RESOLUTION NO. 75264

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING AMENDMENTS TO THE 2004-2005 CONSOLIDATED PLAN ANNUAL ACTION PLAN FOR THE CHANGE IN USE OF 16.1 ACRES AT THE FMC SITE

WHEREAS, on February 10, 2005, the Department of Housing and Urban Development ('HUD") approved a $25.8 million Section 108 loan for the purchase of 23.23 acres of the 74.87 acre Airport West site located at 1125 Coleman Avenue (the "Property"); and

WHEREAS, the interim use approved by HUD for the 23.23 acres acquired with the HUD funds during the construction period was for airport related uses such as rental car used car sales, recreational vehicle sales, motorcycle sales , and courier and delivery services; and

WHEREAS, in May of 2008, the City of San José ("City") entered into Option Agreements with the developers for the purchase of 14 acres of the Property for a soccer stadium; and

WHEREAS, the City is considering the use of 9.3 acres, of which 2.1 acres are part of the 23.23 acres purchased with HUD funds, for recreational soccer fields to relieve the demand on a series of soccer fields throughout the City and to limit those fields to youth soccer; and

WHEREAS, the proposed soccer stadium does not qualify as an eligible activity for use of HUD funds; and

WHEREAS, the City desires to amend the 2004-2005 Consolidated Plan Annual Action Plan to the City's Community Development Block Grant Program for the change in use for 16.1 acres of the 23.23 acre FMC site purchased in 2004 with funding assistance from HUD with the City pledging additional security to cover the outstanding principal

balance of the Section 108 loan, to amend the 2005 Section 108 Loan Guarantee Agreement to HUD for changes in use and for the purchase of the 23.23 acre Airport West property, and to authorize the City Manager to negotiate and execute Loan Guarantee documents required by HUD to consent to the substitute properties;

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

1. An amendment to the 2004-2005 Consolidated Plan Annual Action Plan to authorize the submission of an amended 2004-2005 annual Action Plan to the City of San José's ("City") Community Development Block Grant Program for the change of use, pursuant to 24 CFR 270.505, for 16.1 acres of the 23.23 acre FMC site purchased in 2004 with funding assistance from the Department of Housing and Urban Development ("HUD"), and the City pledging additional security to cover the outstanding principal balance of the Section 108 loan, as more specifically set forth in the Assistant Director of Housing's report dated January 13, 2010, is hereby approved.

2. An amendment to the 2005 Section 108 Loan Guarantee Agreement to HUD for changes in use and to substitute security for the remaining principal balance on the Section 108 loan for the purchase of the 23.23 acre Airport West (formerly FMC Corporation) property, as more specifically set forth in the Assistant Director of Housing's report dated January 13, 2010, is hereby approved.

3. The City Manager, or her designee, is hereby authorized to negotiate and execute Loan Guarantee documents required by HUD to consent to the substitute properties.

ADOPTED this 26th day of January, 2010, by the following vote:

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

NOES: NONE.

ABSENT: NONE.

DISQUALIFIED: NONE.

Chuck Reed

CHUCK REED
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk