

RESOLUTION NO.

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (1) APPROVING A CONSTRUCTION LOAN COMMITMENT OF UP TO \$500,000 TO AMIGOS DE GUADALUPE CENTER FOR JUSTICE AND EMPOWERMENT, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE REHABILITATION OF CASA DE CLARA LOCATED AT 318 NORTH 6TH STREET, TO OPERATE AS AFFORDABLE TRANSITIONAL HOUSING; AND (2) AUTHORIZING THE DIRECTOR OF HOUSING, OR THEIR DESIGNEE, TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS AND ALL OTHER AGREEMENTS, INSTRUMENTS, CERTIFICATIONS, AND DOCUMENTS RELATED TO THE LOAN AND THE CASA DE CLARA DEVELOPMENT, INCLUDING ANY RELATED AMENDMENTS, EXTENSIONS, AND MODIFICATIONS THERETO, SUBJECT TO THE APPROPRIATION OF FUNDS

WHEREAS, the City of San José (“City”) City Council desires to adopt this resolution for the reasons set forth in the memorandum, dated May 26, 2026, from the Director of Housing, Erik L. Soliván, for the June 16, 2026, City Council meeting (“Memorandum”); and

WHEREAS, the City is committed to preserving and expanding affordable housing opportunities for extremely low-income households and families experiencing housing insecurity including transitional housing for deeply vulnerable families; and

WHEREAS, in early 2026, the City launched the Small Sites Rehabilitation Program, as a pilot program, intended to expedite small site acquisition and preservation by supporting small organizations investing in scattered sites and lower density housing projects; and

WHEREAS, the need for affordable transitional housing for deeply vulnerable families continues to grow as homelessness and housing insecurity affect thousands of households, particularly families with children, while fewer providers across Santa Clara County serve this population amid ongoing fiscal pressures on homelessness programs; and

WHEREAS, Amigos de Guadalupe Center for Justice and Empowerment, a California nonprofit public benefit corporation (“Developer”) provides services and housing to migrant, low-income, and vulnerable families in East San José, currently operates emergency family shelter sites in San José, and pairs shelter operations with wrap-around services, including case management, workforce support, and community empowerment programming; and

WHEREAS, Developer acquired the property located at 318 North Sixth Street, known as Casa de Clara, for the purpose of rehabilitating and preserving the property as affordable transitional housing; and

WHEREAS, Developer brings direct, relevant operating experience and currently operates four family shelters in San José serving deeply impacted families and moved nearly 60% of exiting families into permanent housing in recent years; and

WHEREAS, Casa de Clara has operated as a community shelter for many years and, once rehabilitated, will continue to serve as transitional housing and provide supportive services to migrant, low-income, and vulnerable families; and

WHEREAS, the rehabilitation is anticipated to include exterior upgrades, targeted interior improvements, site improvements, and related design, engineering, permitting, testing, and contingency costs; and

WHEREAS, Developer has secured \$1,000,000 from Destination: Home for acquisition and partial rehabilitation costs and seeks a City construction loan commitment of up to \$500,000 as gap financing for the project; and

WHEREAS, as a condition of City funding, a regulatory agreement and deed restriction will be recorded against the property to preserve long-term affordability for a period of 55 years; and

WHEREAS, Blach Construction will develop a comprehensive rehabilitation scope of work for Casa de Clara, including exterior and interior upgrades and modernization, site improvements, soft costs for design, engineering, permitting, testing, and appropriate contingencies, and updates to all 11 rooms; and

WHEREAS, rehabilitation of Casa de Clara is anticipated to commence in summer 2026, following necessary permitting and preconstruction activities, with project completion expected in fall 2026 and program operations beginning thereafter to support the continued use of the property as affordable transitional housing;

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

1. The City Council hereby approves a construction loan commitment in an amount not to exceed \$500,000 from the Real Property Transfer Tax Fund to Amigos de Guadalupe Center for Justice and Empowerment, a California nonprofit public benefit corporation, for the rehabilitation of Casa de Clara located in the City of San José, at 318 North Sixth Street, to operate as affordable transitional housing; and
2. The Director of Housing, or their designee, is hereby authorized to negotiate and execute loan documents and all other agreements, instruments,

certifications, and documents related to the loan and the Casa de Clara project development, including any related amendments, extensions, and modifications thereto, subject to the appropriation of funds.

ADOPTED this _____ day of June, 2026, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk