

RESOLUTION NO. 73873

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) APPROVING A FUNDING COMMITMENT OF \$4,942,845 COMPOSED OF \$4,547,417 OF HOME FUNDS AND \$395,428.00 OF LOW AND MODERATE INCOME HOUSING FUNDS TO FIRST COMMUNITY HOUSING, OR ITS DESIGNEE, FOR THE ACQUISITION AND REHABILITATION OF THE CURTNER GARDENS INN SRO PROJECT LOCATED AT THE NORTHEAST CORNER OF CURTNER AND CANOAS GARDENS AVENUES AND (B) FINDING THAT THE USE OF 20% HOUSING FUNDS FOR THE CURTNER GARDENS INN SRO PROJECT IS OF BENEFIT TO THE REDEVELOPMENT PROJECT AREAS OF SAN JOSE.

WHEREAS, the Redevelopment Agency of the City of San Jose (the "Agency") has the obligation of providing assistance for low and moderate income housing (20% Housing Funds) using funds allocated under California Health and Safety Code Sections 33334.2 and 33487; and

WHEREAS, the Agency and the City entered into that certain Agreement dated September 28, 1990 in which the Agency delegated to the City authority to administer the 20% Housing Funds including the authority to make findings that use 20% Housing Funds in connection with certain housing projects outside a redevelopment area are of benefit to the Agency's project areas; and

WHEREAS, the City, on behalf of the Agency, has a program to administer and distribute 20% Housing Funds; and

WHEREAS, in order to attract capital investment, eliminate blight and achieve other redevelopment objectives there is a need to encourage and assist housing of all income levels throughout the City; and

WHEREAS, the provision of affordable housing throughout the City near jobs will serve to facilitate employment opportunities for all citizens of the City, revitalize neighborhoods that are near or adjacent to redevelopment areas and generally assist efforts in redevelopment areas; and

WHEREAS, the City made a construction loan in the amount of \$2,648,302 for the housing project on August 24, 1993 and a permanent loan of \$2,767,970.92 on January 13, 1995; and

WHEREAS, since the project was completed and occupied, it has experienced higher than normal vacancy rates and the developer now wishes to sell the project to First

Community Housing and accordingly staff recommends the funding commitment, as more specifically set forth in the Director of Housing Report dated May 25, 2007; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN JOSE THAT:

- A. A funding commitment of \$4,942,845, comprised of \$4,547,417 of HOME funds and \$395,428.00 of Low & Moderate Income Housing Funds, to First Community Housing, or its designee, for the acquisition and rehabilitation of the Curtner Gardens Inn SRO project located at the Northwest corner of Curtner and Canoas Avenues, as more specifically set forth in the Director of Housing Report dated May 25, 2007, is approved.
- B. The use of 20% Housing Funds for the Curtner Gardens Inn SRO project, as more specifically set forth in the Report of the Director of Housing dated May 16, 2007, is of benefit to the Redevelopment Project Areas of San Jose.

ADOPTED this 19th day of June, 2007, by the following vote:

AYES: CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE,
LICCARDO, NGUYEN, OLIVERIO, PYLE, WILLIAMS;
REED

NOES: NONE

ABSENT: NONE

DISQUALIFIED: NONE

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk