

City Council

Jose S. Esteves, Mayor  
Pete McHugh, Vice Mayor  
Debbie Giordano, Councilmember  
Armando Gomez, Jr., Councilmember  
Althea Polanski, Councilmember



**CITY OF MILPITAS - NOTICE OF SPECIAL MEETING**

**NOTICE IS HEREBY GIVEN** that a Special Meeting of the Milpitas City Council will be held at 6:30 p.m. on Wednesday, July 25, 2012 in the Barbara Lee Senior Center conference rooms, 40 North Milpitas Boulevard, Milpitas, California. Agenda for the meeting is as follows:

**SPECIAL MEETING AGENDA**

Wednesday, July 25, 2012 at 6:30 PM

Barbara Lee Senior Center

Room 146 (Closed Session) / Room 140-141 (Open Session)

40 North Milpitas Boulevard, Milpitas, CA

- I. CALL TO ORDER/ROLL CALL**
- II. ADJOURN TO CLOSED SESSION OF CITY COUNCIL – ROOM 146**  
**CONFERENCE WITH REAL PROPERTY NEGOTIATOR**  
(Pursuant to CA Government Code §54956.8)  
Property: Real Property located at 1440 and 1504-1620 South Main Street, Milpitas, CA  
City Negotiator: City Manager Tom Williams  
Negotiating Party: Milpitas Housing Authority  
Under Negotiation: Conveyance of interest in real property
- III. OPEN SESSION – CONVENE IN ROOMS 140-141 at 7:00 PM**
- IV. CLOSED SESSION ANNOUNCEMENT**  
*Report on action taken in Closed Session if required, pursuant to CA Govt. Code §54957.1, including the vote on abstention of each member present*
- V. PLEDGE OF ALLEGIANCE**
- VI. PUBLIC FORUM**  
*Public comments welcome regarding any subject not on agenda, limited to 3 minutes.*
- VII. ANNOUNCEMENT OF CONFLICT OF INTEREST**
- VIII. APPROVAL OF AGENDA**
- IX. NEW BUSINESS**
  - 1. Adopt a Resolution Approving Conveyance of Real Property Located at 1440 and 1504-1620 South Main Street, Milpitas to the Milpitas Housing Authority**
  - 2. Authorize the City Manager to Execute Conveyance Deeds and/or Other Documents as Necessary to Affirm Housing Asset Status**
- X. ADJOURNMENT**

**KNOW YOUR RIGHTS UNDER THE OPEN GOVERNMENT ORDINANCE**

Government's duty is to serve the public, reaching its decisions in full view of the public. Commissions, boards, councils and other agencies of the City exist to conduct the people's business. This ordinance assures that deliberations are conducted before the people and the City operations are open to the people's review.

Materials related to an item on this agenda submitted to the City Council after initial distribution of the agenda packet are available for public inspection at the City Clerk's office at Milpitas City Hall, 455 E. Calaveras Blvd., Milpitas during normal business hours.

For more information on your rights under the Open Government Ordinance or to report a violation of the ordinance, contact the City Attorney's office at Milpitas City Hall, 455 E. Calaveras Blvd, Milpitas, CA 95035  
E-mail: [mogaz@ci.milpitas.ca.gov](mailto:mogaz@ci.milpitas.ca.gov) / Fax 408-586-3042 / Phone 408-586-3040

*The Open Government Ordinance is codified in the Milpitas Municipal Code as Title I Chapter 310 and is available online at the City's website [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov) by selecting the Milpitas Municipal Code link.*

**ADOPT A RESOLUTION APPROVING CONVEYANCE OF PARCELS A (LOCATED AT 1504-1620 SOUTH MAIN STREET, ASSESSOR PARCEL NOS. 086-22-027, -028, -033, -034, -041, -042) AND B (LOCATED AT 1440 SOUTH MAIN STREET, ASSESSOR PARCEL NO. 086-22-031) TO THE MILPITAS HOUSING AUTHORITY AND TO TAKE OTHER ACTIONS AS NECESSARY TO AFFIRM HOUSING ASSET STATUS OF OTHER PROPERTIES (STAFF CONTACTS: TOM WILLIAMS, 586-3050; AND MIKE OGAZ, 586-3040)**

**Background:** The South Main Street Parcels, consisting of Parcels A, B and C as described above and depicted on the Exhibit A to the Resolution for this item (the "Site"), constitute an approximately 8.65 acre site along South Main Street in the Milpitas Redevelopment Project Area No. 1 and Midtown Specific Plan Area. These parcels were assembled to cause development on the Site of a high-quality, high-density, mixed-income residential development, including a significant affordable housing component. Development of the Site is anticipated to provide approximately 550 total residential units, including a mixed-income senior housing development, thereby creating a significant entry to the City and effectively implementing the policies of the Midtown Specific Plan.

With the dissolution of the Milpitas Redevelopment Agency (RDA) on February 1, 2012 pursuant to ABx1 26 as subsequently amended by AB 1484 (the "Dissolution Act"), all "housing assets" must be conveyed to the Milpitas Housing Authority (Housing Authority) as the housing successor entity responsible for assuming the rights, powers, assets, duties and obligations associated with the housing activities of the RDA. The Housing Authority will then assume and carry on the housing functions of the former RDA to facilitate the development of decent, safe and sanitary housing, including affordable housing, in Milpitas.

The South Main Street Parcels constitute "housing assets" which are to be transferred to the Housing Authority to facilitate the housing development planned for the Site. Specifically, the three Parcels qualify as "housing assets" within the meaning of Health and Safety Code Section 34176(e)(1) (as enacted by the Dissolution Act), because they are real property assets that were acquired for low- and moderate-income housing purposes consistent with the objectives of Redevelopment Project Area Number 1 and the Midtown Specific Plan to alleviate blight, provide housing and affordable housing along South Main Street. The parcels are zoned for very high density multifamily residential development. The background on the assemblage of the Site for low- and moderate-income housing purposes follows.

The Site was assembled over a three-year period commencing with the acquisition of Parcel A on November 23, 2009 by the RDA with an appropriation from the RDA's Housing Set Aside Fund. Pursuant to the Disposition and Development Agreement (DDA) between the RDA and South Main Senior Lifestyles, LLC (SMSL) dated August 18, 2009 that governs development of Parcel A, SMSL will develop 387 units of residential development on Parcel A. The development will consist of senior housing and multifamily housing units, and provide 63 units of housing affordable to very low- and low-income households. The affordability restrictions will remain in place for 55 years. To promote the

development and operation of the affordable units, pursuant to the DDA, the RDA committed to provide financial assistance to SMSL in the form of a grant of \$7.7 million (convertible to a loan) from funds in its Low and Moderate Income Housing Fund (Redevelopment Housing Set Aside Fund).

To further strengthen housing and mixed use in the South Main Street area in furtherance of the redevelopment program established for the Midtown Specific Plan, the RDA acquired Parcel B on February 28, 2011. A loan from the Redevelopment Housing Set Aside Fund to the Project Fund funded the purchase of Parcel B.

The RDA transferred title to Parcels A and B to its sponsoring community, the City of Milpitas, in March 2011, to hold for the proposed residential development pending the Legislature's determination in the subsequent Dissolution Act of how, and through what local entity, the real property of the RDA would be used to perform the intended housing development functions following its dissolution.

Owing to the RDA's dissolution on February 1, 2012, the Milpitas Economic Development Corporation ("MEDC") acquired Parcel C on March 15, 2012 to complete the assemblage of the Site to allow for more extensive high density residential development, using RDA funds lawfully provided to the MEDC prior to the RDA's dissolution. Parcel C was the last remaining parcel to consolidate land in the Midtown Specific Plan development area for the high-density residential development, including affordable housing, called for in the Midtown Specific Plan.

As noted above, the Housing Authority has been designated pursuant to the Dissolution Act to serve as the housing successor entity for the dissolved RDA. In that capacity, the Housing Authority is now the local entity charged by the Legislature through the Dissolution Act with the responsibility to assume the rights, powers, assets, duties and obligations associated with the housing activities of the dissolved RDA, including the activities related to assembly and development of the Site for the proposed housing development. To that end, it is necessary and appropriate, in compliance with the Dissolution Act, for the City to convey Parcels A and B, and for the MEDC to convey Parcel C, to the Housing Authority, and for the Housing Authority to accept such conveyances and to proceed with the residential development of the Site, including the provision of affordable housing.

With the assemblage and consolidation of Parcels A, B and C under the Housing Authority, the Housing Authority expects to work with SMSL to seek a mutually acceptable amendment to the current Parcel A DDA to incorporate Parcels B and C into the overall Site that will be conveyed to SMSL to enable full residential development of the entire consolidated Site and development of a total of 550 residential units in Midtown. The Housing Authority will assume and carry out these housing functions after it accepts conveyance of Parcels A and B from the City and the conveyance of Parcel C from the MEDC. Any proposed DDA amendment for this purpose will be subsequently submitted to the Housing Authority for consideration of approval.

Furthermore, as part of the requirements of new Assembly Bill 1484, it may be necessary for the City to execute documents or to take other necessary actions to affirm the status of housing units restricted to low and moderate income purposes.

**Fiscal Impact:** None. The City of Milpitas has sufficient funds to cover the costs of title and recording fees.

**Recommendations:**

1. Adopt a City Council Resolution authorizing City conveyance of Parcels A (located at 1504-1620 South Main Street, Assessor Parcel Nos. 086-22-027, -028, -033, -034, -041, -042) and B (located at 1440 South Main Street, Assessor Parcel No. 086-22-031) to the Milpitas Housing Authority.
2. Authorize the City Manager to execute deeds and/or other documents as necessary to affirm the housing asset status of restricted real properties.