

## HOUSING DEVELOPMENT PROJECT REVIEW

**Application Review:** Markham Plaza I  
**Borrower:** Tully Gardens, L.P.  
**Address:** 2000 Monterey Road, San Jose  
**Census Tract:** 5031.22 **San Jose Council District:** 7 **Supervisory District:** 2  
**Developer/Sponsor:** The Core Companies  
**Total Development Cost:** \$26,809,742

Markham Plaza I



2000 Monterey Road San Jose

### **Project Summary:**

Markham Plaza I is an existing 4-story building consisting of 152 affordable housing units and one manager unit on a 1.14 acre site and is developed by the Core Companies. Markham Plaza I is the first phase of a two-phased development constructed in 2003 and is combined with a shared courtyard and a detached three-story concrete cast-in-place parking garage. Access to the site is gained via Monterey Road. Each unit has its own bathroom and is fully furnished with a Murphy bed, table and chairs, microwave and refrigerator. All of the units are deed restricted to households earning no more than 30% of the area median income (AMI). Core is proposing to refinance the existing debt and generate one-time capital to improve security systems, upgrade building entries, a security fence and other improvements. Forty (40) of the units will be reserved as permanent supportive housing to help individuals and families with special needs. Core is proposing to make the following improvements.

Upon completion of the renovations and the financial restructuring the property will be supported by additional staffing. Specifically, Core will augment the existing property management staff by 0.5 FTE, maintenance staff by 0.3 FTE and resident coordinators by 2 FTE.

Existing Conditions: The Property is currently improved with a four-story residential buildings containing a total of 153 units.

Land Use: The proposed improvements do not require a change to the existing land use.

Green Building: The proposed improvements do not include any sustainability improvements.

Environmental Review: The proposed improvements are minor changes that are ministerial in nature and does not constitute as a project under the California Environmental Quality Act.

Project-Based Vouchers (PBV's): Core has also submitted a request for a reservation of 20 Housing and Urban Development Veterans Affairs Supportive Housing (HUD-VASH) Project-Based Vouchers (PBV's), a contract amendment for an existing Santa Clara County Housing Authority Section 8 PBV contract giving referral rights to all 20 units to the County.

Services: Resident services will continue to be provided by EAH, Inc. Participation by residents is on a voluntary basis and services include but are not limited to: information and referral services, facilitating community building activities such as resident parties and a tenant council, organizing a resident newsletter and specific case management services for persons who request the assistance.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	N/A
2. Community Engagement (continuous and ongoing)	N/A
3. Submit 4% Tax Credit Application	March 2019
4. Receive reservation of tax credit award	May 2019
5. Construction finance closing	September 2019
6. Begin Construction	September 2019
7. Start of Lease-Up Activities	September 2020
<b>8. Complete Construction</b>	<b>October 2020</b>
9. 100% Occupancy	October 2020
10. Permanent Loan Conversion	March 2021

**Permanent Source of Funds**

County of Santa Clara	\$7,000,000
Seller Carryback Loan	\$5,675,561
City of San Jose	\$4,430,795
Deferred Developer Fee	\$1,265,816
Existing Reserves	\$826,932
Tax Credit Equity	\$7,610,638
<b>Permanent Source of Funds</b>	<b>\$26,809,742</b>

**Use of Funds**

Pay-off Existing Permanent Mortgage	\$ 2,102,376
City of San Jose Existing Loans	\$4,430,795
Seller Carryback Loan	\$5,675,561
Construction	\$7,751,709
Architecture and Engineering	\$947,292
Other Soft Costs	\$2,374,812
Developer Fee	\$3,527,197
<b>Total Use of Funds</b>	<b>\$26,809,742</b>