

Legislation Details (With Text)

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On agenda:	2/23/2021	Final action:		
Title:	Approval of the Issuance of a Tax-Exempt Multifamily Housing Revenue Note and the Loan of the Proceeds Thereof for the Financing of Arya Apartment and to Increase the Commitment for City Council Approved Construction-Permanent Loan.			
Sponsors:				
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Code sections:				
Attachments:	1. Memorandum, 2. (a) Resolution, 3. (b) Resolution, 4. (a)(3) Borrower Loan Agreement, 5. (a)(3) Funding Loan Agreement, 6. (a)(3) Regulatory Agreement and Declaration of Restrictive Covenants			
Date	Ver.	Action By	Action	Result
2/23/2021	1	City Council		

Approval of the Issuance of a Tax-Exempt Multifamily Housing Revenue Note and the Loan of the Proceeds Thereof for the Financing of Arya Apartment and to Increase the Commitment for City Council Approved Construction-Permanent Loan.

(a) Adopt a resolution:

(1) Authorizing the issuance of a multifamily housing revenue note designated as “City of San José, California Multifamily Housing Revenue Note (Arya), Series 2021A” in a principal amount not to exceed \$34,314,000 (the “Series 2021 Note”);

(2) Approving the loan of Series 2021 Note proceeds to SAHA Arya, L.P. a California limited partnership created by Satellite Affordable Housing Associates, a California not-for-profit corporation, to finance the construction and development of an 87-unit multifamily development known as the Arya located at 500 Almaden Boulevard (formerly 226 Balbach Street), in San José (the “Development”);

(3) Approving in substantially final form the Funding Loan Agreement, the Borrower Loan Agreement and Regulatory Agreement and Declaration of Restrictive Covenants (collectively, the “2021 Note Documents”); and

(4) Authorizing and directing the City Manager, Director of Housing, Director of Finance, Assistant Director of Finance, Deputy Director, Debt & Treasury Management and Debt Administrator, or their designees, to execute and deliver the Series 2021 Note Documents together with any documents ancillary to the Series 2021 Note Documents.

(b) Adopt a resolution:

(1) Authorizing an increase of up to \$1,651,122 from \$13,947,984 to \$15,999,106 in the City Council-approved construction-permanent loan commitment to the Borrower;

(2) Authorizing a change in City Loan terms to allow an increase in the Development’s rents and income up to 60% AMI (low-income) for all tenants in the event of foreclosure, to the extent the City has determined such increase is needed for feasibility of the Development and allowed by other funds;

(3) Authorizing the Director of Housing to negotiate and execute an amendment to the ground lease to modify the base lease term as may be required by the Housing and Community Development regulations so long as the total potential term of the lease and option is not increased;

(4) Making a determination that, consistent with Government Code Section 37364, the property can be leased

without first offering the Property to the public for any other use, since the Property will be used to provide housing affordable to persons and families of low or moderate income, as defined by Section 50093 of the Health and Safety Code or as defined by the United States Department of Housing and Urban Development or its successors, and that this use is in the City's best interests; and

(5) Authorizing the Director of Housing to negotiate and execute loan documents, lease documents, amendments, and all other documents related to these actions.

(c) Adopt the following Appropriation Ordinance Amendments in the Low and Moderate Income Housing Asset Fund:

(1) Decrease the Housing Development Reserve appropriation by \$1,651,122; and

(2) Increase the Housing Loan and Grants appropriation to the Housing Department by \$1,651,122.

CEQA: Addendum to the Envision San José 2040 General Plan Final Program Environmental Impact Report (EIR) (Resolution No. 76041), Envision San José 2040 General Plan Supplemental EIR (Resolution No. 77617), and Addenda thereto; Downtown Strategy 2000 Final EIR (Resolution No. 72767), and Addenda thereto, File No. H18-057. Council District 3. (Finance/Housing/City Manager)