

**RESOLUTION NO. 74600**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ APPROVING AN INCREASE TO THE CITY'S CONSTRUCTION AND PERMANENT LOAN COMMITMENT TO MID-PENINSULA HOUSING COALITION FOR THE HILLSDALE TOWNHOUSES PROJECT, AND APPROVING THE RELOCATION PLAN PREPARED BY OVERLAND, PACIFIC & CUTLER, INC.**

**WHEREAS**, on September 18, 2007, the City of San José ("City") Council approved an acquisition/construction/permanent funding commitment of up to \$4,275,000 to Mid Peninsula Housing Coalition ("MPHC") for the acquisition and rehabilitation on the Hillsdale Townhouses project located at 1626-1656 Hillsdale Avenue at the corner of Hillsdale and Meridian Avenues ("Project"); and

**WHEREAS**, in April 2008, MPHC asked the City's permission to change the project's financial structure from 4% tax credits with tax-exempt bonds and State Multifamily Housing Program ("MHP") financing to 9% tax credits, creating a funding gap, and requested a permanent loan increase of \$490,771; and

**WHEREAS**, on April 8, 2008, the Director of Housing approved an increase of the permanent loan amount from \$3,784,229 to \$4,275,000, while the construction loan amount remained at \$4,275,000; and

**WHEREAS**, on June 25, 2008, the Housing Department received a formal request from MPHC requesting a funding increase to the Project's construction and permanent loan commitment from \$4,275,000 to \$5,000,000; and

**WHEREAS**, the City desires to approve an increase to the City's construction and permanent loan commitment to MPHC, or its designated affiliate, in an amount up to \$725,000, for a total loan commitment of \$5,000,000 for the rehabilitation and

permanent financing of the Project, and to approve the Project's Relocation Plan dated September 2007 prepared by Overland, Pacific & Cutler, Inc.;

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

1. An increase to the City of San José's construction and permanent loan commitment to Mid-Peninsula Housing Coalition, or its designated affiliate, in an amount up to \$725,000, for a total funding commitment of up to \$5,000,000 for the rehabilitation and permanent financing of 48 rental townhome units, the Hillsdale Townhouses project, located at 1626-1656 Hillsdale Avenue, as more specifically set forth in the Director of Housing report dated September 9, 2008, is hereby approved.
  
2. The Hillsdale Townhouses project's Relocation Plan dated September 2007, prepared by Overland, Pacific & Cutler, Inc., as more specifically set forth in the Director of Housing report dated September 9, 2008, is hereby approved.

ADOPTED this 30th day of September, 2008, by the following vote:

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

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk