



Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: Leslye Krutko
Julia H. Cooper

SUBJECT: PASEO SENTER II APARTMENTS
MULTIFAMILY HOUSING REVENUE
BONDS, SERIES 2005C

DATE: November 23, 2005

Approved

Date

11/23/05

Council District: 7
SNI AREA: Tully/Senter

SUPPLEMENTAL

REASON FOR SUPPLEMENTAL MEMORANDUM

To provide an update on the affordability mix for the Paseo Senter II project (the "Project") and to submit the breakdown of the sources of funds for the Project.

CHANGES TO THE AFFORDABILITY MIX

As proposed in the funding commitment for Paseo Senter II, the unit affordability mix included 11 units affordable to Extremely Low Income ("ELI") households and 88 units affordable to Very Low Income ("VLI") households. Because of requirements of other lenders providing financing to the Project, the unit affordability mix has been modified. The Project will now have 31 ELI units and 68 VLI units.

SOURCES OF FUNDS

At the time the staff report dated November 14, 2005 was submitted to Council, the total costs for the Project were still being updated. The table below shows the sources of funds for the Project. The sources of funds are different during the construction period and at permanent financing. The California Housing and Community Development Multifamily Housing Program (MHP) funds, County of Santa Clara funds and a portion of the tax credit equity funds received at completion of construction will be used to retire the Series 2005C-2 bonds in full.

Sources of Project Financing

<u>Source</u>	<u>Construction Phase</u>	<u>Permanent Phase</u>
Bond Proceeds ¹	\$24,679,400	\$4,903,000
City Loans and Grants	5,939,550	5,939,550
Tax Credit Equity	4,205,651	14,310,590
Federal Home Loan Bank AHP Funds ²	0	396,000
Developer Equity	2,393,930	1,639,391
HCD's MHP Funds ³	0	9,000,000
Housing Trust of Santa Clara County Loan	0	500,000
County of Santa Clara Loan	0	300,000
HOME Investment Partnership Act Funds	0	30,000
TOTAL	<u>\$37,218,531</u>	<u>\$37,218,531</u>

¹ The bond proceeds during construction will be split into \$4,903,000 of Series 2005C-1 and \$19,776,400 of Series 2005C-2.

² Federal Home Loan Bank Affordable Housing Program (AHP) Funds

³ California Housing & Community Development's Multifamily Housing Program (MHP) Funds

The City funding was approved on June 29, 2004 for a loan up to \$5,939,550.

PUBLIC OUTREACH

The unit affordability mix has been modified and the Developer will be holding a community meeting to allow the public an opportunity to provide input on the affordability modification.

COORDINATION

This report has been prepared by the Finance Department in coordination with the Housing Department and the City Attorney's Office.


LESLYE KRUTKO
Director of Housing


JULIA H. COOPER
Deputy Director of Finance