

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) APPROVING AN INCREASE TO THE EXISTING CITY COUNCIL-APPROVED CONSTRUCTION-PERMANENT LOAN COMMITMENT TO SECOND STREET STUDIOS, LP, A CALIFORNIA LIMITED PARTNERSHIP AND AFFILIATE OF FIRST COMMUNITY HOUSING, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, FOR THE SECOND STREET STUDIOS PROJECT LOCATED AT 1144 SOUTH SECOND STREET BY \$1,000,000 IN LOW- AND MODERATE-INCOME HOUSING ASSET FUNDS FROM \$19,158,673 TO \$20,158,673; AND (B) AUTHORIZING THE DIRECTOR OF HOUSING OR THE DIRECTOR OF HOUSING'S DESIGNEE TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS AND ALL OTHER DOCUMENTS REGARDING CITY OF SAN JOSE CONSTRUCTION AND PERMANENT FINANCING FOR THE PROJECT, INCLUDING ANY AMENDMENTS OR MODIFICATIONS THERETO

WHEREAS, Second Street Studios project located at 1144 South 2nd Street ("Project") was completed and fully leased in August 2019 and the City of San José ("City"), the County of Santa Clara ("County") and Project sponsor, First Community Housing ("FCH"), have worked together to address physical needs of the development to support the residents and stabilize the operations; and

WHEREAS, on June 30, 2021, Buis Construction Services conducted a site visit to review the condition of the existing improvements and review identified upgrades designed to prevent or reduce the damage caused by fire and/or water incident and to increase security; and

WHEREAS, on February 10, 2022, FCH co-hosted a meeting with the Spartan Keyes Neighborhood Association to highlight and address the community's concerns and identify areas that would enhance the operations of the Project; and

WHEREAS, City staff worked over the past few months with partners, the community, and residents of the Project, to identify needed physical improvements and services for the property to stabilize operations; and

WHEREAS, the County agreed to focus on the additional safety and service needs at the building which include providing funding to increase the number of security guards at the site and as well as improving the coordination services across the services providers and property management team; and

WHEREAS, the City committed to additional funding for physical improvement needed at the site to improve the overall quality of life for the Project residents; and

WHEREAS, the City Housing Department recommends approval of an increase to the existing City Council-approved construction-permanent loan commitment to Second Street Studios, LP for the Project by \$1,000,000 in Low- and Moderate-Income Housing Asset funds from \$19,158,673 to \$20,158,673, as set forth in the Memorandum from the City Housing and Budget Departments dated as of May 24, 2022.

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

- (a) An increase to the existing City Council-approved construction-permanent loan commitment to Second Street Studios, LP, a California limited partnership and affiliate of First Community Housing, a California nonprofit public benefit corporation, for the Second Street Studios project located at 1144 South 2nd Street by \$1,000,000 in Low- and Moderate-Income Housing Asset Funds from \$19,158,673 to \$20,158,673, is hereby approved.

(b) The Director of Housing, or the Director of Housing's designee, is hereby, authorized to negotiate and execute loan documents and all other documents regarding the City construction and permanent financing for the Second Street Studios project, including any amendments or modifications thereto.

ADOPTED this ____ day of _____, 2022, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk