

RESOLUTION NO. \_\_\_\_\_

**A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING THE CITY MANAGER TO 1) NEGOTIATE, EXECUTE AND DELIVER A GRANT APPLICATION WITH THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR THE AFFORDABLE HOUSING AND SUSTAINABLE COMMUNITIES PROGRAM FOR FUNDING FOR DOWNTOWN PROJECTS IN AN AMOUNT NOT TO EXCEED \$12,889,611.00; 2) ENTER INTO AN AGREEMENT WITH FIRST COMMUNITY HOUSING; AND 3) ACCEPT THE FUTURE FUNDING PLAN TO THE PROJECTS IDENTIFIED IN THE GRANT**

**WHEREAS**, the State of California, the Strategic Growth Council (“SGC”) and the Department of Housing and Community Development (“Department”) has issued a Notice of Funding Availability dated January 29,2016 (“NOFA”), under the Affordable Housing and Sustainable Communities (“AHSC”) Program established under Division 44, Part 1 of the Public Resources Code commencing with Section 75200; and

**WHEREAS**, the City of San José (“City”) and First Communities Housing (“FCH”) jointly applied for AHSC Program funds and submitted the Application Package released by the Department for the AHSC Program for grant funding for certain Downtown San Jose projects; and

**WHEREAS**, the grant would provide loans and funding to design and construct affordable housing and pedestrian and bicycle improvements as described in the memorandum to the City Council dated May 27, 2016 from Jacky Morales-Ferrand, Director of Housing; Jim Ortbal, Director of Transportation; Angel Rios, Director of Parks, Recreation and Neighborhood Services; and Kim Walesh, Director of Economic Development and Deputy City Manager; and

**WHEREAS**, the State of California committed on October 11, 2016 to award \$12,889,611 in grant funding for a suite of project components, including an FCH housing project (\$8,920,000); City park improvements at Pellier, North San Pedro, and Bassett Street Parks (\$1,345,046), as well as, City streetscape improvements (\$2,130,268) such as ADA accessibility, LED lighting, public art street lighting, wayfinding, street trees, traffic safety striping ('sharrows'), and funding to support at least two Viva CalleSJ open streets events (\$443,000); and

**WHEREAS**, on November 21, 2016, California's Housing and Community Development's (HCD) notified staff of the program award and on June 5, 2017, City staff was provided the template grant agreements and direction on their processing by representatives of the State of California HCD; and

**WHEREAS**, HCD considers the City and FCH 'jointly and severally bound' to deliver the projects and the parties are required by HCD to fund and complete each other's project components, should one party be unable to deliver its work product. As a result, a separate Indemnity Agreement between FCH and the City is required to clarify these responsibilities between the parties and establishes recourse should such a default occur; and

**WHEREAS**, the final AHSC grant award is not sufficient to complete all of the City projects and City staff has prepared a funding plan to cover the remaining estimate of non-reimbursable funding to ensure that the City can deliver the City projects as set forth in the staff report dated September 25, 2017 from Angel Rios, Jr., and Jacky Morales-Ferrand (Staff Report);

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

1. City Manager is hereby authorized to negotiate, execute and deliver a State of California Standard Grant Agreement and any related documents with any commitments necessary to deliver the agreed upon Grant Scope previously authorized by Council required or deemed necessary or appropriate to secure the AHSC Program funds.
2. The City Manager or designee is authorized to negotiate and execute an agreement with First Communities Housing to allocate responsibilities and liabilities between the City and FCH to secure the AHSC Program funds.
3. The future funding plan set forth in the Staff Report to complete the City projects set forth in the AHSC Program plan requiring future appropriation actions is accepted.

ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 2017, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

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SAM LICCARDO  
Mayor

ATTEST:

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TONI J. TABER, CMC  
City Clerk