

**RESOLUTION NO. 74735**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE  
AUTHORIZING THE DIRECTOR OF HOUSING TO ACCEPT AN  
INFILL INFRASTRUCTURE PROGRAM GRANT FROM THE  
CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY  
DEVELOPMENT AND TO NEGOTIATE AND EXECUTE ALL  
NECESSARY DOCUMENTS TO FINALIZE THE AWARD, AND  
PROVIDE FUNDING FOR THE APPROVED COSTS OF THE  
KINGS CROSSING PROJECT**

**WHEREAS**, on March 18, 2008, the Council of the City of San José (“City”), adopted a resolution, pursuant to authority delegated by the Redevelopment Agency of the City, which found that the Kings Crossing affordable rental housing project (“Project”) located near the corner of King Street and Dobbin Drive, although not located within a redevelopment project area, was of benefit to the Redevelopment Project Areas in San José and authorized the use of low and moderate income housing funds allocated under California Health and Safety Code Sections 33334.2 and 33487 for the Kings Crossing project; and

**WHEREAS**, the Project is located in an “infill” location within the City which will provide much needed very low and extremely low income housing and will require the construction/rehabilitation of certain infrastructure improvements; and

**WHEREAS**, the City joined the developer of the Project, Charities Housing Development Corporation, as a co-applicant for a grant to provide funding for the project’s infrastructure improvements from the State’s Infill Infrastructure Grant Program (“IIG”); and

**WHEREAS**, the State Department of Housing and Community Development (“HCD”) awarded a grant of \$4,495,840 to the Project, subject to requirements for underwriting review, financial analysis, program guideline compliance and the completion of grant agreements; and

**WHEREAS**, consistent with the guidelines for the State's IIG, the City will be the recipient for the IIG funds awarded for the Project; and

**WHEREAS**, the City desires to use the IIG award proceeds to fund the approved costs of the Kings Crossing project consistent with the IIG guidelines;

**WHEREAS**, the IIG is a new program and this may cause the award of funds by the HCD to be delayed; and

**WHEREAS**, the City wishes to ensure that any delay in the award of funds by the HCD does not cause a delay in the construction of the Project; and

**WHEREAS**, in the event that the award of funds by the HCD is not available when funding for construction is needed, the City desires to advance funds for the approved costs of the Project; and

**WHEREAS**, any City advance of funds for the Kings Crossing project would be made by means of a zero interest rate loan or other means consistent with the IIG guidelines, which advance would be repaid from the IIG award.

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

1. The Director of Housing is hereby authorized to accept a \$4,495,840 Infill Infrastructure Grant Program award from the California Department of Housing and Community Development.
2. The Director of Housing is hereby authorized to negotiate and execute all necessary documents required to finalize the Infill Infrastructure Grant Program award.

3. The Director of Housing is authorized to provide timely funding for approved costs of the Kings Crossing project, including an advance of previously budgeted funds, up to the amount of Grant Program award.
4. The Housing Department is authorized to negotiate and execute such documents as may be needed to provide for a timely transfer of funds to CHDC or its designee consistent with the Grant Program award and the Infill Infrastructure Grant Program guidelines.

ADOPTED this 16<sup>th</sup> day of December, 2008, by the following vote:

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

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk