

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) AUTHORIZING A CHANGE IN CITY LOAN TERMS TO ALLOW AN INCREASE IN THE IMMANUEL SOBRATO COMMUNITY (“DEVELOPMENT”) RENTS AND INCOME UP TO 60% AREA MEDIAN INCOME (LOW INCOME) FOR NEW TENANTS IN SUBSIDIZED UNITS IN THE EVENT OF EXPIRATION OR TERMINATION OF PROJECT BASED VOUCHERS, AND FOR ALL TENANTS IN THE EVENT OF FORECLOSURE, TO THE EXTENT THE CITY HAS DETERMINED SUCH INCREASE IS NEEDED FOR FEASIBILITY OF THE DEVELOPMENT AND ALLOWED BY OTHER FUNDS; (B) AUTHORIZING THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS, AMENDMENTS, AND ALL OTHER DOCUMENTS RELATED TO THIS ACTION; (C) APPROVING THE RELOCATION PLAN FOR THE DEVELOPMENT, PREPARED BY AUTO TEMP DATED AUGUST 2020

WHEREAS, on September 15, 2020, the City of San José (“City”) Council approved a loan to MP Moorpark Associates, L.P., a California limited partnership (“Developer”) for eligible Development Costs up to \$7,823,677 during the construction period and up to \$10,317,000 during the permanent period after construction and lease up, to finance the construction of a 108-unit rental housing project to be known as the Immanuel-Sobrato Community (“Development”), involving 106 studio apartments for chronically homeless households and two unrestricted managers’ units ; and

WHEREAS, the City loan will be accompanied by an Affordability Restriction which will run for at least fifty-five (55) years from the completion of the Development; and

WHEREAS, a “Chronically Homeless” household is occupied by a resident who has experienced homelessness for at least one year or has experienced at least four

episodes of homelessness in the prior three years and also has a disabling condition that prevents them from maintaining employment or housing; and

WHEREAS, the Development is intended to serve Chronically Homeless households with current maximum income between 30% and 50% of Area Median Income (“AMI”) at affordable rent in accordance with California Health and Safety Section 50053, as may be amended from time to time, and ninety-seven (97) of the units will be supported by Project Based Vouchers (“PBVs”) for at least 20 years; and

WHEREAS, Sections 6012 and 6038 of Title 25 of the California Code of Regulations require the City Council to approve a relocation plan for the Project because it was determined that eight commercial/non-profit tenants occupied existing buildings on the site, one of which will need to be permanently displaced for the Project to proceed and two which are operated by the owner of the property; and

WHEREAS, The Developer engaged Auto Temp, an experienced acquisition and relocation firm to prepare a commercial relocation plan, and the Developer submitted the relocation plan to California Tax Credit Allocation Committee on September 21, 2020, as set forth in exhibit C of the Memorandum from Housing and Finance Departments dated May 11, 2021; and; and

WHEREAS, the relocation plan identifies eight commercial/non-profit occupants, one which will need to be permanently displaced for the development to proceed

WHEREAS, Developer and Auto Temp have represented that consistent with the Plan, a comprehensive relocation assistance program, with technical and advisory assistance, will be provided to the tenants being displaced; and

WHEREAS, Developer and Auto Temp have represented that the Developer will provide full and timely access to documents relevant to the relocation and technical assistance necessary to interpret elements of the relocation program and other pertinent and technical assistance necessary to interpret elements of the relocation program and other pertinent materials program; and

WHEREAS, the Plan includes a written determination that the necessary funds shall be made available to relocate the commercial/non-profit tenants as required; and

WHEREAS, the Developer requested and City desires to approve the Plan for the Project prepared by Auto Temp dated August 2020;

WHEREAS, the Developer has also requested that the City allow an increase in the Development's rent and income up to 60% of Area Median Income (low income) for new tenants in subsidized units in the event of expiration or termination of PBVs, and for all tenants in the event of foreclosure, to the extent the City has determined such increase for feasibility of the Development and allowed by other funds.

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

- a. A change in City loan terms is authorized to allow an increase in the Immanuel Sobrato Community ("Development") rents and income to increase to up to 60% of Area Median Income (low income) for new tenants in subsidized units in the event of expiration or termination of Project Based Vouchers, and for all tenants in the event of foreclosure, to the extent the City has determined such increase is needed for feasibility of the Development and allowed by other funds.

- b. The Director of Housing is authorized to negotiate and execute loan documents, amendments, and all other documents related to above change to the City loan terms.
- c. The Relocation Plan for the Development, prepared by Auto Temp dated August 2020, is hereby approved.

ADOPTED this _____ day of _____, 2021, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk