

RESOLUTION NO. 74649

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ
AUTHORIZING ACTIONS IN CONNECTION WITH THE
ACQUISITION AND REHABILITATION OF A MULTI-SERVICE
COMMUNITY CENTER TO BE LOCATED AT 749 STORY ROAD**

WHEREAS, Kelly Park Community Resource Center (“Kelly Park”), a nonprofit organization was created to acquire a warehouse located at 749 Story Road (“Property”) that could serve as a location in which several nonprofit agencies could offer services to the community; and

WHEREAS, Kelly Park was awarded a \$1,000,000 loan from the Healthy Neighborhoods Venture Fund (“HNVF”) and a \$550,000 loan from Community Development Block Grant (“CDBG”) funds to acquire and rehabilitate the Property that was converted into a multi-service facility to provide services to low and moderate income individuals and households; and

WHEREAS, Kelly Park has provided rental space to several nonprofit agencies, including a Day Worker Center operated by St. Vincent de Paul, St. Francis Career College, and a community health clinic; and

WHEREAS, since 2003, St. Vincent de Paul has operated the Day Worker Center, but due to financial difficulties, they will cease operating the program on December 31, 2008; and

WHEREAS, for several years the Center for Training and Careers, Inc. (“CTC”) has rented space at 1600 Las Plumas from the San José Family Shelter and since April 2005 has been operating on a month-to-month lease in anticipation of the San José Family Shelter relocating and selling the Las Plumas property; and

WHEREAS, CTC has been actively searching for a new facility and has recently entered into negotiations to purchase the multi-service facility at the Property and has agreed to assume operation of the Day Worker Center beginning January 2009; and

WHEREAS, the City of San José (“City”) desires to assist CTC in purchasing the Property by amending the 2008-09 Consolidated Annual Action Plan to award and appropriate \$600,000 in CDBG funds and to allow CTC to assume the existing \$550,000 CDBG 15-year conditional loan and \$1,000,000 HNVF15-year conditional loan, to authorize the Director of Housing to negotiate and execute the \$600,000 CDBG loan and the Director of Parks, Recreation and Neighborhood Services to negotiate and execute a one-time \$300,000 service agreement with CTC for the continued operations of day laborer services, and close the Consolidated Annual Action Plan Amendment public hearing process;

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

1. Changes to the 2008-09 Consolidated Annual Action Plan to award and appropriate \$600,000 in CDBG funds to Center for Training and Careers, Inc. for the acquisition of the property located at 749 Story Road, are hereby approved.
2. The assumption by Center for Training and Careers, Inc. of a \$550,000 CDBG 15-year conditional loan previously awarded to Kelly Park, with St. Vincent de Paul acting as fiscal agent, for the 2003 rehabilitation of the Property, is hereby approved.
3. The assumption by Center for Training and Careers, Inc. of a \$1,000,000 HNVF 15-year conditional loan previously awarded to Kelly Park, with St. Vincent de Paul acting as fiscal agent, for the acquisition and rehabilitation of the Property is hereby approved.

4. The Director of Housing is hereby authorized to negotiate and execute a CDBG 15-year conditional loan agreement and promissory note secured by a deed of trust in the amount of \$600,000.
5. The Director of Parks, Recreation and Neighborhood Services is hereby authorized to negotiate and execute a one-time \$300,000 service agreement with CTC for the continued operations of day laborer services.
6. The Consolidated Annual Action Plan Amendment public hearing process is hereby closed.

ADOPTED this 28th day of October, 2008, by the following vote:

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

NOES: NONE.

ABSENT: CAMPOS.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk