

RESOLUTION NO. 73954

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) ACCEPTING THE SUMMARY OF COSTS AND FINDINGS OF THE SUMMARY 33433 REPORT PURSUANT TO HEALTH AND SAFETY CODE SECTION 33433 FOR THE CONVEYANCE AND DISPOSITION OF THE PROPERTY LOCATED AT THE NORTHEAST CORNER OF ALMADEN EXPRESSWAY AND COLEMAN ROAD UNDER THE TERMS AND CONDITIONS OF THE PROPOSED DISPOSITION AND DEVELOPMENT AGREEMENT (DDA); (B) APPROVING A DDA BETWEEN THE CITY OF SAN JOSE AND BARRY SWENSON BUILDER, A 32-UNIT FOR-SALE HOUSING DEVELOPMENT, AND AUTHORIZING THE CITY MANAGER OR HER DESIGNEE TO NEGOTIATE, EXECUTE AND RECORD ALL DOCUMENTS REASONABLY NECESSARY TO CONVEY THE PROPERTY AS PROVIDED IN THE DDA; AND (C) APPROVING A FUNDING COMMITMENT OF UP TO \$1,600,000 FOR THE PROJECT TO FUND SECOND MORTGAGES FOR 16 MODERATE-INCOME HOMEBUYERS.

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 developer, Barry Swenson Builder, proposes to develop the site with 32 town home for-sale units with 16 available as affordable housing; and

WHEREAS, the City will commit up to \$1,600,000 for second mortgages for the affordable housing units; and

WHEREAS, the City is transferring the property to the developer for the purchase price of \$2,720,001.00 which reflects the payment of \$1.00 at the time of transfer plus the remaining value of \$2,720,000.00 which will be secured by a promissory note and deed of trust, as more specifically set forth in the Director of Housing Report dated July 24, 2007; and

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

- A. The summary of costs and findings of the Summary 33433 Report pursuant to Health and Safety Code Section 33433 for the conveyance and disposition of the property located at the Northeast corner of Almaden Expressway and Coleman Road under the terms of the DDA, as more specifically set forth in the Director of Housing Report dated July 24, 2007, is accepted; and
- B. A DDA between the City and Barry Swenson Builder or its designated affiliate, enabling the development of Sycamore Terrace, a 32-unit for-sale housing development, is approved, and the City Manager, or her designee, is authorized to negotiate, execute, and record all documents reasonably necessary to convey the property as provided in the DDA, as both are more specifically set forth in the Report of the Director of Housing dated July 24, 2007, are approved.
- C. A funding commitment of up to \$1,600,000 for the project to fund second mortgages for 16 moderate-income homebuyers, as more specifically set forth in the Director of Housing Report dated July 24, 2007

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ADOPTED this 14th day of August, 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