

County of Santa Clara
Office of the County Executive
Office of Supportive Housing



89255

DATE: December 5, 2017
TO: Board of Supervisors
FROM: Ky Le, Director, Office of Supportive Housing
SUBJECT: Supportive Housing Development Program - Loan and Land Ownership Recommendations

RECOMMENDED ACTION

Held from November 14, 2017 (Item No. 20): Consider recommendations relating to loans to develop apartments that are affordable to lower income households and supportive housing units for individuals and families with special needs. (Office of Supportive Housing)

Possible action:

- a. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement with Affirmed Housing Inc., or affiliate, in an amount not to exceed \$7,200,000 for the development of 84 apartments at Villas on the Park in San Jose, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on December 5, 2021.
- b. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement and an Option Agreement and Agreement to Ground Lease with Resources for Community Development or affiliate in an amount not to exceed \$9,830,000 for the development of 75 apartments at the Quetzal Gardens in San Jose, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on December 5, 2021.
- c. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and

amendments, ground leases, and estoppels relating to a Loan Agreement with Charities Housing Development Corporation or affiliate in an amount not to exceed \$1,000,000 for the development of 19 apartments at the Veranda in Cupertino, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on December 5, 2021.

FISCAL IMPLICATIONS

If approved, the County’s capital investment of \$44,830,000 for six projects (*three projects discussed in this legislative file and the three projects previously approved at the November 14, 2017 Board meeting*) would be drawn from the first issuance of the 2016 Measure A Affordable Housing Bond (Housing Bond). The Board adopted Resolution Number BOS-2017-102 approving the issuance and sale of general obligation bonds on August 15, 2017 (Item No. 28). The sale was completed on October 26, 2017.

Program expenditures approved for the first issuance are summarized in Table 1. Note that the proposed funding commitments include repaying the County’s General Fund \$11,900,000 because the County previously increased funding for an acquisition and predevelopment loan program administered by Housing Trust Silicon Valley.

Table 1: Approved Program Expenditures and Proposed Funding Commitments

Program Category	Total Amount Available	Less Proposed Funding Commitments	Balance
Homeownership			
First-Time Homebuyer Down Payment Assistance Loan Program	\$25,000,000	\$0	\$25,000,000
Multifamily Rental and Ownership Production			
Supportive Housing Fund	\$11,900,000	\$11,900,000	\$0
Supportive Housing Development Program	\$213,100,000	\$44,830,000	\$168,270,000
Totals	\$250,000,000	\$56,730,000	\$193,270,000

REASONS FOR RECOMMENDATION

On November 14, 2017, the Board of Supervisors considered an action to approve loans to support six new affordable housing developments. Three of the developments were held for consideration at a future meeting and the Administration was directed to include a county ownership interest as a component of the projects’ financing structure to protect the County’s long-term investment and the long-term affordability of the apartments (November 14, 2017; Item No. 20). Appended to this report as Attachment A is an excerpt of the meeting proceedings from the November 14th Board meeting. The italicized text in this report represents the supplemental information provided for the Board’s consideration.

The Board previously directed the Administration to, when possible, negotiate and incorporate County ownership of property in multifamily affordable housing transactions. This strategy is not uncommon in affordable housing transactions. Generally, the ownership structure of an affordable housing development is a single-purpose entity consisting of a general partner (“GP”) and an investor limited partner (“LP”). This ownership structure is necessary to maximize and leverage equity raised through the Federal low-income housing tax credit program. The LP is a passive limited partner that invests equity in return for 99.99% ownership. The developer (also referred to as the sponsor or GP) owns a 0.01% interest in the partnership but manages and operates the single-purpose entity/development. In tax credit deals, the developer/GP is required to maintain the property as affordable to households earning less than 60 percent of the area median income for a minimum of 55 years.

While this is standard practice, some counties and cities have adopted policies requiring developers to transfer the land to the public agency at a future date to ensure the long term affordability and viability of publicly funded housing. Under this structure, a public agency exercises its option to acquire the land underneath a newly-built restricted affordable apartment building and concurrently enters into a longer term ground lease with the developer. Most ground leases related to affordable housing transactions are connected to local agency “soft loans” and ground lease terms are discussed early on in connection with the funding request. Agencies enter into an Option Agreement and Agreement to Ground Lease (“Option”). The Option is predicated on the Agency’s long-term lease of the ground to the development for a nominal amount of rent. The actual term of the lease must be long enough to demonstrate site control with most lenders requiring a minimum ground lease term of 55 years.

County Ownership Investment

The Board’s direction as it relates to the County’s ownership opportunities, provides sufficient direction to the Administration to negotiate a ground lease structure for developments seeking funding through the County’s Supportive Housing Development Fund. Section 10(a) of the County’s Supportive Housing Development Fund Notice of Funding Availability (NOFA), requires applicants to include an opportunity for the County, and/or another public entity, to eventually own the land as a ground lessor under a long-term ground lease structure or some other land dedication/subdivision mechanism that will ensure long-term affordable housing as the primary use of the land.

The Administration proposes the following ownership structures for the three developments held for consideration by the Board. The proposed structure is only different for the Quetzal Gardens development.

<i>Development Name</i>	<i>Security Interest</i>	<i>Affordability Period</i>	<i>Land Owner</i>	<i>Leaseholder</i>
<i>Villas on the Park</i>	<i>Deed of Trust</i>	<i>55 – 99 years</i>	<i>City of San Jose</i>	<i>Villas on the Park, L.P.</i>
<i>Quetzal Gardens</i>	<i>Deed of Trust</i>	<i>55 – 99 years</i>	<i>County of Santa Clara</i>	<i>Quetzal Gardens, L.P.</i>
<i>The Veranda</i>	<i>Deed of Trust</i>	<i>55 years</i>	<i>Stevens Creek, L.P.</i>	<i>N/A</i>

For Villas on the Park, the City of San Jose currently owns the property and they will retain ownership. The City of San Jose provided the developer with an acquisition loan to secure the site and agreed to ground lease the property back to Affirmed for the development of affordable housing. For Quetzal Gardens, currently RCD owns the property. However, as part of its financing contribution, the County will retain an option that will allow it to obtain ownership of the property in the future and ground lease it to an affiliate of RCD. The purpose of the County’s future ownership is to secure the long term use of the property for affordable housing. The County provided RCD with an acquisition loan through the County funded Supportive Housing Development Fund managed by the Housing Trust of Silicon Valley. For the Veranda, the County’s financial commitment is \$1 million while the City’s commitment is approximately \$3.6 million. The City provided CHDC with an acquisition loan to secure the site for affordable housing. Given the timing of this transaction and the limited amount of County contribution, the ownership structure will remain unchanged.

While the County will not secure an ownership interest in two of the three developments, the sites will be held as affordable housing for a minimum of 55 years.

Including the loans approved on November 14, the County’s loans would support six new housing developments and a total of 352 new apartments. The County’s investment of \$44,830,000 would contribute to the construction of: a) 233 permanent supportive housing (PSH) units to help individuals and families with special needs obtain and maintain permanent housing; b) 29 apartments for extremely-low income (ELI) households; and, c) 22 apartments for very-low income (VLI) households. The County’s contribution towards supportive housing, ELI housing, and VLI housing would be approximately \$158,000 per unit. The six developments would also include 62 apartments for households earning up to 60% of area median income (AMI) and six units for resident managers.

Table 2 summarizes the six developments that were previously approved or are recommended for funding. Attachment A provides more information for each specific project including funding sources, other leveraged sources, unit mix and affordability levels. In

addition, Attachment B includes a two-page summary for each of the six proposed developments. If approved, each developer will also be required to submit quarterly updates of their progress in securing additional funding.

Table 2: *Approved/Recommended Developments*

Development	Total Units	Mgr. Units	51% to 60% of AMI	Supportive Housing Units	ELI Units	VLI Units	Proposed County Funds
Villas on the Park – San Jose	84	1	0	83	0	0	\$7,200,000
Gateway Senior Apts. – Gilroy	75	1	32	37	0	5	\$7,500,000
Crossings on Monterey – Morgan Hill	39	1	7	20	0	11	\$5,800,000
Leigh Ave. Senior Apts. – San Jose	64	1	0	63	0	0	\$13,500,000
Quetzal Gardens – San Jose	71	1	23	24	23	-	\$9,830,000
The Veranda - Cupertino	19	1	0	6	6	6	\$1,000,000
Total	352	6	62	233	29	22	\$44,830,000

Progress toward Production Goals

In previous reports, the OSH outlined housing production goals over a ten-year period. The proposed goals had two categories for PSH. Moving forward, the OSH proposes collapsing the two categories into one, while keeping the total goal the same. All PSH units would be for individuals with disabling conditions and their families and would prioritize households who are homeless or have significant housing instability. This priority is established under the County’s and the Santa Clara County Housing Authority’s Chronic Homelessness Direct Referral Program and Special Needs Direct Referral Program, which will be considered by the Board on December 5, 2017.

Table 3 summarizes the County’s current housing production goals and progress toward those goals if the six recommended developments are approved and constructed. Table 3 does not reflect developments that are already under construction or fully financed after 2015. For example, Second Street Studios, which is one of three 100% PSH developments in the pipeline, will be ready for occupancy in October 2018. Attachment C is a summary of supportive housing developments that are in operation, under construction

and currently proposed for the Board’s consideration.¹

Table 3: New Rental Housing Production Goals and Progress

	Goal	Proposed Units	Remaining
PSH to Assist Persons with Disabling Conditions and their Families	1,800	233	1,567
RRH to Assist Homeless Working Families and Individuals Regain Permanent Housing	1,600	0	1,600
Housing Affordable to ELI Individuals and Families	800	29	771
Housing Affordable to VLI Individuals and Families	600	22	578
Totals	4,800	284	4,516

Reason for request of Delegation of Authority

Although delegations of authority are discouraged except under certain circumstances, this delegation of authority is necessary. The County’s funding commitment is a necessary step, but not the final action to enable each development to secure all of their project financing, close construction loans, complete construction, and close/convert construction loans to permanent. While adhering to the Program Guidelines established by the Board on August 15, 2017, the Administration needs the flexibility to negotiate terms and modify related documents. Some of the initial terms may have to be adjusted based on various factors, including, but not limited to, the uncertainty in the Low Income Housing Tax Credit (LIHTC) investor market, developers’ success in obtaining other funding sources that may reduce the County’s commitment, and timing issues such as delays in construction loan closings. For example, in the event that there are changes to the source of funds, the Administration may need to take action to allow the developer to quickly submit funding applications.

A delegation of authority is also needed because the Administration will continue to work with developers to reduce costs, optimize funding sources, and maximize supportive housing and ELI housing units. While acquisition and land holding expenses are sunk costs the OSH will continue to work with some of the developers to refine construction estimates, seek fee waivers, reduce administrative expenses, and eliminate unnecessary reserves.

While the County, cities, and affordable housing developers press to quickly construct new

¹ The six proposed developments include 62 units for households earning up to 60% of AMI. Units at that income level were not included in the OSH’s original production goals, but can be added for future reports. Also, the Table 3 does not include production goals for “Workforce Housing,” but will be included in future reports.

affordable apartments, we are challenged to balance development opportunities with the obligation to judiciously use public funds. On the one hand, we know the impact that housing or the lack of housing can have on individuals, families, communities, and safety-net systems. On the other hand, development costs can vary significantly between projects, vary by construction type, vary based on location, fluctuate based on market conditions, and can be hard to predict. For example, some developers have reported that construction estimates have increased with contractors citing labor and material demands associated with the recent the North Bay fires and natural disasters in Texas, Florida, and Puerto Rico. Attachment D provides a cost analysis of the six proposed developments including a closer look at the development costs per unit and per bedroom. The attachment also includes the same information for six developments that are under construction in Santa Clara County.

Description of Projects

Villas on the Park - 278 N. 2nd Street, San Jose

Villas on the Park is a 100% permanent supportive housing development consisting of 84 units. The development will set aside 83 units for chronically homeless individuals; one unit is for the resident manager. The co-developers Affirmed Housing Group Inc. (“Affirmed”) and People Assisting the Homeless (“PATH”) have received a commitment of funding from the City of San Jose, an allocation of Section 8 Project-Based Vouchers (PBVs) from the Santa Clara County Housing Authority (SCCHA), and a reservation of tax credits. This development was conceptualized by the County and the City of San Jose in early 2014. If the recommended action is approved, Affirmed and PATH would start construction as early as March 2018.

Gateway Senior Apartments - Monterey Street (North of Ervin Court), Gilroy

Gateway Senior Apartments is a new 75 unit affordable senior housing development. Thirty-seven of the units will be reserved for seniors with special needs and the remaining 37 units will be reserved for income-qualifying seniors. One unit is for the resident manager. Danco Communities is also seeking an allocation of 37 Section 8 PBVs from SCCHA. Finally, the development proposal is fully entitled and supported by the City of Gilroy. Danco Communities *submitted* an application for tax credits on November 16, 2017 and *could result* in construction starting as early as March 2018. OSH staff is continuing to work with the developer on the selection of a property management company and resident services provider with the experience to serve the target population.

Crossing on Monterey - North East Corner of Monterey and Bisceglia, Morgan Hill

Crossings on Monterey is a three-story affordable housing development consisting of 39 affordable housing units. The development will set aside 20 units for chronically homeless families and individuals, and the remaining units will be allocated to residents earning up to 60% of the area median income. Urban Housing Communities (UHC) has received a commitment of funding from the City of Morgan Hill and is seeking an allocation of 20 Section 8 PBVs from SCCHA. UHC would be able to meet the commitment obligations set by the City of Morgan Hill, gain access to predevelopment dollars, submit their design review application and prepare an application of tax credits as early as March 2018.

Leigh Avenue Senior Apartments - 1030 Leigh Avenue, San Jose

Leigh Avenue Senior Apartments is a mixed-use affordable housing development consisting of 7,532 square feet of commercial space and 64 apartments. The development has currently committed to setting aside 63 units for chronically homeless and special needs seniors. One unit is for the resident manager. The developer, FCH, received a commitment of funding from the City of San Jose and an allocation of 63 Section 8 PBVs from SCCHA. OSH staff is continuing to work with FCH and the City of San Jose's Housing Department to firm up the total development cost, optimize the allocation of Section 8 PBVs, and to finalize the total number of PSH units. FCH could submit an application for tax credits as early as March 1, 2018.

Quetzal Gardens - 1695 Alum Rock Avenue, San Jose

Quetzal Gardens is a mixed-use affordable housing development consisting of 12,175 square feet of commercial space and 71 apartments. The development will set aside 24 of the 71 units for chronically homeless individuals, and the remaining units will be allocated to residents who are considered extremely low income (ELI) and low income (LI). Resources for Community Development (RCD), the developer, has received a commitment of funding from the City of San Jose and an allocation of 32 Section 8 PBVs from SCCHA. OSH staff is working closely with the City of San Jose's Housing Department and RCD to finalize the total development costs, optimize the allocation of Section 8 PBVs, and identify other leveraging opportunities. Specifically, RCD is working on a funding application for the Affordable Housing Sustainable Communities (AHSC) Grant program which, in order to be competitive, requires a commitment from all other lenders. The final loan amount will be adjusted once RCD has secured all funding sources.

The Veranda - 19160 Stevens Creek Blvd., Cupertino

The Veranda is a 19-unit affordable senior housing development. The development will set aside six units for chronically homeless or homeless seniors with disabling conditions and the remaining units will be for seniors with extremely-low and very-low incomes. Charities Housing Development Corporation (CHDC), the developer, has received a commitment of funding from the City of Cupertino and has received a reservation of tax credits. CHDC has also received an award of \$1,000,000 from the County's Supportive Housing Fund administered by the Housing Trust of Silicon Valley; these funds would be converted to a permanent loan. Finally, CHDC is also requesting an allocation of six Section 8 PBVs from

SCCHA. If approved, CHDC could start construction as early as March 1, 2018.

Loan Terms

The final loan amount for each Project will be contingent upon the final tax credit award and the developer’s ability to secure funding by leveraging other local, state and federal funding. In general, these loans will be structured as 3% simple interest residual receipt loans and be consistent with the Supportive Housing Development Program Guidelines that were approved by the Board on August 15, 2017.

Timing and Supportive Services

The Board’s commitment of capital funds would be paired with a commitment to provide supportive services. Table 4 summarizes the implementation schedule and the estimated costs of supportive services for each of the proposed developments. Depending on the target population for each development, the County would have to increase and/or redirect existing funding to ensure an adequate level of supportive services were provided for the supportive housing residents. Recommendations related to the supportive services would be included in the County Executive’s Recommended Budget for respective fiscal years. To the greatest extent possible, the Administration would leverage federal and state funds and existing services, as long as the existing services were adequate and effective.

Table 4: Implementation Schedule and Supportive Service Costs

Development	Occupancy Date	Services Start Date	PSH Units	RRH Units	Annual Services Cost
The Veranda	April 2019	10/1/2018	6	-	\$60,000
Gateway Senior Apts.	June 2019	12/1/2018	37	-	\$370,000
Villas on the Park	July 2019	1/1/2019	83	-	\$830,000
Crossings on Monterey	October 2019	4/1/2019	20	-	\$200,000
Leigh Ave. Senior Apts.	February 2020	8/1/2019	63	-	\$630,000
Quetzal Gardens	February 2020	8/1/2019	24	-	\$240,000
Totals			233	0	\$2,330,000

Environmental Review

For purposes of the California Environmental Quality Act (CEQA), budgeting in itself is not considered a project. The recommended action is limited to providing funding for developments that are entitled and have satisfied the provisions of CEQA.

CHILD IMPACT

The recommended action would create 346 new affordable apartments. While 233 of these apartments would be set aside as PSH, the new residents may include disabled individuals and their family members. The remaining 113 apartments would be affordable and available to lower income households including those with children.

SENIOR IMPACT

The recommended action would create 155 new affordable apartments for extremely low-income and very low income seniors, including those with special needs.

SUSTAINABILITY IMPLICATIONS

The recommended action balances public policy and program interests, and enhances the Board of Supervisor's sustainability goal of social equity by improving homeless and low-income persons' access to permanent affordable housing. All of the developments incorporate green building and sustainability features including but not limited to solar panels, energy efficient appliances, and use of gray water system for landscaping and irrigation. Moreover, the developments are within walking distance of public transportation and some will provide free transit passes to the future residents.

BACKGROUND

On August 15, 2017, the Board approved version 3 of the program guidelines (August 15, 2017; Item No. 27). On September 26, 2017 the Office of Supportive Housing released a Notice of Funding Availability (August 15, 2017; Item No. 27). Unlike traditional procurement processes that have narrow windows for submission, review and selection, the NOFA serves as a call for projects with rolling submission deadlines. The Administration intends to recommend funding developments in cohorts, although, individual developments may also be brought forward as needed.

CONSEQUENCES OF NEGATIVE ACTION

If the funding commitments are not approved two developments would not be able to utilize their reservation of tax credits. If the Board does not approve the recommended capital funding, the developers will be unable to proceed with their respective developments until they identify additional funding.

STEPS FOLLOWING APPROVAL

Upon approval, the Clerk of the Board is requested to notify Ky Le (Ky.Le@hhs.sccgov.org) Consuelo Hernandez (Consuelo.Hernandez@hhs.sccgov.org), and Alejandra Herrera (Alejandra.Herrera@hhs.sccgov.org).

LINKS:

- References: 87725 : Approve Guidelines (Version 3) for the County's Supportive Housing Development Program enabling the Administration to issue a Notice of Funding Availability for the development of multi-family rental affordable and supportive housing. (Office of Supportive Housing)
- References: 87787 : 87787

- References: 88811 : Consider recommendations relating to loans to develop apartments that are affordable to lower income households and supportive housing units for individuals and families with special needs. (Office of Supportive Housing)
- Referenced By: 89882 : 89882
- Linked From: 90845 : 90845
- Linked From: 95930 : 95930
- Linked From: 97733 : 97733

ATTACHMENTS:

- Attachment A - Summary of Proceedings (PDF)

20. Consider recommendations relating to loans to develop apartments that are affordable to lower income households and supportive housing units for individuals and families with special needs. (Office of Supportive Housing) (ID# 88811)

Possible action:

- a. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement with Affirmed Housing Inc., or affiliate, in an amount not to exceed \$7,200,000 for the development of 84 apartments at Villas on the Park in San Jose, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on November 14, 2021.
- b. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement with Danco Communities or affiliate in an amount not to exceed \$7,500,000 for the development of 75 apartments at Gateway Senior Apartments in Gilroy, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on November 14, 2021.
- c. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement with Urban Housing Communities or affiliate in an amount not to exceed \$5,800,000 for the development of 39 apartments at the Crossings on Monterey in Morgan Hill, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on November 14, 2021.
- d. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement with First Community Housing or affiliate in an amount not to exceed \$13,500,000 for the development of 64 apartments at the Leigh Avenue Senior Apartments in San Jose, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on November 14, 2021.

Considered: 12/05/2017

- e. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement with Resources for Community Development or affiliate in an amount not to exceed \$9,830,000 for the development of 71 apartments at Quetzal Gardens in San Jose, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on November 14, 2021.
- f. Approve delegation of authority to County Executive, or designee, to negotiate, execute, amend, or terminate all legal documents such as contracts, loan agreements, deeds of trust, promissory notes, subordination agreements, assignment agreements and amendments, ground leases, and estoppels relating to a Loan Agreement with Charities Housing Development Corporation or affiliate in an amount not to exceed \$1,000,000 for the development of 19 apartments at the Veranda in Cupertino, following approval by County Counsel as to form and legality, and approval by the Office of the County Executive. Delegation of Authority shall expire on November 14, 2021.

Ten individuals addressed the Board.

On motion of Supervisor Wasserman, seconded by Supervisor Chavez, the Board unanimously approved possible actions "b," "c," and "d" delegating authority relating to development of apartments at Gateway Senior Apartments in Gilroy, the Crossings on Monterey in Morgan Hill, and Leigh Avenue Senior Apartments in San Jose.

On motion of Supervisor Chavez, seconded by Supervisor Yeager, the Board unanimously held consideration of possible actions "a" and "e" delegating authority relating to development of apartments at Villas on the Park in San Jose and Quetzal Gardens in San Jose to December 5, 2017, and further directed Administration to include a county ownership investment in both projects to protect long-term investment and long-term affordability.

On motion of Vice President Simitian, seconded by Supervisor Chavez, the Board voted 4-1 with President Cortese opposed, to approve possible action "f" delegating authority relating to development of apartments at the Veranda in Cupertino, with specific direction to limit the delegation of authority to a transaction that either provides for an equity interest or provides for a long-term commitment to affordability, and to report to the Board on December 5, 2017.

20 RESULT: APPROVED AS AMENDED [UNANIMOUS]

MOVER: Mike Wasserman, Supervisor

SECONDER: Cindy Chavez, Supervisor

AYES: Wasserman, Chavez, Cortese, Yeager, Simitian