

RESOLUTION NO. _____

A RESOLUTION OF THE COUNCIL OF THE CITY OF SAN JOSE (1) APPROVING A CONSTRUCTION-PERMANENT LOAN COMMITMENT OF UP TO \$6,800,000 LOW AND MODERATE INCOME HOUSING ASSET FUNDS AND MEASURE E REAL PROPERTY TRANSFER TAX FUNDS TO EDEN HOUSING, INC. OR AN AFFILIATED DEVELOPMENT ENTITY FOR DEVELOPMENT OF THE EAST SANTA CLARA SENIOR AFFORDABLE APARTMENT HOUSING LOCATED AT 675 EAST SANTA CLARA STREET; AND (2) AUTHORIZING THE DIRECTOR OF HOUSING, OR HIS DESIGNEE, TO NEGOTIATE AND EXECUTE LOAN DOCUMENTS AND ALL OTHER DOCUMENTS, INCLUDING ANY AMENDMENTS OR MODIFICATIONS THERETO, RELATED TO CITY FINANCING FOR THE EAST SANTA CLARA SENIOR AFFORDABLE RENTAL HOUSING DEVELOPMENT

WHEREAS, in April 2025, the Housing Department issued a Rolling Request for Proposals (RFP) to award gap financing to affordable multifamily developments that will provide housing for extremely-low to moderate-income individuals and families; and

WHEREAS, in response to the Housing Department's Rolling RFP, Eden Housing, Inc. (Eden) submitted a proposal to develop new permanently affordable rental housing for seniors at the East Santa Clara Senior affordable housing development (Development) creating a total of 67 homes for extremely low-, very low-, and low-income seniors and one manager's unit on a 0.76-acre County of Santa Clara (County) owned site located at 675 East Santa Clara Street, San José, CA 95112 (Site); and

WHEREAS, on April 25, 2019, the County, in collaboration with the Santa Clara County Housing Authority, published the East Santa Clara Master Plan which spans across 12 acres on East Santa Clara Street between 14th Street and 17th Street and will consist of over 550 residential units, 320,000 square feet of office space, and 5,200 square feet of retail space, with the goal of creating a highly integrated mixed-use project that

promotes health and wellness in the community and, in December 2020, the County issued a Request for Offers to develop affordable housing on its land and selected Eden's proposal for development of a portion of the master plan; and

WHEREAS, the Development will provide housing for seniors in a new four-story building with three levels of residential units over a podium garage, and the adjacent historically significant Building 800 will be utilized as an amenity center with a communal kitchen and a food distribution program to serve the residents; and

WHEREAS, the City's construction and permanent gap funding will finance the total development cost of \$53,225,917 at a City subsidy of \$100,000 per affordable housing unit with each unit costing approximately \$782,733 to develop; and

WHEREAS, the County will ground lease the Site to Eden or an affiliated development entity and the City's Deed of Trust will be recorded against the Eden's leasehold interest in the property; and

WHEREAS, the City will place an affordability covenant on Eden's leasehold interest in the Site restricting incomes and rents at the levels set forth in the staff memorandum dated September 15, 2025 for a term no shorter than 55 years as part of the requirements of the City's funding that will not be subordinated to any deeds of trust or instruments with a power of sale; and

WHEREAS, Eden has also secured construction financing commitments from the Bay Area Housing Innovation Fund in the amount of \$1,300,000 and from the County Measure A Local Housing Trust Fund in the amount of \$8,300,000; and

WHEREAS, HUD has awarded Eden a \$5,877,717 Capital Advance under the Section 202 Supportive Housing for the Elderly Program to fund the Development, in addition to

rental assistance for 43 units serving very low-income seniors earning up to 50% AMI;
and

WHEREAS, the Santa Clara County Housing Authority has committed to providing 20 Project-Based Vouchers to support extremely low-income homeless seniors earning up to 30% AMI; and

WHEREAS, if the Development is awarded an allocation of tax credits when the California Tax Credit Allocation Committee announces awards on September 30, 2025, the City will facilitate a construction financing closing by April 2026 and the Development's construction phase is estimated to initiate by May 2026 and conclude approximately 18 months later, but if Eden is unable to obtain an allocation of tax credits from the California Tax Credit Allocation Committee to close all funding gaps, then Eden will seek an allocation in a future round at a to-be announced date;

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

1. A Construction-Permanent Loan commitment of up to \$6,800,000 in Low and Moderate Income Housing Asset Funds and Real Property Transfer Tax Funds to Eden Housing, Inc. or an affiliated development entity for the East Santa Clara Senior affordable rental housing located at 675 East Santa Clara Street is hereby approved.
2. The Housing Director, or his designee, is hereby authorized to negotiate and execute loan documents and all other documents, including any amendments or modifications thereto, related to City financing for the East Santa Clara Senior affordable rental housing development.

ADOPTED this _____ day of _____, 2025, by the following vote:

AYES:

NOES:

ABSENT:

DISQUALIFIED:

MATT MAHAN
Mayor

ATTEST:

TONI J. TABER, MMC
City Clerk