

RESOLUTION NO. 74005

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (1) APPROVING A FUNDING COMMITMENT OF UP TO \$4,275,000 TO MID-PENINSULA HOUSING COALITION, OR ITS DESIGNATED AFFILIATE, FOR THE ACQUISITION AND REHABILITATION OF 48 TOWNHOME UNITS, THE HILLSDALE TOWNHOMES PROJECT, THAT IS LOCATED AT THE SOUTHWEST CORNER OF HILLSDALE AND MERIDIAN AVENUES; AND (B) FINDING THAT USE OF 20% LOW- AND MODERATE-INCOME HOUSING FUNDS FOR THE HILLSDALE TOWNHOMES PROJECT IS OF BENEFIT TO THE REDEVELOPMENT PROJECT AREAS IN 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, on July 24, 2007, the Housing Department received a request from Mid-Peninsula Housing Coalition (MPHC) for an acquisition loan of \$4,275,000 for purchasing property located at 1626-1658 Hillsdale Avenue which consist of 48 rental townhomes in 16 adjacent buildings; and

WHEREAS, it is found that the use of 20% Low- and Moderate-Income Housing Funds for the Hillsdale Townhomes project is of benefit to the Redevelopment Project Areas in San Jose.

WHEREAS, MPHC proposes to acquire and rehabilitate the units and staff recommends approval of the funding commitment, as more specifically set forth in the Director of Housing's Report dated August 28, 2007.

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

1. A funding commitment of up to \$4,275,000 to Mid-Peninsula Housing Coalition, or its designated affiliate, for the acquisition and rehabilitation of 48 townhome units, the Hillsdale Townhomes project, that is located at the Southwest corner of Hillsdale and Meridian Avenues in San Jose, as more specifically set forth in Director of Housing Report dated August 28, 2007, is approved; and
2. The use of 20% Low- and Moderate-Income Housing Funds for the Hillsdale Townhomes project is of benefit to the Redevelopment Project Areas in San Jose, as more specifically set forth in the Report of the Director of Housing dated August 28, 2007, is approved.

ADOPTED this 18th day of September, 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