

County of Santa Clara  
Office of the County Executive  
Office of Supportive Housing



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**DATE:** December 18, 2018  
**TO:** Board of Supervisors  
**FROM:** Ky Le, Director, Office of Supportive Housing  
**SUBJECT:** Supportive Housing Development Program Update

**RECOMMENDED ACTION**

Consider recommendations related to the implementation of the 2016 Measure A Affordable Housing Bond. (Office of Supportive Housing)

Possible action:

- i. Receive report from the Office of Supportive Housing relating to the implementation of the 2016 Measure A Affordable Housing Bond and the third cohort of multifamily rental developments.
- ii. Approve Request for Appropriation Modification No. 166 - \$102,070,000 increasing expenditures in the Office of Supportive Housing budget, relating to the nine supportive housing and affordable developments. (4/5 Roll Call Vote)

**FISCAL IMPLICATIONS**

To implement the 2016 Measure A Affordable Housing Bond (Housing Bond), the Board adopted resolution number BOS-2017-102 approving the issuance and sale of general obligations bonds on August 15, 2017 (Item No. 28). The bond sale for \$250,000,000 was completed on October 26, 2017. Through previous actions in Fiscal Year (FY) 2018, the Board committed \$147,930,000 of the \$250,000,000.

As part of its agenda on December 18, 2018, the Board will consider financial support for nine supportive and affordable developments in an amount not to exceed \$123,150,000. The County's loans would be funded by the Housing Bond. However, the County may use other funding sources (e.g., Community Development Block Grant) if they become available and would better meet the needs of the projects and the County.

**Table 1: Previous & Proposed Housing Bond Commitments**

<b>Program Category</b>	<b>Previous Commitments</b>	<b>Proposed Commitments</b>	<b>Total Commitments</b>
First-Time Homebuyer Down Payment Assistance Loan Program	\$25,000,000	\$0	\$25,000,000
Supportive Housing Fund (Acquisition Loans)	\$11,900,000	\$0	\$11,900,000
Supportive Housing Development Program – Round 1	\$44,830,000	\$0	\$44,830,000
Supportive Housing Development Program – Round 2	\$66,200,000	\$0	\$66,200,000
Supportive Housing Development Program – Round 3		\$123,150,000	\$123,150,000
<b>Totals</b>	<b>\$147,930,000</b>	<b>\$123,150,000</b>	<b>\$271,080,000</b>

If the Board approves all nine developments, the County’s commitment will be greater than the proceeds from the first bond issuance. At this stage, however, the County is only committing an up-to capital funding amount for each development, with actual expenditures taking place over a three- to five-year period. The Administration does not anticipate spending more than \$250,000,000 from the first bond issuance before **November 1, 2020**, which is around the same time the Administration intends to conduct the second bond issuance of \$300,000,000. Thus, the requested appropriation modification would increase the expenditure appropriation in the OSH budget by \$102,070,000, which is the remaining uncommitted amount from the first issuance of the Housing Bond. All funds from the first bond issuance would then be appropriated. After the second bond issuance, the Administration will bring forward an additional appropriation modification request to meet any further funding obligations associated with these nine proposed projects and any Housing Bond related developments or programs that the Board may approve hereafter.

**REASONS FOR RECOMMENDATION**

This is the Administration’s fifth Housing Bond implementation report, providing the Board with an update on the County’s efforts to: 1) increasing homeownership opportunities for lower-income households; and 2) increase the supply of multifamily rental affordable and supportive housing.

**Homeownership Opportunities**

On June 19, 2018 (Item No. 15), the Board considered and approved the program guidelines for the countywide First-Time Homebuyer Assistance Program, approving the use of up to \$25,000,000 toward the program. The Board also approved an agreement with the Housing Trust of Silicon Valley (HTSV) to administer the program. The Administration officially launched the program on November 20, 2018, and HTSV has received over 160 intake applications. This is the first step in the program enrollment process. The Administration will continue implementing its marketing and outreach plan which includes, but is not limited

to, realtor trainings, employer workshops (e.g., school districts, non-profit employers and labor organizations), and brown bag “Lunch and Learn” events with housing staff.

**Multifamily Rental Affordable and Supportive Housing**

Through actions on November 14, 2017 (Item No. 20), December 5, 2017 (Item No. 7), and June 5, 2018 (Item No. 25), the Board committed up to \$111,030,000 in Housing Bond funds to support ten new housing developments. Table 2 summarizes the status of the ten previously approved developments.

**Table 2: Status of Previously Approved Developments**

<b>Project Name</b>	<b>County Funds</b>	<b>Total Units</b>	<b>Project Status</b>	<b>Projected Lease-Up</b>
Sango Court Apartments	\$16,000,000	102	Developer is preparing funding applications for tax credits and the Affordable Housing Sustainable Community (AHSC) program.	September 2020
North San Pedro Apts.	\$7,200,000	135	Construction finance closing is projected for December 2018.	July 2020
Corvin Apartments	\$29,000,000	146	Developer is preparing funding applications for tax credits and finalizing the design approval from the City of Santa Clara.	October 2020
Page Street Apartments	\$14,000,000	82	Developer is preparing funding applications for tax credits and the AHSC program.	March 2021
The Veranda	\$1,000,000	19	Construction began on May 21, 2018	June 2019
Gateway Sr. Apts.	\$7,500,000	75	Construction began on September 18, 2018	December 2019
Villas on the Park	\$7,200,000	84	Construction began on April 1, 2018	December 2019
Crossings on Monterey	\$5,800,000	39	Construction began on October 1, 2018	December 2019
Leigh Ave. Sr. Apts.	\$13,500,000	64	Construction finance closing is projected for December 2018.	February 2020
Quetzal Gardens	\$9,830,000	71	Developer is securing financing; specifically, they are working closing a funding gap.	April 2020
<b>Total</b>	<b>\$111,030,000</b>	<b>817</b>		

As part of its agenda on December 18, 2018, the Board will consider allocating up to \$123,150,000 to support nine additional developments. Up to \$94,000,000 would be used to

support six new construction projects and up to \$29,150,000 would be used to support three acquisition and rehabilitation projects.

The six new construction projects would result in 620 new apartments. Of these 620 new apartments:

- a) 202 will be used as permanent supportive housing (PSH) to help individuals and families with special needs to obtain and maintain permanent housing;
- b) 54 will be used as rapid rehousing (RRH) to help homeless individuals and families transition in place;
- c) 110 apartments will be affordable to extremely low income (ELI) households;
- d) 120 apartments will be affordable to very-low income (VLI) households;
- e) 125 apartments will be affordable to low-income (LI) households, those who are earning between 51% and 80% of the area median income (AMI); and
- f) Nine apartments will be for resident managers.

The three acquisition and rehabilitation projects will have a total of 484 apartments. The County's investment would contribute to the preservation and improvement of these 484 affordable apartments. In addition, the County's investment would deepen the affordability or increase vulnerable populations' access to 201 of the apartments. Specifically, through turnover:

- a) 130 apartments will be used as PSH to help individuals and families with special needs to obtain and maintain permanent housing; and
- b) 71 apartments will be used as RRH to help homeless individuals and families transition in place.

For the ten previously approved developments and the nine proposed developments, the County may provide less funding once the developers have finalized their project financing plans. For example, Agrihood Apartments will be applying for competitive state tax credits; a successful application for those tax credits would reduce the County's funding commitment.

### *Progress toward Production Goals*

Implementation of the Housing Bond is ahead of schedule. The County is one and a half years into its ten-year plan. If the nine new housing developments are approved and all Housing Bond-funded developments are completed, the County would reach nearly 30% of its housing production goal. Funding commitments are also on pace with production goals. If the nine developments are approved, the Board will have committed up to **\$234,180,000** (or nearly 30%) of the \$800,000,000 in Housing Bond funds that are dedicated to ELI and

VLI housing.<sup>1</sup> Table 3a identifies how many affordable and supportive housing units are associated with the ten previously approved developments and the nine proposed developments.

**Table 3a: All Housing Bond-Funded Multifamily Rental Developments**

<b>Development</b>	<b>Total Units</b>	<b>Mgr. Units</b>	<b>LI Units<sup>2</sup></b>	<b>VLI Units</b>	<b>ELI Units</b>	<b>RRH Units</b>	<b>PSH Units</b>	<b>Proposed County Funds</b>
Ten Previously Approved Developments	817	10	78	153	87	0	489	\$111,030,000
Six Proposed New Construction Developments	620	9	125	120	110	54	202	\$94,000,000
Three Proposed Acquisition & Rehabilitation Developments	484	3	-	29	251	71	130	\$29,150,000
<b>Total</b>	<b>1,921</b>	<b>22</b>	<b>203</b>	<b>302</b>	<b>448</b>	<b>125</b>	<b>821</b>	<b>\$234,180,000</b>

Table 3b summarizes the County’s current housing production goals and progress toward those goals if the nine recommended developments are approved and constructed. Table 3b only includes newly constructed units and renovated units that will be converted to supportive housing or that will have their affordability levels increased; thus, existing affordable housing units are not counted toward the County’s housing production goals.

For example, Markham Plaza II currently consists of 152 apartments, of which one is for a resident manager and 151 are affordable to ELI households. The County’s funding would enable the developer to renovate all 152 apartments; however, only 50 of the units will be converted to supportive housing. Thus, while all of Markham Plaza II’s units are included in Table 3a, only the 50 supportive housing units are included in Table 3b.

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<sup>1</sup> The \$234,180,000 total excludes the \$25,000,000 that has been set aside for Empower Homebuyers. It also excludes the \$11,900,000 that has been set aside to assist affordable housing developers acquire land, because the acquisition fund is intended to be a revolving loan fund.

<sup>2</sup> Low-income housing units are restricted to households earning up to 80% of AMI.  
 Board of Supervisors: Mike Wasserman, Cindy Chavez, Dave Cortese, Ken Yeager, S. Joseph Simitian  
 County Executive: Jeffrey V. Smith  
 Agenda Date: December 18, 2018

**Table 3b: New Rental Housing Production Goals and Progress<sup>3</sup>**

	<b>Previously Approved</b>	<b>Proposed Units</b>	<b>Total Units</b>	<b>Unit Goals</b>	<b>% of Goal Met</b>
PSH to Assist Persons with Disabling Conditions and their Families	489	332	821	1,800	46%
RRH to Assist Homeless Working Families and Individuals Regain Permanent Housing	0	125	125	1,600	8%
Housing Affordable to ELI Individuals and Families	87	110	197	800	25%
Housing Affordable to VLI Individuals and Families	153	120	273	600	46%
<b>Totals</b>	<b>729</b>	<b>687</b>	<b>1,416</b>	<b>4,800</b>	<b>30%</b>

Table 3b only reflects housing production goals associated with the Housing Bond, which passed in 2016 and began funding projects in 2017. The County and its partners began prioritizing the development of new affordable and supportive housing apartments in 2015. Table 3b only includes affordable and supportive housing developments that use Housing Bond funding.<sup>4</sup>

Attachment E shows all pre-2015 supportive housing units. Attachment E also shows all supportive housing units that were put into operation, started construction, or were fully financed since 2015, regardless of funding sources. Prior to 2015, there were 247 supportive housing units in Santa Clara County. Since 2015, the County and its partners have increased supportive housing in Santa Clara County by 1,537 units. Of these units: a) 151 are currently in operation; b) 586 are under construction; and c) 800 are in the pipeline.

<sup>3</sup> The six proposed new developments include 125 units for households earning up to 80% of AMI. Units at that income level were not included in the OSH’s original production goals but can be added for future reports. Also, Table 3b does not include production goals for “Workforce Housing.” Goals relating to Workforce Housing will be included in future reports.

<sup>4</sup> Table 3b reflects a correction to the number of ELI and VLI units from the ten previously approved developments; however, the total number of new units – 817 – that will be constructed as a result of the ten developments has not changed.

## Recommended Developments

Table 4a summarizes the nine developments that are recommended for funding. For the six new construction developments, Table 4a shows all units that will be added to Santa Clara County's housing inventory, especially supportive housing, VLI and ELI units. For the three acquisition and rehabilitation developments, while the County's investment will benefit all 484 existing affordable apartments, 201 of the units will be deed restricted as supportive housing.

**Table 4a: Recommended Developments**

Development	Total Units	Mgr. Units	LI Units	VLI Units	ELI Units	RRH Units	PSH Units	Proposed County Funds
<i>New Construction Developments</i>								
Agrihood Senior Apartments	165	2	55	-	54	-	54	\$23,550,000
Evans Lane Community Village	61	1	15	15	-	-	30	\$12,000,000
West San Carlos Housing	80	1	20	19	-	-	40	\$9,300,000
Blossom Hill Housing	147	2	-	48	48	-	49	\$19,100,000
Alum Rock Family Housing	87	2	16	18	8	14	29	\$15,650,000
Roosevelt Park Apartments	80	1	19	20	-	40	-	\$14,400,000
<b>Subtotal New</b>	<b>620</b>	<b>9</b>	<b>125</b>	<b>120</b>	<b>110</b>	<b>54</b>	<b>202</b>	<b>\$94,000,000</b>
<i>Acquisition and Rehabilitation Developments</i>								
Markham Plaza I	153	1	-	-	112	-	40	\$7,000,000
Markham Plaza II	152	1	-	-	101	-	50	\$7,200,000
Curtner Studios	179	1	-	29	38	71	40	\$14,950,000
<b>Subtotal Rehab</b>	<b>484</b>	<b>3</b>		<b>29</b>	<b>251</b>	<b>71</b>	<b>130</b>	<b>\$29,150,000</b>
<b>GRAND TOTAL</b>	<b>1,104</b>	<b>12</b>	<b>125</b>	<b>149</b>	<b>361</b>	<b>125</b>	<b>332</b>	<b>\$123,150,000</b>

## *Description of New Construction Developments*

Below is a brief description of the nine proposed developments. More information about each development can be found in two-page project summaries that are included as Attachment A or in the project-specific legislatives files that are also being considered by the Board on December 18, 2018.

Agrihood Senior Apartments, Santa Clara: Agrihood Senior Apartments is a new 165-unit affordable senior housing development in Santa Clara. If approved, the County's investment of up to \$23,550,000 would contribute to the construction of 54 PSH units to help special needs seniors obtain and maintain permanent housing, 54 apartments for ELI households, and 55 units for households earning up to 80% of AMI. Two units will be for resident managers. The Core Companies (Core) is seeking an allocation of 54 Section 8 Project Based Vouchers (PBVs) from the Santa Clara County Housing Authority (SCCHA) and \$15,262,000 from the City of Santa Clara.

Evans Lane Community Village, San Jose: The Evans Lane Community Village is a new 61-unit affordable family development in San Jose. If approved, the County's investment of up to \$12,000,000 would contribute to the construction of 30 PSH units to help individuals and families with special needs obtain and maintain permanent housing. Of the remaining 31 units, 15 units would be affordable to VLI households, 15 units would be affordable to low-income (LI) households, and one unit would be reserved for a resident manager. For this development, Allied Housing, the developer, is seeking an allocation of 30 Section 8 PBVs from SCCHA and \$6,611,363 from the City of San Jose.

West San Carlos Housing, San Jose: West San Carlos Housing is a new 80-unit affordable family development in San Jose. If approved, the County's investment of up to \$9,300,000 would contribute to the construction of 40 PSH units to help individuals and families with special needs obtain and maintain permanent housing, 19 units for VLI households, 20 units for LI households, and one unit for the resident manager. The developer, Danco Communities (Danco), has also requested an allocation of 40 PBVs from SCCHA and \$9,875,000 from the City of San Jose. If the County's commitment is approved, Danco would submit an application for 4% tax credits in March 2019.

Blossom Hill Housing, San Jose: Blossom Hill Housing is a new 147-unit affordable senior housing development in San Jose. If approved, the County's investment of up to \$19,100,000 would contribute to the construction of 49 PSH units to help special needs seniors obtain and maintain permanent housing, 48 apartments for ELI households, 48 units for VLI households, and two units for resident managers. The developer Charities Housing Development Corporation of Santa Clara County (Charities Housing), has also requested an allocation of 49 Section 8 PBVs from SCCHA and \$18,375,000 from the City of San Jose.

Alum Rock Family Housing, San Jose: The Alum Rock Family Housing is a new 87-unit affordable family housing development located at the corner of Alum Rock Avenue and Foss Street. If approved, the County's investment of up to \$15,650,000 would contribute to the construction of 29 permanent supportive housing (PSH), 14 rapid rehousing housing (RRH) units to help homeless individuals and families with special needs, 8 units for ELI households, 18 units for VLI households, 16 units LI households, and two units for resident

managers. The developer, Affirmed Housing, has also requested an allocation of 29 Section 8 PBVs from SCCHA and \$9,350,000 from the City of San Jose.

Roosevelt Park Apartments, San Jose: The Roosevelt Park Apartments is a new 80-unit affordable family development in San Jose. If approved, the County's investment of \$14,400,000 would contribute to the construction of 40 rapid rehousing housing (RRH) units to help homeless individuals and families with special needs, 20 units for VLI households, 19 units for households earning up to 80% of AMI, and one unit for a resident manager. The developer, First Community Housing (FCH), has also requested \$8,750,000 from the City of San Jose. Finally, FCH is exploring the opportunity to set aside some of the affordable units for persons with an intellectual or developmental disability. This would be accomplished through marketing plans and partnerships rather than through a deed restriction.

#### *Description of Acquisition and Rehabilitation Developments*

Markham Plaza I, San Jose: Markham Plaza I is the first phase of a two-phased development constructed in 2003. The site is currently developed with a 4-story building consisting of 152 affordable housing units and one manager's unit. If approved, the County's investment of up to \$7,000,000 would contribute to the preservation and improvement of existing ELI housing and, upon unit turnover (currently estimated at 20 units per year), would result in 40 PSH units. In addition to increasing housing opportunities for PSH programs, the County's investment would improve and extend the useful life of the property, stabilize the property's operations, result in more resident and property management services, and help the developer, Core, overcome some external challenges that have become more problematic over time as the project's rental revenues declined.

Approximately \$5,000,000 of the County's investment would be repaid within 15 years. And, as part of the financial stability plan, Core has submitted a request for 20 Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) PBVs, will request an amendment to an existing Section 8 PBV contract giving referral rights to the County, and will set aside ten units for the County's existing scattered sites PSH programs.

Markham Plaza II, San Jose: Markham Plaza II is the second phase of a two-phased development constructed in 2004. The site is currently developed with a 4-story building consisting of 151 affordable housing units and one manager's unit. If approved, the County's investment of up to \$7,200,000 would contribute to the preservation and improvement of existing ELI housing and, upon unit turnover (currently estimated at 20 units per year), would result in 50 PSH units. The County's investment would enable the developer, Core, to address some of the same challenges faced by Markham Plaza I.

Similarly, approximately \$5,200,000 of the County's investment would be repaid within 15 years. For this development, Core has submitted a request for 30 HUD VASH PBVs and has agreed to set aside 20 units for the County's existing scattered sites PSH programs.

Curtner Studios, San Jose: Curtner Studios is an existing 3-story building originally constructed in 1994 consisting of 178 affordable housing units and one manager's unit. The developer, FCH, acquired the property in 2007 from a private developer and initially set aside 27 units for persons with a mental illness. Over the last several years, FCH has had

some success in addressing the property's revenue shortfalls and operating challenges. For example, FCH set aside 40 units as PSH for Project Welcome Home (PWH). While this strategy has increased onsite services and improved property operations, it was only implemented in the summer of 2015.

The County's investment would allow FCH to significantly renovate the development to resolve security challenges, adding offices for services staff, and adding spaces for the residents to gather and socialize. If approved, the County's investment of up to \$14,950,000 would contribute to the preservation and improvement of existing affordable housing and, upon unit turnover (currently estimated at 20 units per year), would result in 40 new PSH units and 71 RRH units. FCH has also submitted a request for 40 PBVs from SCCHA.

### *Underwriting & Financial Feasibility*

The County's underwriting and financial feasibility analysis is completed at three stages during each project's development phase: 1) at the time an application is submitted to the County for funding; 2) at construction finance closing; and 3) after the construction is complete and the project converts to permanent financing. Each developer is required to provide a pro forma and financial plan when they apply for housing development funds from the County. The financing plan explains in detail the pro forma and assumptions that the developer is using to develop their projections.

During the initial review, OSH prepares a preliminary analysis to: 1) confirm the funding gap; 2) determine the maximum subsidy for the project; and 3) analyze the developer's financial projections and funding sources. Each project is underwritten to the Board-approved underwriting standards which includes but is not limited to loan terms, developer fee caps, payment of prevailing wages, replacement and operating reserve amounts, operating budget minimums, and cash flow distributions. A consultant is used to peer review OSH's analysis. The OSH staff also consult with staff from cities that may have also received a funding request from the developer.

The second review is completed once the developer has secured all financing for the project. At this stage, the construction lender, senior lender, and other soft lenders underwrite the development based on the collective requirements of each funding source. If there are inconsistent policies or assumptions have changed, OSH negotiates the County's position to ensure the number of supportive housing units does not change, that costs remain reasonable, that the development remains affordable for at least 55 years, and, to the extent possible, that the County's investment is repaid.

The final and third review is completed post construction to certify that all costs were appropriate, and a final cost certificate is prepared. OSH reviews the final cost certificate and cost savings are used to pay back a portion of the County's loan.

### *Financial Summaries*

Under advisement from the May 9, 2017 (Item No. 13), Board of Supervisors meeting, the Administration has prepared Attachments B and C to show that the proposed developments' costs are reasonable and that the developments would significantly leverage non-County funding sources.

Attachment B provides each development's costs and funding sources, milestones, affordability levels, and unit mix. The estimated total development cost for the nine proposed projects is \$451,159,676.

- The County's contribution would be a maximum of \$123,150,000, or 27% of the total development costs for all nine projects combined.
- For the six proposed new construction developments, the County's contribution averages nearly 25% of the total development cost.
- For the three proposed acquisition and rehabilitation developments, the County's contribution averages 51% of the total development cost because the County would be funding nearly 100% of the renovations at Curtner Studios.

Attachment C compares costs between developments, cost per unit, and cost per bedroom. The attachment also includes the same information for six developments that are under construction in Santa Clara County without Housing Bond funds. Some of the data in the attachments are subject to change (e.g., total local funding for each development).

While not included in the development financing, a critical component to ensuring the financial feasibility for developments with PSH units is the operating subsidy provided through HUD-VASH or Section 8 PBVs. Attachment D estimates the 20-year operating subsidy that is provided by these PBVs to the ten previously approved Housing Bond-funded developments, the nine proposed Housing Bond-funded developments, and six developments without Housing Bond funds.<sup>5</sup> The six developments without Housing Bond funds have a significant number of supportive housing units (e.g., Second Street Studios).<sup>6</sup>

### *Loan Terms*

The final loan amount for each development will be contingent upon the final tax credit award and the developer's ability to secure other local, state, and federal funding. In general, loans issued for new construction will be structured as 3% simple interest residual receipt loans, subject to final underwriting, and will be consistent with the Supportive Housing Development Program Guidelines that were approved by the Board on August 15, 2017 (Item No. 27).

### *Timing and Supportive Services*

The Board's commitment of capital funds would be paired with a tacit commitment to provide supportive services. Depending on the target population for each development, the County would have to increase and/or redirect existing funding to ensure an adequate level of supportive services would be provided for supportive housing residents. When the services

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<sup>5</sup> The operating subsidy is determined by: a) calculating the difference between the average rent that a PSH resident is required to pay and the maximum restricted rent of the unit; and b) calculating the difference between the maximum rent rental assistance payment for each PBV and the restricted rent of that unit.

<sup>6</sup> The OSH will update Attachment D to include data from Renascent Place and other developments at a future date.

are fully implemented, it is expected that 15% to 20% of the funding would come from Short-Doyle Medi-Cal for specialty mental health services.

Generally, supportive services are fully funded six to eight months prior to the start of project occupancy, depending on the number of supportive housing units in the development, giving the provider sufficient time to work with property managers and developers to locate clients and help clients compile and complete the necessary eligibility documentation and applications.

The OSH is still developing a services model for newly constructed RRH units. Unlike PSH units, supportive services costs for households in RRH programs decrease significantly in the third year of the RRH program. OSH estimates that the annual per unit for the first two years is approximately \$10,000 per year.

In early 2019, the Administration will provide the Board with report detailing the expenditure and funding plans for services associated with all supportive housing units in the pipeline.

### **CHILD IMPACT**

While most of the apartments in the nine proposed developments will be studios or one-bedroom units, there will be a total of 134 two- and three-bedroom units. Some of these affordable and supportive housing units would provide lower income families with children permanent housing opportunities.

### **SENIOR IMPACT**

Two of the proposed new construction developments would be restricted for seniors. These developments would create 308 apartments for seniors.

### **SUSTAINABILITY IMPLICATIONS**

The nine proposed multifamily rental developments will increase permanent housing opportunities for some of Santa Clara County's most vulnerable individuals and families.

### **BACKGROUND**

On August 15, 2017 (Item No. 27), the Board approved the guidelines for the County's Supportive Housing Development Program. The guidelines establish criteria and priorities for multifamily rental housing development using County housing funds, the bulk of which are from the Housing Bond. On September 26, 2017, the Office of Supportive Housing (OSH) issued a Notice of Funding Availability (NOFA), enabling affordable housing developers to formally submit funding requests to the County. Unlike traditional procurement processes that have narrow windows for submission, review and selection, the NOFA serves as a call for projects with rolling submission deadlines. The Administration intends to recommend funding developments in cohorts, although individual developments may be brought forward as needed.

### **CONSEQUENCES OF NEGATIVE ACTION**

The Board will not receive the report.

## **STEPS FOLLOWING APPROVAL**

Upon approval, the Clerk of the Board is requested to notify Ky Le ([Ky.Le@hhs.sccgov.org](mailto:Ky.Le@hhs.sccgov.org)) Consuelo Hernandez ([Consuelo.Hernandez@hhs.sccgov.org](mailto:Consuelo.Hernandez@hhs.sccgov.org)), Jessica de Wit ([Jessica.dewit@hhs.sccgov.org](mailto:Jessica.dewit@hhs.sccgov.org)), Eloiza Murillo-Garcia ([Eloiza.MurilloGarcia@hhs.sccgov.org](mailto:Eloiza.MurilloGarcia@hhs.sccgov.org)), Marie Walters ([Marie.Walters@hhs.sccgov.org](mailto:Marie.Walters@hhs.sccgov.org)), and Alejandra Herrera ([Alejandra.Herrera@hhs.sccgov.org](mailto:Alejandra.Herrera@hhs.sccgov.org)) of the OSH.

## **LINKS:**

- **Linked To: 94351 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, and/or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, and estoppels, relating to one or more loans to Allied Housing, or affiliate, in an amount not to exceed \$12,000,000 for the development of 61 apartments at the Evans Lane Community Village to be located on a site known as 2090 Evans Lane in the City of San José, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive, and subject to administrative review and approval of final land use entitlements, California Environmental Quality Act, and related due diligence matters and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)
- **Linked To: 94352 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels, relating to one or more loans and a sale/lease back arrangement with Charities Housing, or affiliate, in an amount not to exceed \$19,100,000 for the development of 147 apartments at Blossom Hill Housing to be located at 397 Blossom Hill Road, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive, and subject to administration review and approval of final land use entitlements, California Environmental Quality Act, and related due diligence matters and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)
- **Linked To: 94356 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, and estoppels, relating to one or more loans with the Core Companies, or affiliate, in an amount not to exceed \$23,550,000 for the development of 165 apartments at the Agrihood Senior Apartments to be located on a portion of the site known as 90 N. Winchester Boulevard in the City of Santa Clara, following approval by County Counsel as to

form and legality, approval by the Office of the County Executive, and subject to review and approval of final land use entitlement, California Environmental Quality Act, and related due diligence matters and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)

- **Linked To: 94357 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels, relating to one or more loans and a sale/lease back arrangement with Danco Communities, or affiliate, in an amount not to exceed \$9,300,000 for the development of 80 apartments at West San Carlos Housing to be located on a site known as 750 West San Carlos Street in the City of San Jose, following approval by County Counsel as to form and legality, approval by the Office of the County Executive, and subject to review and approval of final land use entitlement, California Environmental Quality Act, and related due diligence matters and other standard requirements set forth in the final documentation. Delegation of Authority shall expire on December 18, 2022. (Office of Supportive Housing)
- **Linked To: 94387 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels, relating to one or more loans and a sale/lease back arrangement with First Community Housing, or affiliate, in an amount not to exceed \$14,400,000 for the development of 80 apartments at the Roosevelt Park Apartments to be located at 21 N. 21st Street, San Jose, following approval by County Counsel as to form and legality, approval by the Office of the County Executive, and subject to review and approval of final land use entitlement, California Environmental Quality Act, and related due diligence matters and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)
- **Linked To: 94439 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels, relating to one or more loans and a sale/lease back arrangement with Affirmed Housing or affiliate in an amount not to exceed \$15,650,000 for the development of 87 apartments at the Alum Rock Family Apartments to be located on a site known as 2350 Alum Rock Avenue in the City of San Jose, following approval by County Counsel as to form and legality, approval by the Office of the County Executive, and subject to review and approval of final land use entitlement, California Environmental Quality Act, and related due diligence matters and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)

- **Linked To: 91400 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels, relating to one or more loans and an option for a sale/lease back arrangement with the Core Companies, or affiliate, in an amount not to exceed \$7,000,000, for the preservation of 153 apartments at 2000 Monterey Road, San Jose, commonly referred to as Markham Plaza I, following approval by County Counsel as to form and legality, approval by the Office of the County Executive, and subject to review and approval of final land use entitlement, California Environmental Quality Act and related due diligence matters, and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)
- **Linked To: 94036 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents, including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels, relating to one or more loans and a sale/lease back arrangement with the Core Companies, or affiliate, in an amount not to exceed \$7,200,000 for the preservation of 152 apartments at 2010 Monterey Road, San Jose, commonly referred to as Markham Plaza II, following approval by County Counsel as to form and legality, approval by the Office of the County Executive, and subject to review and approval of related due diligence matters and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)
- **Linked To: 94443 :** Approve delegation of authority to the County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents including but not limited to contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels, relating to one or more loans and a sale/lease back arrangement with First Community Housing, or affiliate, in an amount not to exceed \$14,950,000 for the preservation of 179 apartments at 701 Curtner Avenue, San Jose, commonly referred to as Curtner Studios, following approval by County Counsel as to form and legality, approval by the Office of the County Executive, and subject to review and approval of related due diligence matters and other standard requirements set forth in the final documentation. Delegation of authority shall expire on December 18, 2022. (Office of Supportive Housing)

## **ATTACHMENTS:**

- Attachment A: Project Summaries (PDF)
- F85-166 (PDF)
- Attachment B: Project Details (PDF)
- Attachment C: Cost Analysis (PDF)
- Attachment D: Operating Subsidy Summary (PDF)
- Attachment E: Housing Production Pipeline (PDF)