

**RESOLUTION NO. 74291**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (I) APPROVING A FUNDING COMMITMENT OF UP TO \$5,315,000 OF 20% HOUSING FUNDS TO CHARITIES HOUSING DEVELOPMENT CORPORATION, OR IS DESIGNEE, FOR A LAND ACQUISITION/PERMANENT LOAN FOR THE 94-UNIT KINGS CROSSING AFFORDABLE FAMILY RENTAL PROJECT LOCATED AT 686 NORTH KING ROAD, TO BE MADE AVAILABLE TO EXTREMELY LOW-INCOME AND VERY LOW-INCOME HOUSEHOLDS; (II) APPROVING A CONDITIONAL FUNDING COMMITMENT FO UP TO \$5,250,700 OF HOME FUNDS TO CHDC, OR ITS DESIGNEE, FOR A PREDEVELOPMENT/CONSTRUCTION/PERMANENT LOAN FOR THE KIGNS CROSSING PROJECT; (III) APPROVING AN EXCEPTION TO CITY POLICY TO ALLOW DISBURSEMENT OF FUNDS WHICH WILL CREATE A COMBINED LOAN-TO-VALUE RATIO FOR THE CITY LOANS IN EXCESS OF 100%; AND (IV) FINDING THAT THE USE OF 20% HOUSING FUNDS FOR THE KINGS CROSSING HOUSING DEVELOPMENT IS OF BENEFIT TO THE REDEVELOPMENT PROJEC 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 December 19, 2007, CHDC filed an application for City funding for the Kings Crossing affordable housing project located on the 25-acre Newbury Park property with San Jose Transit Village as the master developer of the property; and

**WHEREAS**, also located at Newbury Park will be the New San Jose Family Shelter and the Belovida affordable senior housing project; and

**WHEREAS**, it is found that the use of 20% Low- and Moderate-Income Housing Funds for the Kings Crossing housing 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 February 25, 2008.

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

1. A funding commitment of up to \$5,315,000,000 of 20% Housing Funds to Charities Housing Development Corporation, or its designee, for a land acquisition/permanent loan for the 94-unit Kings Crossing affordable family rental project located at 686 North King Road, to be made available to extremely low-income and very low-income households, as more specifically set forth in Director of Housing Report dated February 25, 2008, is approved; and
2. A conditional funding commitment of up to \$5,250,700 of HOME Funds to CHDC, or its designee, for a predevelopment/construction/permanent loan for the Kings Crossing project, , as more specifically set forth in Director of Housing Report dated February 25, 2008, is approved; and
3. An exception to City policy to allow disbursement of funds which will crate a combined loan-to-value ration for the City loans in excess of 100%, as more specifically set forth in Director of Housing Report dated February 25, 2008, is approved; and

4. The use of 20% Housing Funds for the Kings Crossing housing development is of benefit to the Redevelopment Project Areas in San Jose.

ADOPTED this 18th day of March, 2008, by the following vote:

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

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk