DATE: November 14, 2019

TO: Honorable Members of the Board of Supervisors
Jeffrey v. Smith, M.D., J.D., County Executive

FROM: Bruce Knopf, Director, Asset and Economic Development

SUBJECT: Affordable Housing at the Fairgrounds

At the Board of Supervisors meeting October 8, 2019, Item No. 10, Supervisor Wasserman inquired about the 500+ units of housing that was built on Fairgrounds land and from which the County receives a continuing income stream on a ground lease. Further discussion with the Supervisor’s office clarified that the request was specifically to provide documentation of all three housing types and the numbers of units.

The Board of Supervisors approved an Outline of Development and Processing Agreement with The Housing Authority of Santa Clara County and with ROEM Development Corporation for the Fairgrounds (DPA) on December 18, 2001, Item No. 37, to develop and operate up to 560 units of housing. Ultimately 543 units were developed by ROEM and the Housing Authority, referred to as Corde Terra. The development includes 300 units of affordable family housing and 43 single-family townhomes, all completed in 2007 and a 200-unit senior housing project completed in 2009.

Detail can be found in the following Board actions:

<table>
<thead>
<tr>
<th>MinuteTraq</th>
<th>Date</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>#35579</td>
<td>12/18/2001</td>
<td>Approval of Outline of the DPA (attached)</td>
</tr>
<tr>
<td>#42617</td>
<td>02/26/2002</td>
<td>Approval of the DPA</td>
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<tr>
<td>#29207</td>
<td>02/11/2003</td>
<td>Approval of Option to Lease</td>
</tr>
<tr>
<td>#29331</td>
<td>02/25/2003</td>
<td>Held from 2/11/2003</td>
</tr>
<tr>
<td>#28396</td>
<td>04/06/2004</td>
<td>Adoption of CEQA</td>
</tr>
<tr>
<td>#26457</td>
<td>08/23/2005</td>
<td>Various amendments</td>
</tr>
</tbody>
</table>
cc:
Miguel Marquez, Chief Operating Officer
James R. Williams, County Counsel
Megan Doyle, Clerk of the Board
Chief Board Aides
Mercedes Garcia, OBA
Agenda Review Administrator

Attachment:

Board of Supervisors meeting of December 18, 2001, Item 37. Approve Outline of Development and Processing Agreement with Housing Authority of Santa Clara County/ROEM Development Corporation relating to preparing for negotiation of a Development and Processing Agreement and subsequent Ground Lease(s) for Fairgrounds Housing Development
DATE: December 18, 2001

TO: Board of Supervisors

FROM: Richard Wittenberg
County Executive

SUBJECT: Outline of Development and Processing Agreement with The Housing Authority of Santa Clara County / ROEM Development Corporation for the Fairgrounds Housing Development

RECOMMENDED ACTION
Approve the outline of a Development and Processing Agreement with The Housing Authority of Santa Clara County / ROEM Development Corporation in preparation for the negotiation of a Development and Processing Agreement and subsequent Ground Lease(s) for the Fairgrounds Housing Development.
FISCAL IMPLICATIONS

There is no fiscal impact associated with this recommended action. The County Executive will return to the Board with a Development and Processing Agreement and subsequently with a long-term Ground Lease(s) that will provide for significant annual revenue to the County. The amount of revenue will be determined in the course of negotiations between the County and the Housing Authority / ROEM development team.

REASONS FOR RECOMMENDATION

In November 2001 the Board directed the County Executive and the County's designated negotiator for the Fairgrounds Revitalization (Edward Alvarez of Silicon Valley Advisors) to conduct negotiations with the development team of The Housing Authority of Santa Clara County/ ROEM Development Corporation, leading to a Development and Processing Agreement and subsequent Ground Lease(s) for the Fairgrounds Housing Development. The Board directed the County Executive to return in December 2001 for the preliminary approval of proposed business terms with the Housing Authority / ROEM. The Outline of Development and Processing Agreement is therefore attached for Board approval.

The Housing Authority/ROEM team emerged as the successful developer, following an intensive and competitive selection process (described below) that included a qualifications round of evaluation, formal interviews and presentations with an independent selection panel, and subsequent independent financial analysis.

BACKGROUND

On February 27, 2001 the Board approved a status report on the Phase I Revitalization Project at the County Fairgrounds and authorized the County Executive's Office to pursue Phase II development opportunities. Included in the Board action was the authority to file a General Plan Amendment (GPA) application with the City of San Jose for the development of a Seniors / Multi-Family housing development at the Fairgrounds, and authority to initiate annexation proceedings with San Jose for the housing project parcel and the adjacent parcel designated for the new Franklin-McKinley Health Clinic. The Board also authorized the County Executive's Office to issue a Request for Qualifications (RFQ) for prospective housing developers, and to return to the Board with a formal Request for Proposals (RFP) at the conclusion of the qualifications phase. On August 7, 2001 the Board adopted a Resolution declaring the appropriate parcel at the Fairgrounds as surplus and formally approved its use for the housing development. On August 8, 2001 the City of San Jose Planning Commission...
approved the GPA, and the City Council approved it on August 28, 2001, granting the County authority to move ahead with the housing development.

Selection Process
The RFQ was issued to approximately forty development companies and related entities on May 11, 2001, and responses were received from nine development teams on June 7, 2001. An independent selection panel then conducted a formal review of the developer's proposals and determined that five development teams were most responsive to the RFQ and most qualified for the project. On August 7, 2001 the Board approved the formal RFP to be issued to the following five development teams:

• Catholic Charities Housing Development / Essex Property Trust, Inc.
• Housing Authority of the County of Santa Clara / ROEM Development Corp.
• Mid-Peninsula Housing Coalition / Regis Homes of Northern California
• The Related Companies of California / First Community Housing
• Barry Swenson Builder / Ecumenical Association for Housing, Inc.

RFP Selection Criteria
The RFP selection criteria included comparable experience, the proposed development plan, proposed architectural design, ground lease proposal, financial plan, services and amenities, and the property management plan. The intent was to choose the best overall project, not necessarily the proposal that generated the highest revenue for the County. While the financial return was an important consideration, since lease revenues from this project are needed to support the Revitalization Project, the goal of the greatest financial return is inconsistent with the goal of providing the greatest number of affordable units possible.

Project Goals
As articulated in the RFP, the purpose of this project is to develop a seniors and multi-family housing development to meet the following goals.

1. The housing development will be a model for public agency-directed projects.
2. The project will provide quality affordable housing to seniors and families.
3. The project will be compatible with and enhance the Franklin-McKinley neighborhood, and will be a good neighbor to Franklin School.
4. The housing development will complement the Fairgrounds Revitalization Project and will provide a revenue stream to support its developments.
5. The housing will be developed in cooperative planning with the County's new Franklin-McKinley Health Clinic on the adjacent parcel.
6. The development will be consistent with the housing goals of the County of Santa Clara and Franklin-McKinley the City of San Jose.

7. The development will be annexed into the City of San Jose and will be subject to the City's planning and development requirements.

**Affordability**

The land is being set aside and the project developed pursuant to Government Code sec. 25539.4, which requires that not less than 80% of the designated land be developed for housing, and that not less than 40% of the total number of housing units be affordable to persons or families of low or moderate income. The RFP went further than the legal requirement, in that it specifically required that at least 40% of the total units be affordable to people at or below the "low" and "very low" income levels. Each of the proposed development teams met or exceeded this affordability threshold. The Housing Authority / ROEM team proposes to build about 90% of the apartment units as affordable housing. The for-sale townhomes will be offered to first-time homebuyers at an affordable price.

**Selection Panel and Financial Analysis**

The developer proposals were submitted on September 13, 2001, whereupon a second independent selection panel evaluated them. On September 20, 2001, the panel conducted formal interviews and presentations with each of the five short-listed firms. The development teams were ranked based on the selection panel deliberations, and then an extensive financial analysis was undertaken by an independent financial consultant. The financial consultant was not provided with the identity of the proposed developers, only the financial information from their proposals. This was done to further ensure objectivity in the financial review. The financial analysis was necessarily complex because there are three housing types (seniors, multi-family, and townhomes), and multiple financing methods variously applied in the competing proposals (9% tax credits, 4% tax credits, Section 8 housing subsidies, bond financing, and City of San Jose subsidies). In addition, there were varying levels of affordability proposed by the developers, both within each type of housing and under each method of financing. The proposed development schedule was also influenced by the financing method, because, for example, the competition for tax credit financing predictably requires more than one funding cycle.

The selection process for this project was extremely competitive. Each of the five teams could have developed a successful project, but the task was to select the best project. As a result of the selection process and the results of the financial analysis, the Board authorized the County Executive and Mr. Alvarez to pursue negotiations with the Housing Authority/ROEM team.
CONSEQUENCES OF NEGATIVE ACTION
Without approval, the Fairgrounds Housing Development will not be able to proceed in compliance with the Board's direction. There would be a delay in the provision of a significant number of critically needed affordable housing units.

STEPS FOLLOWING APPROVAL
The County Executive's Office and Mr. Alvarez will negotiate the terms of the Development and Processing Agreement and subsequently the long-term Ground Lease(s), to be brought back for Board approval early in 2002. The Housing Authority/ROEM team will begin the Planned Development and Zoning approval processes with the City of San Jose, and initiate project financing.

The Clerk will please forward three copies of the approved transmittal to the County Executive's Office, attention Patrick Love.

Att: Outline of Development and Processing Agreement

ATTACHMENTS

- DPA Outline (Miscellaneous)
OUTLINE OF DEVELOPMENT AND PROCESSING AGREEMENT

Preamble

This Outline of Development and Processing Agreement ("DPA") is intended to set forth the understanding, between the County of Santa Clara ("the County") and a joint venture consisting of the Housing Authority of Santa Clara County ("the Housing Authority") and ROEM Development Corporation ("ROEM"), collectively referred to herein as the Joint Venture ("the Joint Venture"), pursuant to which the County desires to enter into certain agreements with the Joint Venture as follows:

1. The County desires to develop a Housing Development at the County Fairgrounds, and the Joint Venture has submitted to the County a Housing Development Proposal dated September 13, 2001, pursuant to which the parties to the Joint Venture and their successors would develop approximately 560 units of housing on property owned by the County and located at the Santa Clara County Fairgrounds. The project would consist of approximately 200 units of seniors apartments, approximately 300 multi-family apartments, and approximately 60 townhomes. Attached hereto as Exhibit A is a Description of the Project (the "Project"). Pursuant to this Outline of DPA, the County and Joint Venture will negotiate the terms and conditions of a DPA and a subsequent Ground Lease(s), to be approved by the Board of Supervisors in early 2002.

2. The County and the Joint Venture have agreed to the general structure of the development deal and are in the process of negotiating the terms and conditions of the DPA, including the financial terms and conditions outlined below (Financial Term Sheet), pursuant to which the County would agree to Ground Lease a portion of its property (for the seniors and multi-family apartments) and to sell a portion of its property (for the for-sale townhomes) to the parties to the Joint Venture. Following the negotiation of the terms and conditions of the DPA, the County and Joint Venture will negotiate the terms and conditions of the Ground Lease(s) to be approved by the Board of Supervisors.

3. In order to implement the Project at the earliest possible date, the parties have agreed to proceed with the following actions: (a) the parties shall complete an Environment Assessment Phase 1 and, if necessary, a Phase 2 and deliver such to the Joint Venture on or before February 1, 2002; (b) the County and the Joint Venture shall commence the Entitlement Process necessary to cause the Joint Venture and the County to file the necessary applications with the City
of San Jose in order to annex the property to the City, create the necessary
development parcels, rezone the property and commencement the CEQA
process.

4. The parties agree that all of the material terms and conditions necessary to
implement the Project shall be set forth in a DPA described in this outline and
that such Agreement shall be entered into between the parties on or before
February 1, 2002.

5. The parties agree to enter into Exclusive Negotiations Agreement from the
date hereof to February 1, 2002. Nothing herein shall be deemed to bind any
party hereto. The parties shall be bound only upon the execution of formal
documents by the Board of Supervisors.

Development and Processing Agreement

1. Purpose of Agreement The purpose of the DPA shall be to define the
obligations of the parties prior to execution of the Ground Lease(s).

2. The Site Within 10 day of the execution date of the DPA: (a) the County shall
provide the Joint Venture with access to the site, (b) the County shall deliver a
Title Report to the Joint Venture, (c) the County shall provide for a survey of
the site, and (d) the parties shall prepare an Environmental Site Assessment.
The Joint Venture shall have 30 days to approve or disapprove of site
conditions, title, survey and Environmental Assessment. In the event the
parties are unable to agree on any corrective action, either party shall have
the right to terminate the Agreement without further obligation. Any deposits
made shall then be returned.

3. Agreement to Proceed with Entitlement Process The parties have agreed to
commence the Entitlement Process upon execution of the DPA and to pursue
entitlements diligently pursuant to the Processing Schedule. The Joint
Venture shall file all necessary development applications, including
annexation, and shall cause the California Environmental Quality Act
(CEQA) process to commence under the direction of David Powers and
Associates. Since the County is developing the adjacent Clinic Parcel, it is
agreed that the parties will cooperate with respect to the Entitlement Process
and that costs shall be prorated to the extent necessary to properly allocate
costs to the Clinic Project. In all other respects all of the entitlement costs
shall be borne by the Joint Venture.

Approved Accepted Adopted Denied Presented
BY THE BOARD OF SUPERVISORS
OF THE COUNTY OF SANTA CLARA
Phyllis A. Perez, Clerk of the Board
By Sebastian Howard
Deputy Clerk
Date: DEC 18 2001
4. **Agreement to Proceed with Financing** The parties understand that the closing of the transaction is contingent on the obtaining of Financing by the parties to the Joint Venture for each of the Housing Projects. The Joint Venture parties agree to diligently pursue obtaining such financing and to file all necessary applications for such with the City of San Jose and any other necessary entities pursuant to the Processing Schedule. In addition, in order to complete financing, the parties to the Joint Venture will require investor funds, which shall also be diligently pursued in accordance with the Processing Schedule.

5. **Environmental Remediation** In the event the Environmental Assessment provides for Phase 2 testing, such testing shall be performed by the County. Any required remediation up to $50,000 shall be the obligation of the County. In the event that the remediation cost exceeds $50,000 and the Joint Venture elects not to bear the cost, then the County shall have the right to terminate this Agreement without further obligation. In such event, any deposits shall be returned.

6. **Conceptual Design** The County shall have the right to continuously review and approve the conceptual design of the project pursuant to the Processing Schedule. Such approval shall not be unreasonably withheld.

7. **Improvement Plans** The Joint Venture shall proceed with Preliminary Improvement Plans pursuant to the Processing Schedule and such plans shall be submitted to the County for approval, which approval shall not be unreasonably withheld. The Joint Venture shall cooperate with the County to the extent necessary and desirable in order to coordinate the site Improvement Plans with the Improvement Plans for the adjacent Clinic Project.

8. **Processing Schedule** The parties agree to attach a schedule to the DPA that sets forth the dates for performance of all obligations necessary to implement the DPA, the Option to Lease Agreement, the Purchase and Sale Agreement and the Ground Lease(s). The DPA shall provide for certain termination rights in the event the Entitlements necessary to develop the site are not obtained on or before January 31, 2003 and in the event financing for the project is not obtained on or before June 30, 2003. Such dates shall be subject to extension in the event that it is determined to be likely that such events could occur within 90 days of the milestone date and the delay is not caused by Joint Venture parties.
Financial Term Sheet

1. **Transaction Structure** A portion of the property will be subdivided into 3 separate parcels as described in the Project Description. Each parcel shall be subject to an Option to Ground Lease with Ground Lease Attached as described below. The parcels to be developed for Senior Housing and Low Income Family Housing shall be leased to the Housing Authority and entities created by it for purpose of development. The Parcel to be developed for Mixed Income Housing shall be leased to ROEM and/or an entity created by it for purpose of development. The remaining portion of the property, i.e., the Townhome site, shall be sold to ROEM and developed by ROEM.

2. **The Ground Leases** The material terms and conditions of the Ground Leases shall be as follows:
   (a) the County shall subordinate its fee interest on mutually agreeable terms and conditions.
   (b) the term shall be 75 years.
   (c) a base annual rental for Senior Housing shall be in an amount to be mutually agreed upon for the Low Income Family Housing. The base annual rental for the Mixed Income Family Housing shall be in an amount to be mutually agreed upon.
   (d) in addition to the base annual rental, a Contingent Rent shall be payable annually in an amount equal to a percentage mutually agreed upon of the surplus cash flow earned annually from each project during the amortization term of financing obtained from the City of San Jose. Subsequent to the full amortization of the City debt the County shall be paid an additional amount of the surplus cash flow earned annually from each project, as mutually agreed.
   (e) at the option of the County, the non contingent rent from the Low Income Family Housing and/or the Mixed Income project shall be prepaid at the closing in an amount to be mutually agreed.
   (f) the lessees shall be responsible for the payment of any and all taxes and shall provide the County with indemnity from all liability.
   (g) the Lease(s) would not be assignable without the consent of the County.

3. **Sale of the Townhome Site** The parcel to be developed for townhomes would subject to an Agreement for Purchase and Sale as follows:
   (a) the purchase price would be in an amount to be mutually agreed per square foot, with the exact square footage to be determined by a mutually agreeable survey, the cost of which shall be borne by the Buyer.
(b) the purchase price would be paid, in cash, at the closing. The closing would occur simultaneously with the execution of the Ground Lease(s).

4. **Option to Lease** Each of the Ground Leases shall be subject to an Option to Lease that would be executed within 45 days of the date upon which the DPA is executed. Said Option to Lease would provide for execution on each Ground Lease to occur simultaneously with the close of construction/permanent bond financing for all of the projects.

5. **Deposits** The Joint Venture shall deposit, with a mutually agreeable title company, an amount to be mutually agreed upon execution of the DPA and such additional amounts as are agreed upon each 120 days thereafter until the closing. Such deposits shall be made into an interest bearing account. Upon the removal of any contingencies set forth in the milestones, said deposits shall be release to the County but shall otherwise be applicable to the initial rent due under each of the Ground Leases and to the Purchase Price under the Agreement of Purchase and Sale. Each deposit shall be allocated equally to the 4 development parcels.

6. **Services and Amenities** Attached to the DPA shall be an Exhibit that describes the services and amenities to be provided by the parties to the Ground Leases. Such services and amenities shall be as described in the Housing Development Proposal and shall be supplemented as mutually agreed upon.
DESCRIPTION OF PROPOSED DEVELOPMENT

The joint development team of the Housing Authority and ROEM Development Corporation are proposing to sponsor four separate projects on the County Fairgrounds site. A total of 560 units are to be developed in these four projects, of which 500 are to be rental housing and 60 to be townhouse units. Of the 500 rental housing units, all but 42 are to be dedicated to either low or very low income occupancy. The 60 townhouse units are proposed to be subsidized by the City of San Jose for first time homebuyers. A description of each project follows:

SENIOR HOUSING COMPONENT (Housing Authority sponsored)

The senior housing complex is to be developed by the Housing Authority and will tap into the extremely strong marketplace of seniors which lack the personal and financial resources to afford housing in this area. We are able to offer a lower affordability component by linking Project Based Section 8 Vouchers to the ownership of the complex. These units will be made affordable to households which may lack financial resources much beyond income derived from Social Security.

In addition, the Section 8 income available to the project's owner substantially improves the financial feasibility of the project while permitting the County to receive returns under its ground lease vastly exceeding what otherwise would be possible. Under this system, the owner is anticipated to receive rental income of $950 per month for a Section 8 voucher assisted unit, a figure believed to be consistent with what the unit might rent for absent any income restrictions in the open market. HUD subsidizes the tenant paid portion of this rent in an amount equal to the difference between the Section 8 Voucher Program Payment standard, currently $1245 for a one bedroom unit, and 30% of the tenant's income. Provided the contract rent remains less than the Payment Standard figure, the tenant household will always be paying substantially less than 30% of their income towards rent, regardless of how low their income may be. Under current federal regulations, 100% of the units in a senior housing complex may be subsidized through Section 8 Project Based Assistance. We are proposing that all units, with the exception of a single manager's unit, be so assisted in this project.

All 200 units are to have one bedroom and be approximately 575 square feet in size. They will be located in a single, three story, double-loaded corridor building. The full program for the uses of the community room and other common areas of the senior housing development is presented in the "Amenities" section of this Proposal.
PUBLIC AGENCY EMPLOYEE RENTAL HOUSING (Housing Authority & ROEM)

The Housing Authority and ROEM Development Corporation will each be developing a multifamily complex targeted primarily to public agency employees. These projects will be developed on adjacent, newly created, parcels. These multifamily developments will be architecturally similar and represent a commitment to a high level of quality as evidenced by the design, building articulation, and materials used in construction. Each project will be enhanced by state of the art cat 5 wiring for computer hook ups, 9' Ceilings throughout the living spaces, spacious kitchens, laundry hook ups in each unit, and private balconies that will overlook mature landscaping.

The Housing Authority will develop 130 units of which there will be 58 one bedroom units, 59 two bedroom units, and 13 three bedroom units. All units, with the exception of a single resident manager's unit, will be restricted to low income occupancy.

ROEM Development Corporation will develop 170 units of which there will be 58 one bedroom units, 96 two bedroom units, and 16 three bedroom units. ROEM will offer a mixed-income development of which twenty-five percent (25%) of the units will not be rent or tenant income restricted. The remainder of the units, with the exception of a single resident manager's unit, will be restricted to low income occupancy. ROEM Development Corporation believes that this final tier of market rate units represents a significant resource to mid-career public agency employees.

All but five percent (5%) of the units will be offered on a preferential basis to public employees in the County. These units will be heavily marketed towards Valley Medical Center clinic employees as well as those of the Franklin McKinley School District. The remaining five percent of the units in the complex will be prioritized for occupancy by higher functioning individuals with developmental disabilities.

As such, eligibility for initial occupancy in the project would largely be limited to nurses, health care employees and other public employees, particularly those employed by the adjacent clinic such as nurses, dental assistants, medical records staff, medical admission clerks, and medical assistants. Even at the top end of the salary scale for these positions, where people may earn about $16 per hour or about $33,280 a year, single wage earner households will easily fall within the maximum permissible income limits for these units.
Public employees whose household incomes do not permit them to qualify for residence in the rent restricted units may find housing in the market rate component of the family rental complex to be sponsored by ROEM Development Corporation.

An additional targeted income group would be janitors, custodial staff and junior public sector office support staff who clearly will require targeted rental assistance given household incomes at or below 50% of the area median income figure. A total of 25% of the units in both the ROEM and Housing Authority complexes in this category will be assisted through Section 8 Project Based Assistance to make it possible to assist these households and individuals with developmental disabilities.

Federal regulations governing the low income housing tax credit program permit households whose incomes qualified at the time of initial occupancy generally to rise to 140% of the applicable income limit for new occupants as of the time of each tenant household annual income re-certification. This fortunate feature of the tax credit program accommodates the reality of rising household incomes as public agency employees progress in their careers.

Maximum household incomes under these standards are as follows:

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<th>Household Size</th>
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<td>1 Person Household</td>
<td>$30,550 - $36,660 - $85,540</td>
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<tr>
<td>2 Person Household</td>
<td>$34,900 - $41,880 - $97,720</td>
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<tr>
<td>3 Person Household</td>
<td>$39,300 - $47,160 - $110,040</td>
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<td>4 Person Household</td>
<td>$43,650 - $52,380 - $122,220</td>
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<tr>
<td>5 Person Household</td>
<td>$47,150 - $56,580 - $132,020</td>
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The unit sizes are planned to average 750 square feet for the one bedroom units, 950 square feet for the two bedroom units and 1,100 square feet for the three bedroom units. Rent levels for the units not assisted through Section 8 Project Based Assistance are proposed to be $941 for the one bedroom units, $1,121 for the two bedroom units, and $1,295 for the three bedroom units, net of utility allowances.
The substantially higher contract rents for the Section 8 assisted units cannot exceed the lesser of the unassisted market rent for the units or 110% of the Section 8 Certificate Program Fair Market Rent less utility allowance for a given bedroom size. For the County Fairgrounds projects, these rents are currently equal to $1,290 for a one bedroom unit (at 110% of the FMR minus the utility allowance), $1,580 for a two bedroom unit (at 110% of the FMR minus the utility allowance), and $1,975 for a three bedroom unit (capped at the estimated market rent for three bedroom units in the area).

TOWNHOUSE DEVELOPMENT (ROEM Corporation sponsored)

ROEM Development Corporation is excited to have the opportunity to offer extremely high quality, attractively designed, townhouse units. All of these townhouse units are to have three bedrooms and two bathrooms. These units will be offered to first time homebuyers and targeted to nurses, health care aides, and other public employees. ROEM plans to utilize the first time homebuyer program offered by the San Jose Housing Department. This program will enable nurses, health care employees and other public employees a second loan of up to $40,000, which is interest free, and only paid back when the home is sold. The County is to be offered a range of options to financially participate in the profitability of these units.