

## Legislation Text

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**File #: 22-977, Version: 1**

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### **Actions Related to the Loan Commitments for Four New Affordable Housing Developments.**

**(a) Adopt a resolution:**

(1) Approving a total commitment of up to \$53,050,885 in Low- and Moderate-Income Housing Asset Funds (“LMIHAF”) and Measure E Funds for Construction-Permanent Loans to the following developments:

(i) UrbanCo-Tamien, LLC, affiliated with Core Communities in partnership with Republic Urban, or an affiliated development entity (Core) for the Tamien Station Affordable Development, located at 1197 Lick Ave, which is being developed to provide 134 affordable rent-restricted apartments, and one unrestricted manager’s home (Tamien Station Affordable), in an amount not to exceed \$16,750,000 in Low and Moderate-Income Housing Asset funds;

(ii) Charities Housing Development Corporation of Santa Clara County or an affiliated development entity (Charities Housing) for The Charles Development, located at 551 Keyes Street, which is being developed to provide 97 affordable rent-restricted apartments, and two unrestricted manager’s homes (The Charles), in an amount not to exceed \$9,675,885 in Measure E funds;

(iii) Charities Housing Development Corporation of Santa Clara County or an affiliated development entity (Charities Housing) for the Alum Rock Multifamily Development (1860 Alum Rock) located at 1860 Alum Rock Avenue, which is being developed to provide 59 affordable rent-restricted apartments, and one unrestricted manager’s home, in an amount not to exceed \$7,500,000 in Measure E funds;

(iv) Danco Communities or an affiliated development entity (Danco) for the West San Carlos Residential Development (also known as “777 West San Carlos Residential”) located at 777 West San Carlos Street, which is being developed to provide 153 rent-restricted apartments, and one unrestricted manager’s home, in an amount not to exceed \$19,125,000 in Low and Moderate-Income Housing Asset funds;

(2) Authorizing the loan terms to allow an increase in the rents and income restrictions up to 60% AMI (low-income) for new tenants in project-based voucher subsidized units in the event of expiration or termination of the contract for Project Based Vouchers for: The Charles, 1860 Alum Rock, and 777 West San Carlos, and for all tenants for all four projects in the event of foreclosure, to the extent the City has determined such increase is needed for the feasibility of the above developments 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 the Developments; and

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

**(b) Adopt a resolution:**

(1) Approving a grant of up to \$247,500 in American Rescue Plan Funds to Danco or an affiliated development entity for costs associated with the development of the proposed childcare center to be located within the West San Carlos Residential Development; and

(2) Authorizing the Director of Housing to negotiate and execute all necessary documents for the grant related to the funds for the childcare center.

**(c) Adopt the following Fiscal Year 2022-2023 Appropriation Ordinance amendments in the General Fund:**

(1) Decrease the Measure E - 40% Extremely Low-Income Households Reserve by \$8,701,377;

(2) Decrease the Measure E - 30% Low-Income Households Reserve by \$8,474,508;

(3) Establish the Measure E - 40% Extremely Low-Income Households appropriation to the Housing Department in the amount of \$8,701,377; and

(4) Establish the Measure E - 30% Low-Income Households appropriation to the Housing Department in the

amount of \$8,474,508.

(d) Adopt the following Fiscal Year 2022-2023 Appropriation Ordinance amendments in the Low and Moderate Income Housing Asset Fund:

(1) Decrease the Housing Project Reserve appropriation by \$35,875,000; and

(2) Increase the Housing Loans and Grants appropriation to the Housing Department by \$35,875,000.

CEQA: The Charles, Alum Rock, and West San Carlos projects are Exempt from CEQA 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. Tamien Station (PD20-003): Determination of Consistency with the Mitigated Negative Declaration for Tamien Station Transit Oriented Development Project (Resolution No. 79567), File No. PDC18-025. Council Districts 3, 5, and 6. (Housing/City Manager)