

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF MILPITAS REDEVELOPMENT AGENCY APPROVING \$50,000 FOR DOWN PAYMENT ASSISTANCE LOAN FROM THE REDEVELOPMENT AGENCY 20% LOW-INCOME HOUSING SET-ASIDE FUND FOR THE RESALE OF PROPERTY AT 39 EAST CURTIS AVENUE IN THE REDEVELOPMENT PROJECT AREA

WHEREAS, Redevelopment Law Section 33334.2 authorizes the Redevelopment Agency (“Agency”) to set aside at least 20% of all tax increment revenue generated from the project area for the purpose of increasing, improving and preserving the community’s supply of low and moderate-income housing; and

WHEREAS, the Housing Element of the General Plan for the City has been certified by the Department of Housing and Community Development and identifies a Regional Housing Needs Allocation of 2,487 dwelling units for the City, of which 1,551 dwelling units are needed for very low, low and moderate-income households; and

WHEREAS, the Agency has provided funding to financially support 1,248 affordable housing units; and

WHEREAS, additional affordable housing units are still needed to meet the needs of Milpitas residents and employees; and

WHEREAS, the existing housing market conditions over the past year has made it extremely difficult for low and moderate-income house to obtain credit with stricter lending requirements, which limit the opportunity for low and moderate-income households to achieve homeownership; and

WHEREAS, the property owners at 39 East Curtis Avenue has contacted the City of Milpitas in regards to their desire to resale their affordable housing units and the resale purchase price of the affordable housing unit has been calculated at \$338,413.56; and

WHEREAS, the an eligible homebuyer has been found and the down payment assistance loan of \$50,000 will financially assistance the future homebuyer in the purchase of the affordable housing unit, and

WHEREAS, the down payment assistance will be in the form of an a \$50,000 loan that will be paid back to the City at the resale of the affordable housing unit; and

WHEREAS, according to the Resale Restriction Agreement, if the existing property owners cannot sell the unit as an affordable housing unit due to lack of a qualified buyer, the property owners may sell the unit at fair market value, which would eliminate the restriction agreement and the long-term affordability of the unit; and

WHEREAS, the new homebuyer would be required to execute a Resale Restriction Agreement, Promissory Note, and Grant Deed of Trust to secure the \$50,000 down payment assistance loan; and

WHEREAS, sufficient funds are available in the Redevelopment Agency 20% Low-Income Housing Funds to support this request for down payment assistance for this applicant.

NOW, THEREFORE, BE IT RESOLVED that the Redevelopment Agency of the City of Milpitas does hereby:

1. Find that the expenditure of Set Aside Funds in accordance with the executed Resale Restriction Agreement, Promissory Note and Grant Deed of Trust will maintain the availability of affordable housing in the City, which will be of benefit to the Project Area, will further the goals of the Redevelopment Plan and will be consistent with the implementation plan adopted in connection therewith.
2. Find that the provision of financial assistance in the amount of the Agency's down payment assistance loan is necessary to maintain the long-term affordability in the affordable housing unit and will provide the opportunity for low and moderate-income households to become first-time homebuyers.
3. Find the proposed down payment assistance loan is consistent with the provisions of Redevelopment Law which requires 20% of all tax increment revenues must be allocated to increasing, improving and preserving the community's supply of low and moderate-income housing.

PASSED AND ADOPTED this _____ day of _____ 2008, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, Agency Secretary

Jose S. Esteves, Chair

APPROVED AS TO FORM:

Michael J. Ogaz, Agency Counsel