

# County of Santa Clara

## Office of Supportive Housing

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August 22, 2022

TO: Honorable Members of the Board of Supervisors  
Jeffrey V. Smith, County Executive

From: Consuelo Hernandez, Director, Office of Supportive Housing (OSH)

Subject: Retaining Ownership of Property in Housing Development Projects

The Board of Supervisors (Board) previously directed the Administration to, when possible and feasible, negotiate and incorporate County ownership of property in multifamily affordable housing transactions. At its February 15, 2022 (Item No. 58) meeting, the Board directed the Administration to provide an update on housing development projects and the extent to which the Board's direction has been applied.

There are two different ways that the County maintains ownership of property for the purposes of affordable and supportive housing: 1) negotiating property acquisitions as part of developer-led housing development projects; and, 2) County-led efforts to increase the production of housing through proactive acquisitions of private properties or by using existing underutilized County-owned properties. In both cases, the County enters into a long-term ground lease with the developer and all obligations to maintain and operate the site are the responsibility of the developer. Attachment A provides a summary of the County's investments and the measures in place to maintain the County's investment for all 44 Housing Bond-funded developments and 24 County-controlled properties that have been or will be developed into housing using a combination of Housing Bond, No Place Like Home, and County General Fund. The list of sites is divided into five categories and will be updated quarterly. Currently the Office of Supportive Housing is managing the following:

- 17 Housing Bond funded developments in which the land is owned by the County, and the housing development is managed/operated by a housing developer;
- 15 properties for which the County has approved Housing Bond funds and the Administration has negotiated an option to acquire;
- 12 parcels for which the County has approved Housing Bond funds but the properties are not controlled by the County;
- 20 Housing Bond funded County acquisitions for which the County is either already working with a development partner or will be issuing a request for offer to select a development partner; and
- 4 non-Housing Bond funded County owned properties that are currently used for supportive housing and/or are under consideration to be used as housing.

*Developer Led*

When the County is not already the owner of the property, the County's policies require developers to transfer the land to the County to ensure long-term affordability and viability of publicly funded affordable housing. Depending on the timing of the County's involvement in the development and third-party financing requirements, if the developer is the owner of the property, the County either acquires the property at the time of the construction financing or enters into an option to purchase the property at a future date. The County then ground leases the property to the developer for a nominal rent. The term of the ground lease must be long enough to demonstrate the Developer's control of the site with most lenders and tax credit investors requiring a minimum ground lease term of 55 years. There is also a County regulatory agreement that is connected to the ground lease that will remain for the entire term of the ground lease.

As of June 15, 2022, the Administration has negotiated the acquisition or an option to acquire 31 out of 41 Housing Bond funded sites. The remaining ten are either owned by another governmental entity or already have a long-term ground lease in place.

*County Led*

Through various actions the Board has approved the use of ten County-owned properties for the development housing and has acquired ten properties to accelerate the development of affordable and supportive housing. These twenty sites have some level of Housing Bond commitment.

After the Board approves a development partner for a specific site, the Administration through the Office of Supportive Housing and the Office of the County Counsel, negotiates a Disposition and Development Agreement and a long-term ground lease. Similar to the developer led projects, the County ground leases the property to the developer for a nominal rent. The term of the ground lease must be long enough to demonstrate the Developer's control of the site with most lenders and tax credit investors requiring a minimum ground lease term of 55 years. There is also a County regulatory agreement that is connected to the ground lease that will remain for the entire term of the ground lease.

As of August 15, 2022, the County is managing six County Led projects each in various stages of the development process.

Cc: Chief Board Aides  
Miguel Marquez, Chief Operating Officer  
James Williams, County Counsel  
Tiffany Lennear, Clerk of the Board  
Ky Le, Deputy County Executive

## Affordable and Supportive Housing Ownership Status

HOUSING BOND-FUNDED DEVELOPMENTS COUNTY OWNED PROPERTIES					
No.	Developer	Development Name	City	Status	Land & Property Ownership
1	Urban Housing Communities	Crossing on Monterey	Morgan Hill	Completed	The County acquired the property on August 28, 2018 and entered into a long-term ground lease on August 27, 2018, for 65 years. The property opened on May 21, 2020.
2	Danco Communities	Monterey Gateway Senior Apartments	Gilroy	Completed	The County acquired the property on August 22, 2018 and entered into a long-term ground lease on August 22, 2018, for 55 years. The property opened on May 1, 2018.
3	First Community Housing	Leigh Avenue Senior Apartments	San Jose	Completed	The County acquired the property on December 10, 2018 and entered into a long-term ground lease on December 10, 2018, for 55 years. The property opened on June 1, 2022.
4	Resources for Community Development	Quetzal Gardens	San Jose	Completed	The County acquired the property on December 18, 2019 and entered into a long-term ground lease on December 18, 2019, for 65 years. The property opened on October 22, 2021.
5	Allied Housing	Calabazas Community Apartments (formerly Corvin)	Santa Clara	Completed	The County acquired the property on December 5, 2019 and entered into a long-term ground lease on December 1, 2019, for 79 years. The property opened on November 31, 2021.
6	Affirmed Housing	Vela Apartments (formerly Alum Rock Family Housing)	San Jose	Under Construction	The County acquired the property on November 12, 2020 and entered into a long-term ground lease on November 1, 2020, for 75 years. The estimated construction completion date is August 1, 2022.
7	Charities Housing Development Corporation	Page Street Apartments	San Jose	Under Construction	The County acquired the property on November 18, 2020 and entered into a long-term ground lease on November 18, 2020, for 55 years. The estimated construction completion date is September 30, 2022.
8	People Assisting the Homeless	Villas at 4th St. (formerly 4th & E Younger)	San Jose	Under Construction	The County acquired the property on April 4, 2021. Entered into a long-term ground lease April 4, 2021, for 55 years. The estimated construction completion date is October 15, 2022.

## Affordable and Supportive Housing Ownership Status

HOUSING BOND-FUNDED DEVELOPMENTS COUNTY OWNED PROPERTIES					
No.	Developer	Development Name	City	Status	Land & Property Ownership
9	Charities Housing Development Corporation	Blossom Hill Senior Apartments	San Jose	Under Construction	The County acquired the property on June 15, 2021 and entered into a long-term ground lease on June 15, 2021, for 55 years. The estimated construction completion date is March 1, 2023.
10	Danco Communities	Mariposa (750 West San Carlos Housing)	San Jose	Under Construction	The County acquired the property on January 1, 2022 and entered into a long-term ground lease on January 1, 2022, for 55 years. The estimated construction completion date is May 1, 2024.
11	Resources for Community Development	Sango Court Apartments	Milpitas	Under Construction	The County acquired the property on January 31, 2022 and entered into a long-term ground lease January 31, 2022, for 65 years. The estimated construction completion date is June 1, 2023.
12	Affirmed Housing	Vitalia Apartments (formerly Bascom Apartments)	San Jose	Under Construction	The County acquired the property on January 26, 2022 and entered into a long-term ground lease on January 26, 2022, for 55 years. The estimated construction completion date is August 1, 2023.
13	Eden Housing	Auzerais Apartments	San Jose	Under Construction	The County acquired the property on October 14, 2021 and entered into a long-term ground lease October 14, 2021, for 55 years. The estimated construction completion date is June 1, 2024.
14	Urban Housing Communities	Royal Oak Village	Morgan Hill	Under Construction	The County acquired the property on April 25, 2022 and entered into a long-term ground lease on April 25, 2022, for 65 years. The estimated construction completion date is October 1, 2023.
15	Allied Housing	Kifer Senior Apartments	Santa Clara	Under Construction	The County acquired the property on June 1, 2022 and entered into a long-term ground lease on June 1, 2022, for 65 years. The estimated construction completion date is December 1, 2023.
16	First Community Housing	Roosevelt Park	San Jose	Under Construction	The County acquired the property on June 29, 2022 and entered into a long-term ground lease on June 29, 2022, for 67 years. The estimated construction completion date is July 1, 2024.

## Affordable and Supportive Housing Ownership Status

HOUSING BOND-FUNDED DEVELOPMENTS COUNTY OWNED PROPERTIES					
No.	Developer	Development Name	City	Status	Land & Property Ownership
17	Allied Housing	Casa de Novo	San Jose	Predevelopment	The County acquired the property on December 11, 2020 and entered into a long-term ground lease on December 11, 2020, for 55 years.

## Affordable and Supportive Housing Ownership Status

<b>HOUSING BOND-FUNDED DEVELOPMENTS PROPERTIES WITH AN OPTION TO ACQUIRE</b>					
<b>No.</b>	<b>Developer</b>	<b>Development Name</b>	<b>City</b>	<b>Status</b>	<b>Land &amp; Property Ownership</b>
1	First Community Housing	Iamesi Village (formerly North San Pedro)	San Jose	Completed	North San Pedro Apartments L.P. owns the property and will transfer the property to the County at construction finance closing. On February 25, 2019, the county executed an option to acquire.
2	The Core Companies	Markham I	San Jose	Completed	Markham Plaza I L.P. owns the property. On October 1, 2019, the county executed an option to acquire. After year 15 re-syndication for Markham I, the County will have the option to acquire the property.
3	First Community Housing	Curtner Studios	San Jose	Under Construction	Curtner Studios L.P. owns the property. On February 1, 2020, the county executed an option to acquire. After the tax credit compliance period ends in 5 years the County will have the option to acquire the property.
4	Jamboree Housing Corporation	Hillview Court	Milpitas	Under Construction	Jamboree owns the property and will transfer the property to the County at conversion. On November 1, 2020, the county executed an option to acquire.
5	The Core Companies	Markham II	San Jose	Under Construction	Markham Plaza II L.P. owns the property. On May 1, 2021, the county executed an option to acquire. After year 15 re-syndication for Markham II, the County will acquire the property.
6	Reed Community Partners and Allied Housing	Algarve Apartments	San Jose	Construction Closing	Algarve Apartments Development LP owns the property and will transfer the property to the County at construction finance closing.
7	Charities Housing Development Corporation	Alum Rock Multifamily (West)	San Jose	Waiting for Tax Credits	Alum Rock LP. owns the property and will transfer the property to the County at construction finance closing. On March 1, 2022, the county executed an option to acquire.
8	Charities Housing Development Corporation	The Charles	San Jose	Waiting for Tax Credits	Keyes L.P. owns the property and will transfer the property to the County at construction finance closing. On March 1, 2022, the county executed an option to acquire.
9	First Community Housing	Dupont Family Apartments	San Jose	Seeking Financing	First Community Housing owns the property, will transfer the property to Dupont Street, LP at construction start and will transfer the property to the County at construction finance closing.

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<b>HOUSING BOND-FUNDED DEVELOPMENTS PROPERTIES WITH AN OPTION TO ACQUIRE</b>					
<b>No.</b>	<b>Developer</b>	<b>Development Name</b>	<b>City</b>	<b>Status</b>	<b>Land &amp; Property Ownership</b>
10	Danco Communities	Sunol-West San Carlos Apartments	San Jose	Waiting for Tax Credits	San Jose Sunol Street LP. owns the property and will transfer the property to the County at construction finance closing. On November 1, 2021, the county executed an option to acquire.
11	Eden Housing	La Avenida Apartments	Mountain View	Waiting for Tax Credits	Eden Pratt Development LLC owns the property and will transfer the property to the County at construction finance closing.
12	First Community Housing	Orchard Gardens	Sunnyvale	Seeking Financing	First Community Housing owns the property and will transfer the property to the County at construction finance closing.
13	First Community Housing	McEvoy Apartments	San Jose	Seeking Financing	McEvoy Street, LP owns the property and will transfer the property to the County at construction finance closing.
14	The Core Companies	Gateway Tower	San Jose	Seeking Financing	Gateway Tower SJ, LP owns the property and will transfer the property to the County at construction finance closing. On April 1, 2022, the county executed an option to acquire.
15	First Community Housing	The Magnolias	Morgan Hill	Waiting for Tax Credits	First Community Housing owns the property and will transfer the property to the County at construction finance closing.

## Affordable and Supportive Housing Ownership Status

HOUSING BOND-FUNDED DEVELOPMENTS NON-COUNTY OWNED PROPERTIES					
No.	Developer	Development Name	City	Status	Land & Property Ownership
1	Charities Housing Development Corporation	The Veranda	Cupertino	Completed	Stevens Creek L.P. owns the property, the County has negotiated a 55-year affordability covenant to ensure long-term use as affordable housing.
2	Affirmed Housing	Villas on the Park	San Jose	Completed	City of San Jose owns the property and executed a long-term ground lease with Villas on the Park L.P. on February 15, 2018, for 75 years.
3	The Core Companies	Agrihood Senior Apartments	Santa Clara	Under Construction	The City of Santa Clara owns the property and executed a long-term ground lease with the developer on June 10, 2021 for 75 years.
4	Eden Housing	Gallup & Mesa Apartments	San Jose	Under Construction	City of San Jose owns the property and will execute a long-term ground lease with the developer.
5	MidPen Housing Corporation	Immanuel-Sobrato Community (formerly Moorpark Apartments)	San Jose	Under Construction	Immanuel Evangelical Church of San Jose owns the property and executed a long-term ground lease with MP Moorpark Associates on June 21, 2021, for 99 years.
6	Santa Clara County Housing Authority	Bellarmino Place Apartments	San Jose	Waiting for Tax Credits	SCCHA owns the property and the county has negotiated a right of first refusal.
7	The Core Companies	VTA Tamien Station	San Jose	Waiting for Tax Credits	VTA owns the property and will execute a long-term ground lease with the developer.
8	Santa Clara County Housing Authority	Hawthorn Senior Apartments	San Jose	Waiting for Entitlements	SCCHA owns the property and the county has negotiated a right of first refusal.
9	Alta Housing and Related Housing	Lot 12	Mountain View	Waiting for Entitlements	City of Mountain View owns the property and will execute a long-term ground lease with the developer.
10	Santa Clara County Housing Authority	Residence Inn	San Jose	Waiting for Entitlements	SCCHA owns the property and the county has negotiated a right of first refusal.
11	Santa Clara County Housing Authority	Alvarado Park Senior Apartments	San Jose	Waiting for Tax Credits	SCCHA owns the property and the county has negotiated a right of first refusal.



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HOUSING BOND-FUNDED DEVELOPMENTS NON-COUNTY OWNED PROPERTIES					
No.	Developer	Development Name	City	Status	Land & Property Ownership
12	MidPen Housing	Sonora Court	Sunnyvale	Seeking Financing	City of Sunnyvale owns the property and has executed a long-term ground lease with the developer.

## Affordable and Supportive Housing Ownership Status

Housing Bond-Funded County-Owned and/or County Led					
No.	Developer	Development Name	City	Status	Land & Property Ownership
1	Resources for Community Development	Bella Vista	Santa Clara	Under Construction	The County acquired the property on January 11, 2022 and recorded a Memorandum of Option to ground lease. The option shall terminate on December 31, 2026.
2	Jamboree Housing Corporation	The Crestview	Mountain View	Planning for Rehabilitation	On November 2, 2021 the Board Authorized the acquisition of the property. The Administration will acquire the property Fall 2022 and will negotiate a Development and Disposition Agreement and long-term ground lease for the development of affordable housing. The County will enter into the ground lease prior to construction finance closing.
3	EAH Housing	330 Distel Circle	Los Altos	Waiting for Entitlements	On October 20, 2020 the Board Authorized the acquisition of the property. The Administration will acquire the property Fall 2022 and will negotiate a Development and Disposition Agreement and long-term ground lease for the development of affordable housing. The County will enter into the ground lease prior to construction finance closing.
4	Charities Housing Development Corporation	Western Motel	Santa Clara	Waiting for Entitlements and Seeking Financing	The County acquired the property on March 13, 2020 and recorded a Memorandum of Option to ground lease. The option shall terminate on February 11, 2025.
5	First Community Housing	2001 The Alameda	San Jose	Seeking Financing	The County acquired the property on August 31, 2021 and recorded a Memorandum of Option to ground lease. The option shall terminate on August 31, 2026.
6	Charities Housing Development Corporation	3071 Driftwood	San Jose	Seeking Financing	The County acquired the property on July 7, 2021 and recorded a Memorandum of Option to ground lease. The option shall terminate on November 30, 2026.
7	Charities Housing Development Corporation	3075 Driftwood	San Jose	Seeking Financing	The County acquired the property on May 16, 2021 and recorded a Memorandum of Option to ground lease. The option shall terminate on November 30, 2026.

## Affordable and Supportive Housing Ownership Status

Housing Bond-Funded County-Owned and/or County Led					
No.	Developer	Development Name	City	Status	Land & Property Ownership
8	Charities Housing Development Corporation	1390 Winchester	San Jose	Seeking Financing	The County acquired the property on November 17, 2021 and recorded a Memorandum of Option to ground lease. The option shall terminate on November 30, 2026.
9	Allied Housing	Parkmoor/The Hub	San Jose	Seeking Financing	The County acquired the property on August 6, 2021. On May 28, 2021 the Board Authorized the Administration to negotiate a Development and Disposition Agreement and long-term ground lease for the development of affordable housing. The County will enter into the ground lease prior to construction finance closing.
10	Core Companies and Eden Housing	East Santa Clara	San Jose	Waiting for Entitlements	This property was an existing County-owned property and repurposed for affordable and supportive housing. On April 20, 2021 the Board Authorized the Administration to negotiate a Development and Disposition Agreement and long-term ground lease for the development of affordable housing. The County will enter into the ground lease prior to construction finance closing.
11	N/A	Outback Steakhouse	Cupertino	Pending Developer	The County acquired the property on June 20, 2021.
12	N/A	DiNapoli Senter Road	San Jose	Pending Developer	The County acquired the property on August 6, 2021.
13	N/A	Atlanta Ave & Hull Ave	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.
14	N/A	Almaden Road	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.
15	N/A	Clayton Ave	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.

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Housing Bond-Funded County-Owned and/or County Led					
No.	Developer	Development Name	City	Status	Land & Property Ownership
16	N/A	62 Ferrari Ave	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.
17	N/A	92 Ferrari Ave	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.
18	N/A	98 Ferrari Ave	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.
19	N/A	110 Ferrari Ave	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.
20	N/A	120 Ferrari Ave	San Jose	Pending Developer	The property was transferred to the Office of Supportive Housing from Roads and Airports on October 6, 2020.

## Affordable and Supportive Housing Ownership Status

Non-Housing Bond-Funded County-Owned and/or County Led					
No.	Developer	Development Name	City	Status	Land & Property Ownership
1	Charities Housing Development Corporation	Renascent Place (formerly 2450 Senter Road)	San Jose	Completed	The County acquired the property on December 7, 2017 and entered into a long-term ground lease on December 8, 2017, for 85 years. The property opened on February 7, 2020
2	Eden Housing	Mitchell Park Apartments (formerly 525 Charleston Road)	Palo Alto	Seeking Financing	This property was an existing County-owned property and repurposed for affordable and supportive housing. On March 21, 2022, the Administration executed a Development and Disposition Agreement and long-term ground lease for the development of affordable housing. The County will enter into the ground lease prior to construction finance closing.
3	Mercy Housing & Abode Communities	231 Grant Ave.	Palo Alto	Seeking Financing	This property was an existing County-owned property and repurposed for affordable and supportive housing. The County plans on entering into a ground lease with the borrower.
4	N/A	8 <sup>th</sup> and Alexander	Gilroy	Pending Developer	This property was an existing County-owned property. Administration is exploring options to repurposed for affordable and supportive housing.