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D.2.....PROJECT DESCRIPTION

Project: Fourth Street Apartments
Developer: First Community Housing



Project Summary

Fourth Street Apartments is a new 9-story development by First Community Housing that will provide 100 units of affordable rental housing for households earning up to 25-60% of the area median income (AMI). Located on a ¾-acre site at 1470 N. Fourth Street in San José, just two blocks from the Gish light rail station, Fourth Street Apartments offers a mix of one, two and three-bedroom units, including 6 units set aside for consumers of mental health services and 29 units for developmentally disabled tenants. Amenities for all residents to enjoy include a community room with computers, laundry room, internet access in all units, exterior open space and play structure, and free annual transit passes (Eco Passes) for use of the County's light rail and bus system. The building incorporates a wide range of sustainable features to conserve energy and water and provide comfort and healthy indoor air quality for building occupants. The property will have an onsite manager and maintenance staff. Building construction is currently underway, with construction completion and lease-up scheduled for spring of 2012.

Housing and Service Goals and Tenants to be Served

A primary goal of the development team is to provide quality affordable housing and appropriate supportive services to 6 individuals who are consumers of mental health services. The tenant portion of the rent for the 6 MHSA-funded units will be the equivalent of 30% of the household's monthly Supplemental Security Income (SSI). It will be the aim of those providing services to these tenants that they will be able to remain in this permanent housing while accessing the services appropriate to their needs. Case Managers and Peer Mentors provided by

the Santa Clara County Mental Health Department (MHD) or their designee will work with these individuals to enable them to enhance their independent living skills, obtain employment where possible, increase their money management skills, obtain support from other sources, participate in support groups and social/recreational activities, and obtain other assistance as needed. The property’s management staff will also assist them in accessing services—as they will with the other residents in the development.

Type of Housing

Fourth Street Apartments is permanent, affordable rental housing for households at or below 25-60% of area median income (AMI). Apartments include a mix of one-bedroom, two-bedroom, and three-bedroom units. The 6 MHSA-funded units will be one-bedroom apartments.

Primary Service Provider

The MHD will be responsible for ensuring that services are provided to the MHSA residents. However, most likely there will be several service providers assigned to the care of the MHSA residents. In order to facilitate a coordinated service delivery approach, the responsible County service provider (i.e. Housing Support Liaison) will meet with representatives from the individual service providers involved and will coordinate the services that will be delivered on site. He/she will facilitate meetings with the Case Managers and others as needed to ensure appropriate service delivery. Thus, the Housing Support Liaison will serve as the single point of contact for communicating between service providers and property management staff and coordinating supportive services for the residents of the MHSA-funded units.

Development Partners

First Community Housing (FCH) is the owner/developer of Fourth Street Apartments. The John Stewart Company will be hired to provide onsite property management services. In addition, on-site supportive services for the property’s developmentally disabled population will be coordinated through the nonprofit Housing Choices Coalition.

Development Financing

Sources of financing for this project include a conventional construction loan from US Bank, federal American Recovery and Reinvestment Act (ARRA) TCAP MHP guarantee loan, low-income housing tax credit equity, soft debt from the City of San Jose and the Santa Clara County MHSA program, Federal Home Loan Bank-Affordable Housing Program loan, HCD Infill Infrastructure grant, CALReUSE grant, and a permanent mortgage from CCRC.

Construction Sources	
Source	Amount
US Bank Construction Loan	\$16,710,128
ARRA TCAP MHP Backfill Loan	\$8,789,846
Low Income Housing Tax Credits	\$1,851,000
City of San Jose Loan	\$13,001,010
Santa Clara County MHSA	\$666,621
FHLB AHP Loan	\$1,000,000
HCD Infill Infrastructure Grant	\$1,513,561
CALReUSE Grant	\$175,376
Deferred Developer Fee	\$398,972
Income from Operations	\$133,872
Total	\$44,240,386