

RESOLUTION NO. 74128

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING A FUNDING COMMITMENT OF UP TO \$400,000 TO PROVIDE SECOND MORTGAGES OF UP TO \$50,000 EACH TO MODERATE-INCOME HOUSEHOLDS PURCHASING TOWNHOMES IN THE SAN ANTONIO PLACE DEVELOPMENT, LOCATED ON THE CORNER OF EAST SAN ANTONIO STREET AND KING ROAD .

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, in September, 2007, CORE Mayfair LLC submitted a request for a funding commitment of up to \$400,000 to provide second mortgage financing for moderate-income households in order to market and sell units that remain unsold as a result of the downturn in loan programs; and

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

WHEREAS, staff recommends approval of the funding commitment, as more specifically set forth in the Director of Housing's Report dated October 29, 2007.

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

1. A funding commitment of up to \$400,000 to provide second mortgages of up to \$50,000 each to moderate-income households purchasing townhomes in the San Antonio Place development, located on the corner of East San Antonio Street and King Road, as more specifically set forth in Director of Housing Report dated October 29, 2007, is approved; and

ADOPTED this 4th day of December, 2007, by the following vote:

| | |
|---------------|---|
| AYES: | CAMPOS, CHIRCO, CHU, CONSTANT, CORTESE, OLIVERIO, PYLE, WILLIAMS; REED |
| NOES: | NONE |
| ABSENT: | LICCARDO, NGUYEN |
| DISQUALIFIED: | NONE |

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk