

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE AUTHORIZING (A) AN INCREASE OF \$263,374 TO THE PREDEVELOPMENT LOAN MADE TO ALLIED HOUSING, INC., FOR A TOTAL OF \$707,687 FOR PREDEVELOPMENT SERVICES INCLUDING ENTITLEMENT, UTILITIES, AND STORM WATER DESIGN FOR THE 5.9 ACRE CITY OWNED PROPERTY LOCATED AT 0 EVANS LANE SAN JOSE; AND (B) THE DIRECTOR OF HOUSING TO NEGOTIATE AND EXECUTE ALL RELATED DOCUMENTS AND AMENDMENTS

WHEREAS, the City of San José (“City”) owns a 5.94 acre site purchased using Low and Moderate Income Housing Funds, made up to two parcels, located on the east side of Evans Lane between Curtner Avenue, Highway 87, and Almaden Expressway (“Evans Lane”); and

WHEREAS, the City Housing Department (“Housing Department”) issued a Request for Proposals (“RFP”) to develop affordable housing and amenities at Evans Lane and Allied Housing Inc., a California nonprofit public benefit corporation (“Developer”) was selected as the developer for a project in 2016; and

WHEREAS, the developer’s proposed project was to use repurposed shipping containers for the development of multifamily affordable housing at Evans Lane and adding site amenities (“Project”); and

WHEREAS, in December 2018, the Housing Department issued an up \$200,000 Notice of Intent letter to the Developer for design, engineering services and construction drawings for the property; and

WHEREAS, the Developer completed this work relying on the Notice of Intent; and

WHEREAS, on February 21, 2019, a predevelopment loan to Developer of \$400,000 was executed and subsequently disbursed for other predevelopment activities including but not limited to legal and soft cost, consultant, administrative, planning permits and fees, community outreach, architecture, engineering, and environment that were completed at Evans Lane; and

WHEREAS, several months later, the Housing Department Director, under her delegation of authority, increased the predevelopment loan to \$444,313 to cover increased costs for predevelopment design work requested by the City; and

WHEREAS, subsequently, the Developer was unable to secure financing for the construction and completion of the Evans Lane project, due to the novel design of the housing project; and

WHEREAS, in the short term, the City plans to use the Evans Lane site to provide emergency interim housing for up to 42 homeless families (up to 108 individuals) with a targeted project commencement date of July 2020; and

WHEREAS, this development is one of three projects recently approved by the City Council that will provide emergency interim housing to help protect unhoused people from the COVID-19 disease, slow the spread of COVID-19, and expand the City's interim housing capacity after the emergency recedes; and

WHEREAS, the predevelopment plans funded through this action have been used to support the layout of the utilities and road for the emergency interim housing project; and

WHEREAS, the Housing Department is continuing its efforts to develop Evans Lane and plans to issue a new RFP, and in preparation for the release of the RFP, the

Housing Department is ensuring that all outstanding funds owed due to the prior development services, have been paid; and

WHEREAS, the approval of the Housing Department's recommendations will authorize the Director of Housing to increase the predevelopment loan agreement between Developer and the City, enabling the Developer to pay contractors that provided services relating to development of Evans Lane, and the balance of the predevelopment loan will increase from \$444,313 to \$707,687; and

WHEREAS, the City will use the site planning documents including the subdivision of the 5.9 acre site, the design of on and offsite utilities and roads, and civil engineering for storm water pond; and

WHEREAS, the utility design documents are already being used for the development of emergency interim housing on the site; and

WHEREAS, the City desires to approve the Housing Department's recommendation as set forth in the Memorandum dated May 11, 2020.

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

- a. An increase of \$263,374 to the predevelopment loan made to Allied Housing, Inc., a California nonprofit public benefit corporation for a total of \$707,687 for predevelopment services including entitlement, utilities, and storm water design for the 5.9 acre City owned property at 0 Evans Lane, San José is hereby authorized and
- b. The Director of Housing is hereby authorized to negotiate and execute all related documents and amendments.

ADOPTED this _____ day of _____, 2020, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

SAM LICCARDO
Mayor

ATTEST:

TONI J. TABER, CMC
City Clerk