

**RESOLUTION NO. \_\_\_\_**

**A RESOLUTION OF THE REDEVELOPMENT AGENCY OF THE CITY OF MILPITAS AUTHORIZING AND DIRECTING AGENCY STAFF TO PURCHASE ONE AFFORDABLE HOUSING UNIT**

**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 affordable to 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 owners of the affordable housing unit at 700 S. Abel Street #306 in Milpitas, California, have contacted the Agency regarding their desire to resell their affordable housing unit; and

**WHEREAS**, under the Resale Restriction Agreements and Options to Purchase (“Resale Restriction Agreements”) to which that one (1) property is subject, if the existing property owners cannot sell their unit as an affordable housing unit to qualified buyers, the Agency must purchase that property within 90 days or allow it to be sold at fair market value, thereby eliminating the affordable restrictions on the property and removing said property from the affordable housing pool; and

**WHEREAS**, to avoid the loss of available affordable housing, the Agency may, under the Resale Restriction Agreements, exercise its option to purchase the affordable unit for the purpose of preserving the available affordable housing supply, and later resell the unit to affordable income households at a later date when such buyers are found; and

**WHEREAS**, specifically, the Agency may purchase affordable units at a price established by (i) appraisal (“Appraisal Method”) or (ii) the adjusted base purchase price paid by the current owner, adjusted by the year-to-year increases in the housing component of the San Francisco-Oakland-San Jose, California consumer price index (“Base Price Method”). The latter methodology may be used only if the Agency specifically waives its right to an appraisal and determines that, in its best judgment, the appraised value will be substantially higher than the current owner’s base purchase price; and

**WHEREAS**, The Agency is required to maintain 63 affordable units within the Terra Serena community pursuant to the Disposition and Development Agreement with the County of Santa Clara; and

**WHEREAS**, the one moderate-income unit at 700 S. Abel Street #306 could be purchased and resold with a new \$50,000 down-payment assistance loan, and sufficient funds are available in the Redevelopment Agency twenty percent (20%) Low-Income Housing Funds to fund such purchase and the costs associated with the resale of the one moderate-income affordable unit.

**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. The recitals set forth above are found to be true and correct and are incorporated herein by reference.
2. The purchase and/or resale of the one (1) affordable unit located at 700 S. Abel Street #306 is necessary to maintain the long-term affordability in the affordable housing unit and will provide the opportunity for a moderate-income household to become first-time homebuyers.
3. The purchase and/or resale of the one (1) affordable unit is consistent with the provisions of Redevelopment Law which require that twenty percent (20%) of all tax increment revenues must be allocated to increasing, improving and preserving the community's supply of low and moderate-income housing.
4. Agency Staff is authorized and directed to exercise purchase options under the Resale Restriction Agreement and purchase the property at 700 S. Abel Street #306 for the appraisal value in an amount not-to-exceed Two Hundred Ninety-Two Thousand Seven Hundred Eighty-Six Dollars (\$292,786.00). In addition, Agency Staff is authorized to expend monies for homeowners' association fees, maintenance costs, and other ownership-related fees that may accrue before the Agency resells the property, and resale costs, as deemed appropriate by the Agency Executive Director.

PASSED AND ADOPTED this \_\_\_ day of \_\_\_\_\_, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

APPROVED:

\_\_\_\_\_  
Mary Lavelle, Agency Secretary

\_\_\_\_\_  
Jose S. Esteves, Chair

APPROVED AS TO FORM:

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Michael J. Ogaz, Agency Counsel