

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE REALLOCATING ACQUISITION FUNDING TO INCREASE THE CONSTRUCTION-PERMANENT LOAN FOR THE GATEWAY TOWER AFFORDABLE HOUSING DEVELOPMENT TO \$38,440,000

WHEREAS, the City of San José (“City”) City Council desires to adopt this resolution for the reasons set forth in the memorandum, dated November 26, 2025, from the Housing Director for the December 16, 2025 City Council meeting; and

WHEREAS, on September 30, 2025, the City Council approved funding commitments for the Gateway Tower Affordable Housing Development located at 445, 465, and 493 South First Street and 460, 470, and 480 South Market Street (“Development”), including a \$20,270,000 construction-permanent loan and \$18,170,000 for land acquisition based on the findings set forth in Resolution No. RES2025-345; and

WHEREAS, as described in the staff report dated November 26, 2025, the City and the County of Santa Clara determined that, due to an existing County purchase option on the site, the County will assume responsibility for acquiring the property and ground-leasing it to the developer, eliminating the need for the City to fund the land purchase; and

WHEREAS, staff recommends a reallocation of the previously approved acquisition funding to increase the construction-permanent loan so that the City's total loan commitment becomes \$38,440,000, with no change to the total amount of City investment; and

WHEREAS, reallocating the funding to the construction-permanent loan will increase the City's long-term loan repayment through residual receipts and streamline financing for the Development; and

WHEREAS, accepting the staff report and approving the recommended reallocation will enable the City to proceed toward a February 2026 construction financing closing and support the start of construction in March 2026;

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

The acquisition funding for the Gateway Tower Affordable Housing Development is hereby authorized to be reallocated to the construction-permanent loan, increasing that loan to \$38,440,000.

ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk