the 2019B Bonds to Markham Plaza I, L.P. a California limited partnership created by Core Development, Inc., a California corporation, to finance the acquisition and rehabilitation of a 153-unit multifamily project known as the Markham Plaza I apartments (formerly known as Tully Gardens I) located at 2000 Monterey Road, in San José (the “Development”);

(3) Approving in substantially final form the Indenture of Trust, Subordinate Indenture of Trust, the Loan Agreement, the Subordinate Loan Agreement and Regulatory Agreement, and Declaration of Restrictive Covenants (the “Series 2019B Bond Documents”); and

(4) Authorizing and directing the City Manager, Director of Housing, Director of Finance or the Assistant Director of Finance, or their designees, to execute and deliver the Series 2019B Bond Documents together with any documents ancillary to the Series 2019B Bond Documents.

(b) Adopt a resolution approving changes in terms for the City’s outstanding \$4,836,559 loan and outstanding \$4,866,000 grant for the Development, approving a loan to value ratio in excess of 100% and authorizing the Director of Housing to negotiate and execute documents and amendments related to those changes.

CEQA: Categorically Exempt, File No. PP19-057, CEQA Guideline Section 15301, Existing Facilities. Council District 7. (Housing/Finance)

RECOMMEND DEFERRAL TO 9/24/19 PER ADMINISTRATION