

RESOLUTION NO. 75082

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSÉ APPROVING A LOAN INCREASE AND CAPITALIZATION OF INTEREST TO BE ACCRUED FOR THE FOURTH STREET APARTMENTS PROJECT

WHEREAS, on March 20, 2007 the Council of the City of San José (“City”) approved a funding commitment of up to \$9,875,000 to First Community Housing (“FCH”), or its designated affiliate, for the development of the 100-unit North Fourth Street Family Apartments to be built at 1460 North Fourth Street (“Project”); and

WHEREAS, on April 10, 2008, the Director of Housing approved a \$100,000 predevelopment loan to FCH to partially fund pre-construction “soft costs” and on June 24, 2008 the City Council approved a \$400,000 increase in the predevelopment loan for a total predevelopment loan of \$500,000 that is part of the \$9,875,000 funding commitment; and

WHEREAS, on May 12, 2009 the City Council approved the early release of up to \$4,000,000 of the previously approved \$9,875,000 construction loan funding commitment to repay a land acquisition loan and accrued interest to Opportunity Fund, to repay a Housing Trust Fund predevelopment loan, to repay a predevelopment loan to Sobrato Foundation, and to reimburse FCH for already-incurred early development costs based on submission of invoices; and

WHEREAS, the City desires to approve an increase in the construction/permanent funding of up to \$6,209,579 to FCH for the development of the Project and to approve the capitalization of up to \$1,186,123 in interest to be accrued on the City’s construction loan, bringing the total City construction/permanent funding up to \$13,894,579;

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

1. An increase in the construction/permanent funding of up to \$6,209,579 to First Community Housing, or its designated affiliate, for the development of the North Fourth Street Family Apartments project to be built at 1460 North Fourth Street and made available to extremely low, very low, and low income families, as more specifically set forth in the Director of Housing's report dated July 21, 2009, is hereby approved.
2. The capitalization of up to \$1,186,123 in interest to be accrued on the City of San José's construction loan, bringing the total City construction/permanent funding up to \$13,894,579, as more specifically set forth in the Director of Housing's report dated July 21, 2009, is hereby approved.

ADOPTED this 11th day of August, 2009, by the following vote:

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

NOES: OLIVERIO.

ABSENT: NONE.

DISQUALIFIED: NONE.

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk