

RESOLUTION NO. _____

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS
AUTHORIZING AND DIRECTING AGENCY STAFF TO RELEASE THE RESALE
RESTRICTIONS ON THREE AFFORDABLE HOUSING UNITS**

WHEREAS, California Redevelopment Law authorizes the Milpitas Redevelopment Agency (“Agency”) to set aside at least twenty percent (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, California Redevelopment Law requires that fifteen percent (15%) of the housing units within the redevelopment project area shall be affordable to low and moderate-income households. Nine percent (9%) of the units are to be affordable to low and moderate-income households, and six percent (6%) are to be very low-income households; 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, currently nineteen percent (19%) of the units that have been approved for development or have been constructed in the project area are designated as affordable, ten percent (10%) for low and moderate-income households, and nine percent (9%) for very low-income households. This represents 100 more low and moderate-income units in the project area than the minimum amount required; and

WHEREAS, the existing housing market conditions over the past year have made it extremely difficult for low-income households to obtain credit with stricter lending requirements, which limit the opportunity for low-income households to achieve home ownership and moderate-income buyers are purchasing market-rate units; and

WHEREAS, the owners of affordable housing at 140 Parc Place, 243 Parc Place, and 1101 S. Main Street #312 in Milpitas, California, have contacted the Agency regarding their desire to resell their affordable housing units; and

WHEREAS, under the Resale Restriction Agreements and Options to Purchase (“Resale Restriction Agreements”) to which those three (3) properties are subject, if the existing property owners cannot sell their units as affordable housing units to qualified buyers, the Agency must purchase those properties within 90 days or allow them to be sold at fair market value, thereby eliminating the affordable restrictions on the properties and removing said properties from the affordable housing pool; and

WHEREAS, since February 2009, the Redevelopment Agency has authorized the purchase of ten moderate-income affordable units from homeowners in order to preserve the affordability restriction and authorized staff to reduce the price of the units from moderate to low-income given that the price of moderate income units is very close to current market prices. A total of \$825,000 in additional housing funds was committed for price reductions and down-payment assistance loans for these units; and

WHEREAS, an additional \$300,000 would need to be invested in the three moderate income units for the Agency to purchase and re-sell them to low-income households.

NOW, THEREFORE the Board of the Redevelopment Agency of the City of Milpitas hereby finds, determines, and resolves as follows:

1. The Milpitas Redevelopment Agency Board has considered the full record before it, which may include but is not limited to such things as the staff report, testimony by staff and the public, and other materials and evidence submitted or provided to it. Furthermore, the recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The resale restrictions under the Resale Restriction Agreements for the properties at 140 Parc Place, 243 Parc Place, and 1101 S. Main Street #312 in Milpitas, California are hereby released.

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

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

Mary Lavelle, Agency Secretary

Robert Livengood, Chair

APPROVED AS TO FORM:

Michael J. Ogaz, Agency Counsel