

HOUSING DEVELOPMENT PROJECT REVIEW

Application Review: Alum Rock Family Housing
Borrower: Alum Rock Family Housing, L.P.
Address: 2350 Alum Rock Ave., San Jose
Census Tract: 5037.10 **San Jose Council District:** 5 **Supervisorial District:** 2
Developer/Sponsor: Affirmed Housing Group Inc.
Total Development Cost: \$55,346,138

Alum Rock Family Housing



2350 Alum Rock Avenue, San Jose

Project Summary:

The Alum Rock Family Housing is an affordable housing development consisting of 87 units on a 0.76 acre site and is being developed by Affirmed Housing Group. The project is located at the corner of Alum Rock Avenue and Foss Street in the Alum Rock neighborhood of East San Jose. The proposed development will consist of 85 affordable apartments, comprised of 29 studios, 12 one-bedrooms, 22 two-bedrooms and 22 three-bedrooms (plus 2 manager's units). Forty-three (43) of the units will be set-aside as supportive housing units with 14 reserved as Rapid Rehousing (RRH) and 29 reserved for Permanent Supportive Housing (PSH). The apartments will be located in one mixed-use building that is five stories of wood frame over two levels of concrete podium. The residential amenities will include but are not limited to a community room with a kitchen, lounge, property management and services staff offices, large outdoor decks and on-site bicycle storage.

Existing Conditions: The site is currently developed with an 8,937 square foot commercial building.

Land Use: The proposed site is located in the City Council approved Alum Rock Avenue Urban Village Planning Area. Per the Alum Rock Avenue Urban Village Plan, the site's zoning is MS-G Main Street Ground Floor Commercial Zoning District. The development regulations for the Alum Rock Avenue Urban Village include the Pedestrian Oriented Zoning District and Affirmed is seeking approval of the project in compliance with the land use and development regulations applicable to the project.

Green Building: Sustainable features may include but are not limited to: LEED Gold certification or equivalent, solar thermal hot water, photovoltaic solar panels, Energy-Star appliances, and energy-efficient windows.

Environmental Review: The proposed project has not obtained entitlements, including but not limited to California Environmental Quality Act ("CEQA") clearance. The proposed project is located in the Alum Rock Avenue Urban

Village Planning Area, which urban village plan was approved by the City Council on October 22, 2013. The County’s commitment to fund will be contingent upon the project obtaining necessary entitlements and a final CEQA determination.

Project-Based Vouchers (PBV’s): Affirmed is requesting a reservation of 29 Section 8 Project-Based Vouchers (PBVs) from the Santa Clara County Housing Authority.

Services: Affirmed has selected People Assisting the Homeless (PATH) as the lead on-site service provider to deliver varied levels of services to all 85 restricted units. PATH has over 30 years of experience in the affordable housing industry and at least 10 years of experience in supportive housing. Supportive services will also be provided by the County outside of the project budget.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	September 2018
2. Community Engagement (continuous and ongoing)	April 2019
3. Planning Commission Land Use Approval	April 2019
4. Submit 4% Tax Credit Application	May 2019
5. Receive reservation of tax credit award	July 2019
6. Construction finance closing	January 2020
7. Begin Construction	January 2020
8. Start of Lease-Up Activities	May 2021
9. Complete Construction	August 2021
10. 100% Occupancy	November 2021
11. Permanent Loan Conversion	February 2022

Permanent Source of Funds

County of Santa Clara	\$15,650,000
Conventional Loan	\$5,469,755
City Loan	\$9,350,000
Deferred Developer Fee	\$260,000
Partner Contribution	\$740,000
Tax Credit Equity	\$23,876,383
Total Permanent Source of Funds	\$55,346,138

Use of Funds

Acquisition	\$4,107,000
New Construction	\$36,701,966
Architectural and Engineering	\$1,558,500
Const. Interest, fees and perm financing	\$3,463,468
Other (legal, reserves, etc.)	\$3,811,204
Contingency	\$2,944,000
Developer Fee	\$2,760,000
Total Use of Funds	\$55,346,138