



# Memorandum

**TO:** HONORABLE MAYOR  
AND CITY COUNCIL

**FROM:** Erik L. Soliván  
Jim Shannon

**SUBJECT:** SEE BELOW

**DATE:** May 28, 2024

Approved

Date

6/7/24

**COUNCIL DISTRICT: 10**

**SUBJECT: ACTIONS RELATED TO A LOAN COMMITMENT FOR SANTA TERESA MULTIFAMILY LOCATED AT 5885 SANTA TERESA BOULEVARD FOR THE DEVELOPMENT OF A NEW AFFORDABLE RENTAL HOUSING DEVELOPMENT**

## RECOMMENDATION

- (a) Adopt a resolution:
- (1) Approving a Construction-Permanent Loan commitment of up to \$7,250,000 in Measure E Funds, or such other special funds as the City may designate, to Charities Housing Development Corporation of Santa Clara County or an affiliated development entity for the Santa Teresa Multifamily affordable housing development located at 5885 Santa Teresa Boulevard, which is being developed to provide 48 affordable rent-restricted apartments, and one unrestricted manager's homes;
  - (2) Authorizing a loan-to-value ratio of greater than 100% for the Santa Teresa Multifamily development;
  - (3) Authorizing the loan terms to allow an increase in the rents and income restrictions up to 60% of Area Median Income for new tenants in Project-Based Voucher subsidized apartments in the event of expiration or termination of Project-Based Vouchers and for all tenants in the event of foreclosure, to the extent the City has determined such increase is needed for the feasibility of the above development and allowed by other funds; and
  - (4) Authorizing the Director of Housing or their designee to negotiate and execute loan documents and all other documents, including any amendments thereto, related to City financing for Santa Teresa Multifamily development.
- (b) Adopt the following Fiscal Year 2023-2024 Appropriation Ordinance amendments in the General Fund:
- (1) Decrease the Measure E – 40% Extremely Low-Income Households Reserve by \$3,650,000;
  - (2) Decrease the Measure E – 30% Low-Income Households Reserve by \$3,600,000;

- (3) Increase the Measure E – 40% Extremely Low-Income Households appropriation to the Housing Department by \$3,650,000; and
- (4) Increase the Measure E – 30% Low-Income Households appropriation to the Housing Department by \$3,600,000.

## **SUMMARY AND OUTCOME**

In response to the \$50 million New Construction Notice of Funding Availability (NOFA) released on October 10, 2023, Charities Housing Development Corporation of Santa Clara County (Charities Housing) submitted a development proposal for an affordable housing development creating a total of 48 homes for extremely low- and very low-income individuals and families and one manager's unit. The development includes 21 homes that will be supported by Project Based Vouchers (PBV) for at least 20 years for families. The development will also provide 24 homes for households who qualify for the County of Santa Clara's Office of Supportive Housing (County) Rapid Rehousing (RRH) program.

City Council approval of the staff recommendation will enable Charities Housing to assemble the financing for the development of Santa Teresa Multifamily, located at 5885 Santa Teresa Boulevard (Development). **Attachment A** – Santa Teresa Multifamily Renderings and Site Map provides the site location and project renderings. City Council approval of the staff recommendation will also allow Charities Housing to move forward with an application for low-income housing tax credits with the California Tax Credit Allocation Committee (CTCAC) on July 2, 2024.

In the event of foreclosure or loss of PBVs, City Council approval of the staff recommendation will also allow the development to increase rents and income restrictions, but not to exceed 30% of 60% of Area Median Income (AMI), to ensure the continued financial feasibility of the Development. Both increases will apply to new tenants in PBV-subsidized homes in the event of expiration or termination of subsidy contracts and for all tenants in the event of foreclosure.

## **BACKGROUND**

San José lacks a sufficient amount of affordable housing to meet residents' needs. The City's Regional Housing Needs Allocation for the 2023-2031 (sixth cycle) Housing Element is 62,200 housing units. Fifty-five percent of these units must be affordable (i.e., for extremely low-, very low-, low-, and moderate-income households). During the City's Regional Housing Needs Allocation for the 2014-2022 (fifth cycle) Housing Element, the City only achieved 26% of the affordable housing production goal. The City's Housing Catalyst Work Plan incorporates programs and strategies to produce and preserve affordable housing in alignment with the 2023-2031 Housing Element.

On October 10, 2023, pursuant to City Council’s direction, the Housing Department issued a \$50 million New Construction NOFA for the development of affordable housing for extremely low-, very low-, and low-income individuals and families. The 2023 NOFA prioritized affordable multifamily rental housing developments that will provide housing for extremely low-, very low-, and low-income individuals and families with 40% of the funding prioritized for extremely low-income housing.

The City received 17 applications for multifamily new construction developments in this NOFA round and selected four developments for awards. The Santa Teresa Multifamily development is the second of the four selected developments from this NOFA being brought forth to City Council for a recommended funding commitment and requested \$7,250,000 of the \$50,000,000 NOFA funds. Hawthorn Senior Apartments was the first development brought to the City Council on April 30, 2024. Housing Department staff plans to recommend the remaining two selected developments for City Council funding commitments within the next 12 months and intends to close financing on all four developments through calendar years 2024 and 2025. More details regarding the Housing Department’s progress on the 2023 NOFA selected developments are included in **Attachment B** – Updated 2023 New Construction NOFA Pipeline Report.

### ***Increase to Awarded NOFA Request***

The recommended loan commitment amount is \$7,250,000. This is \$50,000 more than the original 2023 NOFA application amount due to a request from Housing Department staff to deepen the affordability level of the Development from 40% AMI to 30% AMI for one studio.

The Development will be funded through the following sources:

- City Measure E funds,
- County Measure A funds,
- Affordable Housing Program Soft Loan from Federal Home Loan Bank of New York,
- Low-Income Housing Tax Credits, and
- Senior bank loans.

**Table 1** provides a more detailed summary of the City’s proposed funding commitment to the Development and its overall cost.

**Table 1 – Summary of City Funding and Cost for Santa Teresa Multifamily Development**

Development Name	City Loan Request	Per Unit Allocation	Total Units	PSH	RRH	PBV	Total Development Cost	Cost/Unit
<b>Santa Teresa Multifamily</b>	\$7,250,000	\$147,959	49	0	24	21	\$45,384,435	\$926,213

## **ANALYSIS**

### ***Development Description***

Charities Housing proposes to develop, own, and manage the Development, which consists of 49 homes (48 affordable rent-restricted homes and one unrestricted manager's home) on a 1.46-acre site located at 5885 Santa Teresa Boulevard. The Development will consist of three separate three-story wood frame buildings. Building A (17,704 square feet) will provide 18 apartments and one managerial apartment; Building B (17,459 square feet) will provide 19 apartments; Building C (12,557 square feet) will provide 11 apartments.

A key amenity at the Development will include a food access plan for all residents on the property. Charities Housing anticipates partnering with Second Harvest of Silicon Valley or Martha's Kitchen to deliver food to the site. To support the food access plan, the site will feature a 520-square-foot multi-purpose community room equipped with a full kitchen, including a food pantry, commercial refrigerator, and freezer. Other nearby amenities include convenient access to bus routes and the Santa Clara Valley Transportation Authority's Snell Light Rail Station, as well as high schools, grocery stores, parks, and retail outlets within one mile of the Development.

Charities Housing represents that the site is currently vacant and has no structures and further represents that no relocation benefits are required. The City will require that Charities Housing provide a no-relocation certificate and indemnify the City.

Should Charities Housing receive a City loan commitment to move forward, it plans to apply to CTCAC in the July 2024 round. As part of the consideration for the City's funding, Charities Housing will record an affordability covenant on the site for a term of no shorter than 55 years. The affordability restriction will not be subordinated to any deeds of trust or instruments with a power of sale. The affordability restrictions determine which homes are eligible for rent to households and individuals based on specified AMI levels at an affordable housing cost.

### ***Affordability Unit Mix/Area Median Income Levels***

The Development consists of 48 affordable apartments and one manager's apartment. The affordable apartments are comprised of 11 studios (23%), 10 one-bedrooms (21%), 13 two-bedrooms (27%), and 14 three-bedrooms (29%). Of the 48 affordable apartments, 25 will be reserved for households earning up to 30% AMI and 23 apartments will be reserved for households earning up to 50% AMI. **Table 2** provides details of the Development's unit mix and associated income and rent limits.

**Table 2 – Santa Teresa Multifamily Maximum Income and Rent Limit Unit Mix**

UNIT SIZE	30% AMI			50% AMI			MGR UNIT	TOTAL
	Units	Max Income*	Rent Limits	Units	Max Income *	Rent Limits		
<b>Studio</b>	11	\$38,070	\$951	0	\$63,450	\$1,586	0	<b>11</b>
<b>1-BD</b>	9	\$43,500	\$1,087	1	\$72,500	\$1,812	0	<b>10</b>
<b>2-BD</b>	3	\$54,390	\$1,224	10	\$90,650	\$2,040	0	<b>13</b>
<b>3-BD</b>	2	\$63,090	\$1,359	12	\$105,150	\$2,266	1	<b>14</b>
<b>Total</b>	<b>25</b>			<b>23</b>			<b>1</b>	<b>49</b>

\*Maximum rent limits are based upon California Department of Housing and Community Development's occupancy guidelines of one person per bedroom, plus one person. The illustration of maximum income assumes an actual family size equal to one person per bedroom, plus one person.

### ***Supportive Housing Units***

Charities Housing is in discussion with the Santa Clara County Housing Authority to secure 21 PBVs to support large family households earning up to 50% AMI. If approved, Charities Housing will enter a Housing Assistance Payment Contract with an initial term of 20 years. Within two years of the conclusion of the initial contract term, it is the Santa Clara County Housing Authority's normal procedure to analyze the Development to determine whether it is eligible for an extension term of up to 20 additional years. During the initial 20-year term of the contract, the rental assistance vouchers from Santa Clara County Housing Authority will provide over \$19,000,000 of operating subsidy.

The Development will also include 24 RRH homes and the County will be responsible for coordinating supportive services for these residents. The cost to the County is estimated to be approximately \$7,500 per year per home or a total of \$180,000 per year for the 24 households enrolled in the program over a two-year period. Supportive services costs for the RRH homes would decrease significantly in the third year unless there is a significant turnover in the 24 RRH homes. Services will be provided at no cost to 100% of the residents. **Table 3** provides the details of the Development's supportive housing unit mix.

**Table 3 – Santa Teresa Multifamily Supportive Housing Unit Mix**

UNIT SIZE	PBV	RRH
	50% AMI	30% AMI
Studio	0	10
1-Bedroom	0	9
2-Bedroom	10	3
3-Bedroom	11	2
<b>Total</b>	<b>21</b>	<b>24</b>

***Financing***

The total cost for the Development is \$45,384,435 which represents a cost of \$926,213 per home. Some of the larger line items within the Development budget can be detailed below in **Table 4**. The City acts as a gap lender. If the Development is approved, the City will commit up to \$7,250,000 for a Construction-Permanent loan composed of Measure E funds, which is approximately \$148,000/home.

**Table 4 - Highlighted Uses of Funds**

Type of Cost	Amount	% of Total Development Cost	Cost/Unit
<b>Hard Construction</b>	\$18,677,334	41.2%	\$381,170
<b>Site Improvements</b>	\$3,683,537	8.1%	\$75,174
<b>Senior Lender Construction Loan Interest</b>	\$3,074,630	6.8%	\$62,748
<b>Total Developer Fee</b>	\$2,800,000	6.2%	\$57,143
<b>Land Cost</b>	\$2,750,000	6.1%	\$56,122

The Development's construction period financing sources also includes \$4,000,000 in County funds, \$27,674,516 for a construction loan, \$2,668,901 in equity, and a \$720,000 Affordable Housing Program loan from the Federal Home Loan Bank of New York.

Permanent financing includes \$26,688,107 in federal and state tax credit equity, \$4,000,000 in County funds, a \$720,000 Affordable Housing Program loan from the Federal Home Loan Bank of New York, and a first mortgage permanent loan of \$6,587,000.

It is anticipated that the County will own the land and lease it to Charities Housing for no less than 55 years. The City's Deed of Trust will be recorded against the County's leasehold.

**Attachment C** – Santa Teresa Multifamily Sources provides details on the Development's financing.

### ***Affordable Housing Siting Policy***

The City Council approved the Affordable Housing Siting Policy<sup>1</sup> on December 6, 2022. The policy aims to reverse the impacts of segregation in San José and facilitate the construction of affordable housing throughout the City to achieve socio-economic integration. To achieve this goal, the policy includes two neighborhood area categories, Affordable Housing Expansion Areas and Continued Investment Areas. Affordable Housing Expansion Areas reflect parts of San José where affordable housing can provide residents access to more economic opportunities and neighborhoods associated with upward mobility, educational attainment, and positive outcomes for children. Continued Investment Areas reflect parts of San José where the City will continue investing in affordable housing due to the severe shortage of available housing for existing residents. Charities Housing intentionally identified this site as an ideal site for development of affordable housing due to its location within an Affordable Housing Expansion Area.

### ***Loan-to-Value Ratio***

The City's Loan-to-Value (LTV) policy requires that the combined LTV ratio (all the loans divided by the appraised value of the property) not exceed 100%. While the appraised value of the property is not known at this time, the appraisal that will be prepared for the senior lender before construction closing is expected to result in a combined LTV ratio that significantly exceeds 100%, which is the threshold for the City's delegation of authority LTV policy.

The LTV policy was intended to reduce the City's risk of loss associated with its loans; however, the City now builds more deeply affordable developments than it did in the 1990s and early 2000s. The deeper affordability of a development increases the need for public subsidies, while decreasing the development's market value, leading to an increased LTV ratio. An elevated LTV ratio above 100% is not uncommon for public lenders in the affordable housing industry. Developments that have a high LTV ratio are considered acceptable by City staff if the development's projected operating income is expected to be at least 1.15 times the required permanent mortgage payment. This is a common standard for assessing the financial feasibility of affordable housing developments.

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<sup>1</sup> San José Affordable Housing Siting Policy: <https://www.sanjoseca.gov/your-government/departments-offices/housing/developers/affordable-housing-plans-policies/affordable-housing-siting-policy>

The Development has a 55-year cash flow projection resulting in a Debt Service Coverage Ratio of 1.15 in the second year and increasing year over year.

### ***Climate Smart San José Analysis***

The staff recommendation in this memorandum aligns with one or more of Climate Smart San José energy, water, or mobility goals. The Development is designed to achieve LEED Gold Certification and includes various sustainability features to improve resident experience and align with San José Climate Smart Goals.

- *Transitioning to a Renewable Energy Future:* The Development will maximize the usage of rooftops to fit solar panels. The new buildings will be 100% electric with no new natural gas connections.
- *Walkable Neighborhood:* The Development is located within the Santa Teresa Boulevard/Snell Avenue Urban Village area. All residents will have access to ample transportation options and access to amenities within walking distance. The site is within one-quarter mile walk to two bus stops; one along Santa Teresa Boulevard (Stop ID Number 63296) and one along Snell Avenue (Stop ID Number 63185) which provides frequent stops from Route 66 to North Milpitas and Express Route 102 to Stanford Research Park. Other amenities within a half-mile walk from the property include two high schools, two grocery stores, one park, and retail stores. Within a mile walk, residents have access to two pharmacies, an additional park, two elementary schools, and the Valley Transportation Authority's Snell Light Rail Station.
- *Charging Stations and Bicycle Storage:* The Development will have a 1:1 bicycle parking ratio and includes 49 bicycle parking spaces in a secured room for resident use. The Development includes 44 vehicle parking spaces of which five are electric vehicle chargers, nine electric vehicle ready spaces, and 30 electric vehicle capable spaces.
- *Embracing our Californian Climate:* Throughout the Development, residents will have access to three outdoor landscaped common areas totaling 14,163 square feet. Adjacent to building A and directly outside the community room is a landscaped area spanning approximately 9,442 square feet that contains bench seating, barbeque pits, playground equipment/structure, and a sport court for resident use. Adjacent to building B is an additional landscaped area with bench seating spanning approximately 2,595 square feet. Adjacent to Building C, is a tertiary landscaped area with bench seating spanning approximately 2,126 square feet. Drought-resistant and native Californian plants have been incorporated into the design.
- *Tight Building Envelope:* The Development has selected heating, ventilation, and air conditioning systems intended to reduce energy consumption and provide highly efficient indoor air ventilation to improve energy efficiency within the homes.



### ***Next Steps***

If Charities Housing obtains all the necessary funding commitments for the Development, it intends to submit a 9% Low-Income Housing Tax Credit application with CTCAC on July 2, 2024. If the allocation of tax credits is received when CTCAC announces awards on October 2, 2024, the City will facilitate a construction financing closing by the first quarter of 2025. If Charities Housing is unable to obtain an allocation of tax credits from CTCAC to close all funding gaps, it will seek an allocation in a future round at a to-be-announced date.

The Development's construction is estimated to begin by the second quarter of 2025.

**Attachment D** - Santa Teresa Multifamily Anticipated Development Timeline provides details on the timeline and future milestones.

By the authority delegated under Section 5.06.335 of the San José Municipal Code (authority to negotiate and execute Council-approved loans, grants, and programs), the Director of Housing, or their designee will negotiate additional terms and execute documents for the loan in accordance with City Council's approval, if granted, for the Development.

### **EVALUATION AND FOLLOW-UP**

The Housing Department produces quarterly information memoranda regarding the use of the Director of Housing's delegation of authority under the San José Municipal Code; therefore, final loan business terms will be summarized in those memoranda. In addition, the Housing Department posts periodic reports on the status of its affordable properties undergoing rehabilitation or construction on its website, <https://www.sanjoseca.gov/your-government/departments-offices/housing>. If the recommended actions are approved and the Development successfully closes construction financing, it will be included in these periodic reports.

**COST SUMMARY/IMPLICATIONS**

## 1. ESTIMATED COSTS:

<b>Funding Sources and Uses</b>	<b>Construction/Permanent</b>
Measure E Fund (Extremely Low Income)	\$3,650,000
Measure E Fund (Low Income)	\$3,600,000
<b>Total</b>	<b>\$7,250,000</b>

2. SOURCE OF FUNDING: 001 - General Fund – Measure E<sup>2</sup>

## 3. FISCAL IMPACT: Funding in the amount of \$7,250,000 is available in the General Fund (Measure E) to encumber and draw upon when construction is initiated. The recommended actions will result in the development of 48 affordable homes.

**BUDGET REFERENCE**

The table below identifies the funds and appropriations to fund the loan commitment recommended as part of this memorandum.

<b>Fund #</b>	<b>Appn #</b>	<b>Appn. Name</b>	<b>Total Appn</b>	<b>Recom. Budget Action</b>	<b>2023-2024 Adopted Operating Budget Page</b>	<b>Last Budget Action (Date, Ord. No.)</b>
001	8744	Measure E – 40% Extremely Low-Income Households Reserve	\$31,438,924	(\$3,650,000)	959	4/30/2024 31074
001	8745	Measure E – 30% Low-Income Households Reserve	\$22,980,040	(\$3,600,000)	959	4/30/2024 31074
001	224L	Measure E – 40% Extremely Low-Income Households	\$34,931,581	\$3,650,000	915	4/30/2024 31074
001	224M	Measure E – 30% Low-Income Households	\$49,119,285	\$3,600,000	915	4/30/2024 31074

<sup>2</sup> Beginning in 2024-2025, Measure E revenues and expenditures will be budgeted in the new Real Property Transfer Tax Fund.

## **COORDINATION**

This memorandum has been coordinated with the City Attorney's Office.

## **PUBLIC OUTREACH**

This memorandum will be posted on the City's Council Agenda website for the June 4, 2024 City Council meeting. In addition, outreach initiatives were conducted for the Development. These outreach efforts are described below.

Charities Housing based its community engagement strategy on developing collaborative partnerships, community input, and providing solutions to local needs to contribute to the community at large. The community engagement strategy for the Development included three phases to engage with local stakeholders and to keep the community apprised of project updates.

- ***Gathering Information*** (April 2022 – December 2022): This phase involved gathering relevant stakeholder information from the neighborhood, adjacent businesses, non-profit organizations, and student groups to compile an outreach list for future invitations to community meetings.
- ***Formal Community Engagement*** (January 2023- June 2023): In this phase, a community meeting was held on March 22, 2023. Feedback received regarding the affordable housing development included concerns about traffic, noise generation, drivers making illegal U-turns on Snell Avenue, and access to the vacant lot by high school students. To mitigate some of these concerns, traffic consultants prepared a trip generation sheet, which showed that the Development would have minimal impact on traffic congestion. Additionally, a gated fence was installed to prevent public access to the property.
- ***Post-Entitlement and Construction Outreach*** (June 2023 – Ongoing): On June 1, 2023, an additional meeting was conducted to show the community the approved Senate Bill 35 development plan. Some concerns raised included ingress and egress into the apartment complex, building height, and tenant selection criteria. To address these concerns, Charities Housing incorporated another car entry/exit point into its design, met one-on-one with residents to show them how a three-story building would look, and explained its tenant background selection process. Charities Housing remains committed to working with any interested stakeholders regarding the Development's progress.

May 28, 2024

**Subject: Actions Related to a Loan Commitment for Santa Teresa Multifamily Located at 5885 Santa Teresa Boulevard for the Development of a New Affordable Rental Housing Development**

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### **COMMISSION RECOMMENDATION AND INPUT**

This item was not heard by the Housing and Community Development Commission, as approvals of affordable development financing do not fall under the functions, powers, and duties of the Housing and Community Development Commission, as delineated in section 2.08.2840 of the San José Municipal Code.

### **CEQA**


Exempt per Public Resources Code Section 21080(b)(1) and CEQA Guidelines Section 15369, Ministerial Project pursuant to Government Code Section 65913.4, File No. ER20-109.

### **PUBLIC SUBSIDY REPORTING**

This item does not include a public subsidy as defined in section 53083 or 53083.1 of the California Government Code or the City's Open Government Resolution.

/s/

ERIK L. SOLIVÁN  
Housing Director

  
JIM SHANNON  
Budget Director

The principal authors of this memorandum are Francisco Montes, Development Officer, and Shelsy Bass, Senior Development Officer. For questions, please contact Kemit Mawakana, Residential Development Division Manager, Housing Department, at [kemit.mawakana@sanjoseca.gov](mailto:kemit.mawakana@sanjoseca.gov).

### **ATTACHMENTS**

**Attachment A:** Santa Teresa Multifamily Renderings and Site Map

**Attachment B:** Updated 2023 NOFA Pipeline Report

**Attachment C:** Santa Teresa Multifamily Sources

**Attachment D:** Santa Teresa Multifamily Anticipated Development Timeline

## **ATTACHMENT A**

### **Santa Teresa Multifamily Renderings and Site Map**







## **ATTACHMENT B**

### **Updated 2023 New Construction NOFA Pipeline Report**

<b>Development Name</b>	<b>City Council District</b>	<b>Total # of Units</b>	<b>Project Stage</b>
Vista Montana	4	95	Applying to the California Department of Housing and Community Development's Affordable Housing and Sustainable Communities round 8. Awards to be announced in August 2024. Applying to (CDLAC) in March/April of 2025.
Hawthorn Senior Apartments	3	103	9% tax credit project. Applied to CTCAC on February 13, 2024. Project received allocation on May 15, 2024.
Santa Teresa Multifamily	10	49	9% tax credit project. Applying to CTCAC on July 2, 2024. Allocations to be announced on October 2, 2024.
Algarve Apartments	3	91	Applying to the California Debt Limit Allocation Committee in August 2024.
<b>SUBTOTAL</b>		<b>338</b>	

<b>2023 New Construction NOFA</b>	<b>\$50,000,000</b>
Total NOFA Applicant Request	\$257,450,000
<b>Total Awarded</b>	<b>\$49,950,000</b>
Total NOFA Waitlisted Applicant Request	\$207,500,000

**ATTACHMENT C**

**Santa Teresa Multifamily Sources**

Construction Period Sources	Construction Period Amounts
Taxable Construction Loan	27,674,516
City of San José	7,250,000
County of Santa Clara	4,139,328
Federal Home Loan Bank of New York	720,000
Cost Deferred Until Conversion	2,931,690
9% LIHTC Application Projected Private Equity Investment	2,668,901
<b>Total</b>	<b>\$45,384,435</b>

Permanent Sources	Permanent Amounts
Permanent Loan	6,587,000
City of San José	7,250,000
County of Santa Clara	4,139,328
Federal Home Loan Bank of New York	720,000
9% LIHTC Application Projected Private Equity Investment	26,688,107
<b>Total</b>	<b>\$45,384,435</b>



**ATTACHMENT D**

**Santa Teresa Multifamily Anticipated Development Timeline**

Development Milestone	Date
Apply for CTCAC Tax Credit Allocation	July 2024
CTCAC Allocation Award	October 2024
Close Financing	April 2025
Start Construction	May 2025
Complete Construction (26 months)	July 2027