

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
APPROVING AN AFFORDABLE HOUSING AGREEMENT
BETWEEN THE CITY OF SANTA CLARA AND ZAEN PARTNERS,
LLC, FOR THE PROJECT LOCATED AT 2310 CALLE DEL
MUNDO, SANTA CLARA**

BE IT RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

WHEREAS; ZAEN Partners, LLC (“Developer”), is the project sponsor for three infill, mixed-use projects that would cumulatively include approximately 969 rental apartment units, parking garages, up to 30,000 square feet of retail space, approximately 4,500 square feet of leasing space, and approximately 55,000 square feet of amenity space (collectively, the “ZAEN Tasman East Projects”);

WHEREAS; On July 17, 2019, the City approved the first project, known as the “Station Project,” which includes 503 residential rental units and approximately 23,870 square feet of retail space located at 5123 Calle Del Sol (Parcels 19/29). The second project proposed by Developer would include 150 residential rental units with approximately 5,000 square feet of retail located at 2302 Calle Del Mundo (the “Parcel 24 Project”); the Parcel 24 Project is currently pending review by City staff and anticipated to be brought forward for architectural control approval in the near future. The third project proposed by Developer would include 316 residential rental units located at 2263 Calle Del Mundo (the “Parcel 60/61 Project”) and is also currently under review by City staff;

WHEREAS; Developer intends to develop a mixed-income, affordable housing project on Parcel 24 that includes approximately one hundred fifty (150) rental units with the required unit mix of studio, one bedroom and two bedroom units, and consisting of thirty (149) affordable units (30 of which are intended to satisfy the affordable housing obligations for the Station Project and the Parcel 60/61 Project and Parcel 24), one manager’s unit (1) and related facilities;

WHEREAS; thirty of the one-hundred and forty-nine (149) very low-income units on the Parcel 24 Site are intended to satisfy the Affordable Housing Requirements for all 969 units associated with the ZAEN Tasman East Projects. In order to ensure that the affordable units are provided concurrently with the market rate units, the City will not issue a Temporary Certificate of Occupancy

for the Station Project or the Parcel 60/61 Project until such time as a building permit is issued for the Parcel 24 Project, unless otherwise approved by the Community Developer Director, or unless Developer elects to default to the original conditions of approval for the Station Project (i.e., construct inclusionary units as part of the Station Project at the standard levels of affordability);

WHEREAS, the Loan Agreement contemplates that implementation of the Project will require myriad permits, approvals, entitlements, agreements, permits to enter, utility services, subdivision maps, building permits, and other authorizations in order to implement the Project, including but not limited to a Loan Agreement, Deed of Trust, Promissory Note, Affordable Housing Agreement and Regulatory Agreement (together, the "Project Documents");

WHEREAS, the development of units as contemplated by the Project Documents will help address the City's housing needs at very low-income levels by providing the City with one-hundred and forty-nine (149) affordable units. The distribution of these units shall be thirty two (32) units rented to households with income levels at or below 50% AMI, eighty seven (87) units rented to households with income levels at or below 60% AMI, fifteen (15) units rented to households with income levels at or below 80% AMI, fifteen (15) units rented to households with income levels at or below 100% AMI and one (1) unrestricted manager's unit.

NOW THEREFORE, BE IT FURTHER RESOLVED BY THE CITY OF SANTA CLARA AS FOLLOWS:

1. That the City Council hereby finds that the above Recitals are true and correct.
2. That the City Council hereby approves and authorizes the City Manager to execute the Loan Agreement, substantially in the form attached hereto as Exhibit "Loan Agreement," subject to such minor and clarifying changes consistent with the terms thereof as may be approved by the City Attorney prior to execution thereof.
3. That this Resolution, including the Loan Agreement approval described in Section 2 above, is based on the findings set forth above.

4. That the City Manager and/or designee is hereby authorized and directed to perform all acts to be performed by the City in the administration of the Loan Agreement pursuant to the terms of the negotiated Term-sheet. The City Manager is further authorized and directed to perform all other acts, negotiate, amend and execute all documents (including deeds of trust, promissory notes, and affordable housing agreement) necessary or convenient to close escrow and carry out the purposes of this Resolution and the Loan Agreement.

5. Effective date. This resolution shall become effective immediately.

I HEREBY CERTIFY THE FOREGOING TO BE A TRUE COPY OF A RESOLUTION PASSED AND ADOPTED BY THE CITY OF SANTA CLARA, CALIFORNIA, AT A SPECIAL MEETING THEREOF HELD ON THE ____ DAY OF _____, 2020, BY THE FOLLOWING VOTE:

AYES: COUNCILORS:

NOES: COUNCILORS:

ABSENT: COUNCILORS:

ABSTAINED: COUNCILORS:

ATTEST: _____
NORA PIMENTEL, MMC
ASSISTANT CITY CLERK
CITY OF SANTA CLARA

Attachments incorporated by reference:
1. Affordable Housing Agreement