RESOLUTION NO. 75317

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE APPROVING ACTIONS RELATED TO THE SALE OF THE PROPERTY AT 2112 MONTEREY ROAD FROM EHC LIFEBUILDERS TO CHARITIES HOUSING AS REQUIRED BY THE FOREBEARANCE AGREEMENT WITH EHC AND ITS CREDITORS

WHEREAS, on November 21, 2008, Charities Housing Development Corporation ("Charities") entered into a Purchase Agreement with EHC Lifebuilders ("EHC") for the Markham Terrace property located at 2112 Monterey Road ("Property"); and

WHEREAS, State Redevelopment Law, Section 33413(a) of the California Health and Safety Code, requires that the City Council approve a Replacement Housing Plan to address the disposition of the affordable housing units that will be demolished in the near future; and

WHEREAS, on February 29, 2000, EHC entered into an Owner Participation Agreement ("OPA") with the Redevelopment Agency of the City of San José ("Agency") which acquired public use rights related to the Property, the Agency will assign its public use rights to the City, and the Agency, City, and EHC have agreed to transfer all right title and interest arising from the OPA from the Property to the Boccardo Reception Center located at 2011 Little Orchard Street ("Boccardo Center"); and

WHEREAS, the City and EHC have agreed to transfer a $220,000 CDBG forgivable loan, that was advanced to EHC in 1995 to provide community services in connection with the public use rights on the Property, which will be secured by the Boccardo Center and EHC will assume the obligations of this forgivable grant; and

WHEREAS, the City desires to approve the Replacement Housing Plan, to authorize the transfer of the CDBG loan from the Property to the Boccardo Center, and to authorize the Director of Housing to accept and execute an Assignment Agreement of the OPA from the Agency and to negotiate and execute the documents required to transfer the Public Use Rights from the Property to the Boccardo Center;

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

1. The Replacement Housing Plan for the Markham Terrace Apartments located at 2112 Monterey Road, as more specifically set forth in the Director of Housing's report dated March 10, 2010, is hereby approved.

2. The transfer of the CDBG obligations set forth in the $220,000 CDBG loan from Markham Terrace Apartments to the Boccardo Regional Reception Center, located at 2011 Little Orchard Street, as more specifically set forth in the Director of Housing's report dated March 10, 2010, is hereby authorized.

3. The Director of Housing is hereby authorized to: (i) accept and execute an Assignment Agreement from the Redevelopment Agency of the City of San José ("RDA") for the Public Use Rights contained in the Owner Participation Agreement between the RDA and EHC Lifebuilders for 2112 Monterey Road, and (ii) negotiate and execute the documents required to transfer the Public Use Rights from 2112 Monterey Road to 2011 Little Orchard Street, as more specifically set forth in the Director of Housing's report dated March 10, 2010.

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ADOPTED this 23rd day of March, 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
Mayor

ATTEST:

LEE PRICE, MMC
City Clerk