

**RESOLUTION NO. 74849**

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ AUTHORIZING THE DIRECTOR OF HOUSING TO MAKE SECOND MORTGAGE LOANS TO HOMEBUYERS OF HIGH-RISE CONDOMINIUM PROJECTS IN DOWNTOWN SAN JOSÉ**

**WHEREAS**, March 4, 2008, the City Council approved the Housing Department's request to create a Second Mortgage Program for buyers of homes in specific development projects; and

**WHEREAS**, in 2008, City Heights, a development in downtown San José, was awarded a forward commitment of \$1 million via the Second Mortgage Program; and

**WHEREAS**, the unused portion of the City Heights commitment is approximately \$700,000 and the commitment is sent to expire on April 25, 2009; and

**WHEREAS**, the Housing Department now proposes that the Downtown High Rise Second Mortgage Program ("Program") be established to include City Heights, the 88, the Axis, and the 360 Residences condominium developments; and

**WHEREAS**, under the proposed Program the maximum per unit loan to income eligible homebuyers is set at \$50,000 for studio and 1-bedroom units, and up to \$60,000 for 2-3 bedroom units; and

**WHEREAS**, the proposed Program will be administered consistent with the general underwriting guidelines for the City of San José's ("City") homeownership programs; and

**WHEREAS**, the City desires to authorize the Director of Housing to reallocate the remaining funds from the commitment to City Heights to make second mortgage loans

in an aggregate amount not to exceed \$700,000 to homebuyers of high-rise condominium projects in downtown San José;

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

The Director of Housing is hereby authorized to reallocate certain funds from the March 2008 Notice of Funding Availability to make second mortgage loans in a aggregate amount not to exceed \$700,000 to homebuyers of high-rise condominium projects in Downtown San José, as more specifically set forth in the Director of Housing report dated March 16, 2009.

ADOPTED this 7th day of April, 2009, by the following vote:

AYES: CAMPOS, CHU, CONSTANT, HERRERA, KALRA,  
LICCARDO, NGUYEN, OLIVERIO, PYLE; REED.

NOES: NONE.

ABSENT: CHIRCO.

DISQUALIFIED: NONE.

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CHUCK REED  
Mayor

ATTEST:

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LEE PRICE, MMC  
City Clerk