

Legislation Text

File #: 23-368, Version: 1

Actions Related to the Loan Commitment and Land Purchase for 797 Almaden, a New Affordable Housing Development.

(a) Adopt a resolution:

(1) Approving a total Construction-Permanent Loan commitment of up to \$21,350,000 and a land acquisition loan or acquisition funding commitment of up to \$3,590,000 in funds from Measure E Real Property Transfer Tax allocations (Measure E) for Resources for Community Development (RCD) and Almaden Affordable Housing, L.P. or another affiliate formed by RCD (Developer) for the 797 Almaden, a new affordable housing development to be located at 771, 777, 787, 797 South Almaden Avenue (Site), which is being developed to offer 98 rent-and income-restricted apartments for extremely low income, very low income, and low income households, and one unrestricted manager's apartment (Development);

(2) Authorizing a loan-to-value ratio of greater than 100% for the Development;

(3) Authorizing the Director of Housing to acquire the site from the Developer for a price not to exceed \$3,590,000 at the time of transfer, to accept the grant deed, and to enter into a long-term ground lease of the site to the Developer for the Development;

(4) Authorizing the Director of Housing or the Director's designee to negotiate and execute documents and document amendments related to the acquisition and development of the Site, the ground leasing of the Site and any riders to the ground leases required by government entities;

(5) Authorizing the loan terms to allow an increase in the rents and income restrictions up to 60% of Area Median Income (AMI) (low-income) for new tenants in Project-Based Voucher (PBV) subsidized apartments 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 above Development and allowed by other funds;

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

(7) Authorizing the Mayor to execute on behalf of the City Council those letters of support as may be required by the California Housing and Community Development Department in connection with the Developer's applications for Infill Infrastructure Grants or other grants that require no grant participation or commitment by the City; and

(8) Making a determination that, consistent with Government Code Section 37364, after acquisition, the Site is to be leased by the City to the Developer without first offering the site to the public for any other use, since the Site will be restricted so as 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 (HUD) or its successors, and that this use is in the City's best interests.

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

(1) Decrease the Measure E - 30% Low-Income Households Reserve by \$12,215,510;

(2) Decrease the Measure E - 40% Extremely Low-Income Households Reserve by \$12,724,490;

(3) Increase the Measure E - 30% Low-Income Households appropriation to the Housing Department by \$12,215,510; and

(4) Increase the Measure E - 40% Extremely Low-Income Households appropriation to the Housing Department by \$12,724,490.

CEQA: Exempt, 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. Council District 3. (Housing/City Manager)