

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (A) APPROVING THE RELOCATION PLAN FOR THE PREEXISTING COMMERCIAL TENANTS AT THE DEVELOPMENT, PREPARED BY AUTOTEMP DATED OCTOBER 2022; AND (B) AUTHORIZING AN INCREASE OF UP TO \$587,753 FROM \$7,500,000 TO \$8,087,753 USING MEASURE E FUNDS, TO THE CITY COUNCIL APPROVED CONSTRUCTION-PERMANENT LOAN COMMITMENT TO ALUM ROCK, L.P. A CALIFORNIA LIMITED PARTNERSHIP, TO PROVIDE FUNDS TO COMPLETE TENANT IMPROVEMENTS TO THE COMMERCIAL SPACE FOR THE COMMUNITY BASED NON-PROFIT AMIGOS DE GUADALUPE

WHEREAS, the City of San José (“City”) Council approved a loan to Alum Rock, L.P. (“Developer”), a California limited partnership created by Charities Housing Development Corporation of Santa Clara County, a California nonprofit public benefit corporation, to finance the construction and development of a 60-unit multifamily development for eligible Development Costs up to \$7,500,000 during the construction period and permanent period after construction and lease up, to finance the construction of a 60-unit rental housing project to be known as 1860 Alum Rock Apartments (“Development”), that includes fifty-nine (59) studio, one, two, and three bedroom apartments for extremely low and very low-income households and one unrestricted manager’s unit; 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, the Development is intended to serve extremely low and very low income households, with current maximum incomes 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 twenty-six (26) of the units

restricted at up to 50% AMI 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 three commercial tenants occupied existing buildings on the site whom will need to be permanently displaced for the Project to proceed; and

WHEREAS, The Developer engaged Autotemp, an experienced acquisition and relocation firm to prepare a commercial relocation plan, and the Developer submitted the preliminary relocation plan to the California Tax Credit Allocation Committee on August 9, 2022. The updated commercial relocation plan is set forth in Attachment B of the Memorandum from Housing and Finance Departments dated April 10, 2023; and

WHEREAS, Developer and Autotemp 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 Autotemp 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 Development prepared by Autotemp dated October 2022;

WHEREAS, the Developer has also requested that the City allow an increase to the City's \$7,500,00 loan commitment by \$587,753 to \$8,087,753 in Measure E 30% Low-Income funds to complete the full build-out for the Development's commercial space for the non-profit tenant Amigos De Guadalupe, of which up to \$7,850,000 would be available during the construction period up to \$8,087,753 during the permanent financing.

WHEREAS, City Council approved use of Measure E funds for such commercial space tenant improvements in affordable housing developments, per the fiscal year 2021-2022 Measure E spending plan as approved by the City Council on May 17, 2022, and Amigos De Guadalupe is currently seeking to match the funds in outside funding;

WHEREAS, the increase will enable the Borrower to complete the tenant improvements of the community serving ground level facility of the Development and Developer will Developer will construct the commercial portion of the Development using low-income housing tax credits;

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

- a. The Relocation Plan for the pre-existing commercial tenants at the Development, prepared by Autotemp dated October 2022, is hereby approved.
- b. An increase of up to \$587,753, from \$7,500,000 to \$8,087,753 using Measure E Funds, to the City Council approved construction-permanent loan commitment to Alum Rock, L.P. a California Limited Partnership, is hereby authorized, to provide funds to complete tenant improvements to the commercial space for the community-based non-profit Amigos De Guadalupe.

ADOPTED this _____ day of _____, 2023, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk