



# Memorandum

**TO: COMMUNITY AND ECONOMIC  
DEVELOPMENT COMMITTEE**

**FROM:** Leslye Krutko

**SUBJECT: AFFORDABLE HOUSING  
INVESTMENT PLAN**

**DATE:** May 1, 2007

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Approved

Date

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Council District: Citywide

## **BACKGROUND**

The Five-Year Housing Investment Plan (FYHIP) provides valuable information on the economic resources available to the City of San José's Department of Housing. As a gap lender for affordable housing projects, the Housing Department's ability to achieve its production goals depends on its ability to finance the affordable housing program and the availability of outside resources to leverage City funding. The FYHIP enumerates the various funding resources available to achieve the City's affordable housing production goals.

## **ANALYSIS**

The City has hired CSG Advisors as consultants to examine and research the City's bond capacity over the next five years. The bond capacity is determined by projecting the tax increment growth over the next five years for the City's 20% Low and Moderate Income Housing Funds. Once the City has assessed how much Housing Funds will be available, the Housing Department can estimate and provide a goal for how many units can be built and at what income level those units will be. The report is expected to be completed by May 16, 2007, and I will be prepared to discuss the results at the Community and Economic Development Committee's May 24<sup>th</sup> meeting. Results will then be included in an addendum to the Five Year Housing Plan, which will be considered by the City Council in June or August, 2007.

LESLYE KRUTKO  
Director of Housing