

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY OF SANTA CLARA, CALIFORNIA
APPROVING AN AMENDED AND RESTATED DISPOSITION AND
DEVELOPMENT AGREEMENT BETWEEN THE CITY OF SANTA
CLARA AND MONROE STREET HOUSING PARTNERS, L.P., FOR
THE PROJECT LOCATED AT 2330 MONROE STREET, SANTA
CLARA, INCLUDING REVISING THE FUNDING SOURCE,
INCREASE THE CITY'S LOAN AMOUNT, AND ADDING A SELLER
TAKEBACK LOAN IN THE AMOUNT OF \$5,200,000**

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

WHEREAS, the City of Santa Clara (City) approved a disposition and development agreement (DDA) on January 28, 2020 with and Monroe Street Housing Partner, L.P. (Developer) for the development of a 65-unit affordable rental housing project at 2330 Monroe Street, Santa Clara (Project);

WHEREAS, at the time of the DDA approval, project financing assumed funding from the State's Mixed Income Program (MIP), including capital subsidy and state low income housing tax credits. While the State had previously indicated MIP funding would be allocated across four rounds annually, the State allocated all of the funds in the first two rounds of 2020, leaving the project with about a \$5 million gap;

WHEREAS, the Developer proposed to address part of the financing gap through a Santa Clara County Housing Authority (SCCHA) Project Based Voucher award, which was received on May 19, 2020;

WHEREAS, the Project needs to demonstrate adequate funding sources in order to qualify for tax-exempt bonds and low-income housing tax credits, the Developer is requesting an additional \$1.5 million of City capital loan, which would increase the City's loan amount from \$5,000,000 to \$6,500,000;

WHEREAS, the parties propose to amend the DDA to include a seller takeback loan in the amount of \$5,200,000 to finance the capitalized rent under the Ground Lease. The \$5,200,000 loan represents the appraised value of the site, which the Developer will pay to the City at

closing through execution of the \$5,200,000 seller takeback promissory note;

WHEREAS, the parties desire to amend the original Disposition and Development agreement to revise the funding source to include a Santa Clara County Housing Authority (SCCHA) Project Based Voucher award, increase the City's loan amount from \$5,000,000 to \$6,500,000, and include a seller takeback loan in the amount of \$5,200,000; and

WHEREAS, the Amended and Restated Disposition and Development Agreement is in the best interests of the City of Santa Clara as it will provide new affordable rental housing project at 2330 Monroe Street, Santa Clara.

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 and by this reference makes them a part hereof.
2. That the City Council hereby approves the Amended and Restated Disposition and Development Agreement, substantially in the form attached hereto as Exhibit "Amended and Restated Disposition and Development 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.
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 Amended and Restated Disposition and Development Agreement pursuant to the terms of the Amended and Restated Disposition and Development Agreement. The City Manager is further authorized and directed to perform all other acts, negotiate and enter into all other agreements (including a ground lease, loan agreements, deeds of trust, promissory notes, and affordable housing agreement) and execute all other documents and modifications to the Amended and Restated Disposition and

Development Agreement necessary or convenient to carry out the purposes of this Resolution and the Amended and Restated Disposition and Development 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 REGULAR 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. Amended and Restated Disposition and Development Agreement