

Legislation Text

File #: 20-039, **Version:** 1

Actions Related to the Loan Commitment to Affirmed Housing Group Inc., for the Development of the Alum Rock Family Housing Development Project Located at 2350 Alum Rock Avenue.

(a) Adopt a resolution:

(1) Approving a total commitment of up to \$9,350,000 in Low and Moderate Income Housing Asset Funds for a Construction-Permanent Loan to Affirmed Housing Group, Inc., or an affiliated development entity, and capitalization of up to \$100,000 in construction period interest for the Alum Rock Family Housing Apartments project, located at 2350 Alum Rock Avenue, which is being developed to offer 85 affordable, rent restricted apartments, and two unrestricted manager's units;

(2) Authorizing the Director of Housing to negotiate and execute loan documents and all other documents related to City financing for the Development;

(3) Approving a loan-to-value ratio of greater than 100% for this loan; and

(4) Authorizing a change in City Loan terms to allow an increase in the Development's rents and income up to 60% of the Area Median Income (or low-income) for new tenants in the event of the expiration or termination of subsidy contracts, and for all tenants in the event of a foreclosure, to the extent the City has determined such increase is needed for feasibility of the Development.

(b) Adopt the following Fiscal Year 2019-2020 Appropriation Ordinance Amendments in the Low and Moderate Income Housing Asset Fund:

(1) Decrease the Housing Project Reserve appropriation in the amount of \$9,350,000; and

(2) Increase the Committed Project Reserve appropriation in the amount of \$9,350,000.

CEQA: Statutorily Exempt under Senate Bill 35, this project qualifies for the streamlined approval process under Senate Bill No. 35 (Wiener, Planning and zoning: affordable housing: streamlining approval process), which exempts this project from CEQA review. (Housing/City Manager)