

Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Jacky Morales-Ferrand
Julia H. Cooper

SUBJECT: SEE BELOW

DATE: August 16, 2018

Approved



Date

8/16/18

INFORMATION

SUBJECT: REPORT ON ACTIVITIES UNDERTAKEN BY THE DIRECTOR OF HOUSING AND THE DIRECTOR OF FINANCE UNDER THE DELEGATION OF AUTHORITY ORDINANCE FOR THE PERIOD OF APRIL 1, 2018 THROUGH JUNE 30, 2018

EXECUTIVE SUMMARY

This memorandum details actions taken under the delegation of authority to the Director of Housing and the Director of Finance for the fourth quarter of FY 2017-18 (April 1, 2018 through June 30, 2018).

The Director of Housing did not approve any of the following: new or amended business terms to Council-approved multifamily development loans or grants, homebuyer loans, single family housing transactions, rehabilitation loans and grants, or Housing Trust Fund Grants during this quarter. The Director of Finance held one Tax Equity and Fiscal Responsibility Act hearing during this period. These activities are summarized in the Attachment. In addition, Attachment A lists two actions approved by the Director of Housing earlier in FY 2017-18 that inadvertently were not listed on the Delegation of Authority Report for activities in the appropriate FY 2017-18 quarters.

BACKGROUND

On September 4, 1990, the City Council adopted Ordinance No. 23589, which delegated to the Director of Housing certain specified authorities in the administration of the City's comprehensive affordable housing program (the "Delegation of Authority" or "DOA"). On May 23, 2000, the DOA was amended by Ordinance No. 26127 to clarify certain sections and to add several other provisions. On June 25, 2002, the DOA was further amended by Ordinance No. 26657 to add several provisions delegating additional authority to the Director of Housing, the Director of Finance, and the City Manager. Subsequently, the City Manager delegated to the

August 16, 2018

Subject: Report on Activities Undertaken by the Director of Housing and the Director of Finance

Page 2

Director of Housing the contract authority granted to the City Manager. Effective July 26, 2007, the DOA was further amended by Ordinance No. 28067 to modify certain provisions in order to streamline the Housing Department's process of making and adjusting loans and grants.

The DOA is codified in Chapter 5.06 of the Municipal Code. This Memorandum reports on activities undertaken pursuant to the Administration's delegated authority for the period of April 1, 2018 through June 30, 2018.

ANALYSIS

The DOA authorizes the Director of Housing: to develop and implement additional guidelines for housing programs; to adjust terms on housing loans and grants; to change the funding sources of a loan; to convert loans to grants; to loan or to grant Housing and Homeless funds, Predevelopment funds, and Housing Rehabilitation Program funds; to negotiate and to execute grant agreements necessary to implement Council-approved programs adopted in the Annual Action Plan of the Consolidated Plan; to provide management for, and/or dispose of, properties acquired through direct purchase, foreclosure or deed-in-lieu proceedings; to formalize the City Council's policies and procedures regarding housing loan defaults; to apply for federal or State funding; to determine, within defined parameters, various terms and conditions of loans and grants previously approved by the City Council; to make adjustments, within defined parameters, to loans and grants previously approved by the City Council; and to make other technical changes.

Further, the DOA delegates jointly to the Director of Housing and Director of Finance certain authority related to the City's issuance of tax-exempt, private activity bonds to finance the development of affordable housing projects. The DOA also delegates to the Director of Finance the authority to hold Tax Equity and Fiscal Responsibility Act hearings on the City's proposed issuance of tax-exempt bonds to finance affordable housing projects.

Attached are charts that detail the actions taken under the DOA during the period of April 1, 2018 through June 30, 2018.

COORDINATION

Preparation of this report has been coordinated with the Office of the City Attorney.

/s/
JULIA H. COOPER
Director of Finance

/s/
JACKY MORALES-FERRAND
Director of Housing

For more information, contact Jacky Morales-Ferrand, Director of Housing, at (408) 535-3855.

Attachment

ATTACHMENT

**ACTIONS TAKEN BY THE DIRECTOR OF HOUSING
4th Quarter 2017 – 2018 (April – June 2018)**

Single Family Rehabilitation and Improvement Loans and Grants approved by the Director of Housing

There were no Single Family Rehabilitation and Improvement Loans and Grants during this quarter.

Homebuyer Loans approved by the Director of Housing

There were no Homebuyer Loans during this quarter.

Housing Trust Fund Grants approved by the Director of Housing

There were no Housing Trust Fund Grants during this quarter.

TEFRA Hearings held by the Director of Finance

PROJECT NAME	UNITS	LOCATION	BOND AMOUNT	MAYOR'S CERTIFICATE NO.
El Rancho Verde Apartments	700	300 and 303 Checkers Drive, San José, CA 95133	350,000,000	2018-01

**ADDITIONAL ACTIONS TAKEN BY THE DIRECTOR OF HOUSING
Fiscal Year 2017 - 2018**

#	Date	Action	Muni Code Citation
1	8/24/17	Approved the subordination of the City Affordability Restriction to a new senior loan	5.06.340 (A.2)
2	11/30/17	Approved the change the affordability level of one unit to facilitate its use as a management unit at The Plaza.	5.04.010