

## HOUSING DEVELOPMENT PROJECT REVIEW

**Application Review:** 425 Auzerais Apartments  
**Borrower:** SJ Auzerais, LP  
**Address:** 425 Auzerais Ave., San Jose  
**Census Tract:** 5008      **San Jose Council District:** 3      **Supervisorial District:** 2  
**Developer/Sponsor:** Eden Housing, Inc.  
**Residential sq. ft.:** 113,500      **Commercial/Office sq. ft.:** 0  
**Construction Type:** Type IIA over Type I

425 Auzerais Apartments



425 Auzerais Ave., San Jose

### **Project Summary:**

425 Auzerais is an affordable housing development consisting of 130 units on a 1.02-acre site and is being developed by Eden Housing, Inc. The project is located at 425 Auzerais Ave. in San Jose. The proposed development will consist of 128 affordable apartments, comprised of 82 studios, 24 one-bedrooms, and 22 two-bedrooms (plus two manager units). Sixty-Four (64) of the units will be set aside as permanent supportive housing for formerly homeless households. The apartments will all be in one building that is a five-story wood frame structure over a one-story above-ground concrete podium. Amenities will include but are not limited to a computer learning center, community room, laundry facilities, a bicycle storage room and approximately 15,000 square feet of private open space with planters for a community garden.

**Existing Conditions:** The property has seven existing buildings.

**Land Use:** The proposed site will be the result of the consolidation of three parcels and is approximately 1.02 acres of land located 0.7 miles from Diridon Station at the corner of Auzerais Avenue and Delmas Avenue, in San Jose. On June 19, 2018, the San Jose City Council adopted Resolution No. 78726 approving a special use permit to allow the construction of a new six-story 130 market rate residential condominium building. In 2018, the City of San Jose approved a Conventional Rezoning to rezone the parcels from Light Industrial (LI) and Two-Family Residence District (R2) Zoning Districts to Downtown Zoning District (DC) to allow residential uses. In addition, the City approved a Special Use Permit to demolish the existing buildings and construct a six-story residential building including podium parking and up to 130 attached residential units as well as a Tentative Map to combine three parcels into two parcels.

**Green Building:** The development will be designed to Green Point Rated standards and will feature a Photovoltaic solar system for common areas' electricity and solar thermal system for domestic hot water heating, Energy Star

appliances, low-flow fixtures, and drought-tolerant landscaping with a high efficiency irrigation system.

Environmental Review: An addendum to the Diridon Station Area Plan Environmental Impact Report (EIR), San Jose Downtown Strategy 2000 EIR, and Envision San Jose 2040 General Plan EIR, Supplemental EIR, and Addenda were approved by the City of San Jose in June 2018. The Diridon Station Area Plan and San Jose Downtown Strategy 2000 EIR’s contain sufficient information to provide project-level environmental clearance for certain impacts and is eligible for an Addendum pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15164.

Project-Based Vouchers (PBV’s): Eden Housing is requesting a reservation of 64 Section 8 Project-Based Vouchers (PBVs) from the Santa Clara County Housing Authority.

Services: The development includes 64 PSH units. The County would be responsible for coordinating and providing ongoing onsite supportive services for the residents of these 64 PSH units at a cost of approximately \$704,000 per year. If the development is approved, the Administration would assess the funding needed for the supportive services and recommend appropriations for the Board’s consideration as part of the Fiscal Year 2023-24 budget process.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	April 2019
2. Community Engagement (continuous and ongoing)	May 2018
3. City Council Land Use Approval	June 2018
4. Submit 4% Tax Credit Application	August 2020
5. Receive reservation of tax credit award	October 2020
6. Construction finance closing	November 2020
7. Begin Construction	December 2020
8. Start of Lease-Up Activities	June 2022
<b>9. Complete Construction</b>	<b>September 2022</b>
10. 100% Occupancy	September 2022
11. Permanent Loan Conversion	March 2023

**Permanent Source of Funds**

County of Santa Clara	\$26,000,000
Permanent Loan	\$14,492,664
City of San Jose	\$14,845,203
AHP	\$1,280,000
Developer Fee	\$1,249,918
Tax Credit Equity	\$34,580,024
<b>Total Permanent Source of Funds</b>	<b>\$92,447,809</b>

**Use of Funds**

Acquisition	\$14,129,024
Const. Interest, fees and perm financing	\$5,754,122
Architecture and Engineering	\$2,358,306
New Construction	\$57,630,293
Soft Costs	\$12,340,991
TCAC Syndication	\$235,073
<b>Total Use of Funds</b>	<b>\$92,447,809</b>