TO: 

HONORABLE CITY COUNCIL

FROM: 

CITY MANAGER 

DEPARTMENT: PLANNING & COMMUNITY ENVIRONMENT

DATE: 

APRIL 16, 2007

CMR: 189:07

SUBJECT: AMENDMENT TO AGREEMENT BETWEEN THE CITY OF PALO ALTO AND THE HOUSING TRUST OF SANTA CLARA EXTENDING TIME FOR EXPENDITURE OF FUNDS

RECOMMENDATION

Staff recommends that Council:

1. Approve a time extension to Amendment No. One of the Agreement with the Housing Trust of Santa Clara County allowing for expenditure of City contributed funds through FY 2009/10; and,

2. Authorize the City Manager to amend the existing Agreement with the Housing Trust to allow the time extension and to make minor amendments to the Agreement as necessary over time.

BACKGROUND

The Housing Trust of Santa Clara County (HTSCC) was created in 2000 to provide additional financial resources to address the County’s affordable housing deficit. The City Council approved an initial contribution of $500,000 to the HTSCC Fund Endowment on October 23, 2000 from the City’s Residential Housing In-Lieu Fund, with the provision that the City’s funds be used exclusively for qualifying affordable housing projects located within the City of Palo Alto. The funds were part of the $1.05 million the HTSCC loaned to the Oak Court and Opportunity Center projects. On July 12, 2004, the City Council amended the original agreement and pledged an additional contribution of $150,000 to the HTSCC to be dispersed over a two year period, $100,000 to be expended in 2004/2005 and $50,000 in 2005/2006.
DISCUSSION
The HTSCC staff contacted the City in March requesting a time extension for expenditure of the $50,000 in funds contributed in 2005 and scheduled for disbursement by FY2005/06. The HTSCC staff explained that these funds have been committed to the Fabian Way Senior project that will be developed by Bridge Housing and anticipated to be expended in 2008 as part of a larger $650,000 loan to Bridge Housing. An extension to 2009/2010 should allow sufficient time for the development to be completed and the funds disbursed.

Since the City has already entered into an agreement with the HTSCC and the terms for the use of the funds are unchanged, the existing agreement needs only to be amended to reflect the time extension. Staff is recommending that the Council approve the time extension to FY 2009/2010 for expenditure of the funds and to grant authority to the City Manager to amend the agreement with the HTSCC. In addition, staff is recommending that the Council authorize the City Manager to make subsequent minor amendments to the agreement if needed over time since the City anticipates contributing to future HTSCCC campaigns.

RESOURCE IMPACT
There are no resource impacts from the agreement modifications.

POLICY IMPLICATIONS
The recommendation is consistent with Palo Alto Comprehensive Plan policies that encourage housing opportunities and housing diversity. The time extension will allow expenditure of funds to an affordable housing project that furthers Comprehensive Plan policies.

ENVIRONMENTAL REVIEW
This action is not considered a project subject to the California Environmental Quality Act since it would not cause a physical change in the environment.

ATTACHMENTS
Attachment A: Amendment to Agreement between the Housing Trust and the City of Palo Alto

Attachment B: Letter from Housing Trust of Santa Clara dated February 8, 2007
PREPARED BY:  
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DEPARTMENT HEAD:  
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Director of Planning and Community Environment

CITY MANAGER APPROVAL:  
EMILY HARRISON  
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