

HOUSING DEVELOPMENT PROJECT REVIEW

Application Review: Blossom Hill Housing

Borrower: Blossom Hill, L.P.

Address: 397 Blossom Hill Rd., San Jose

Census Tract: 5120.23 **San Jose Council District:** 2 **Supervisorial District:** 1

Developer/Sponsor: Charities Housing Development Corporation of Santa Clara county

Total Development Cost: \$86,106,638

Blossom Hill Housing



397 Blossom Hill Road, San Jose

Project Summary:

The Blossom Hill Housing is an affordable housing development consisting of 147 units on a 2.04 acre site and is being developed by Charities Housing Development Corporation. The project is located on the Northerly side of Blossom Hill Road, approximately 750 feet east of Snell Avenue in San Jose. The proposed development will consist of 145 affordable apartments, comprised of 102 studios, 15 junior one-bedrooms, 15 one-bedrooms and 13 two-bedrooms (plus 2 manager's units). Forty-nine (49) of the units will be set aside as permanent support housing for chronically homeless households. The apartments will all be located in one building that is 3 – 4 floors of wood frame over a concrete podium. The residential amenities will include but are not limited to a community room with a full kitchen, lounge, laundry room, property management and service staff offices. Outdoor amenities will be located on the ground floor and upper level terraces. Catholic Charities will utilize approximately 5,000 square feet of the commercial space. They intend to provide senior focused programs that will serve residents and the neighboring community.

Existing Conditions: The proposed development will replace a retail furniture store.

Land Use: The proposed site is located at 397 Blossom Hill Road for a total land area of 2.04 acres. The site is located in the Blossom Hill and Snell Urban Village Planning Area ("Urban Village"). Generally, any new development proposed in an Urban Village must wait until the City adopts an Urban Village Plan and Implementation Financing Plan. While such plans have not been adopted by the City of San Jose, affordable housing developments are allowed to move forward if they meet the requirements of a Signature Project or be 100% affordable to low (up to 60% AMI), very low (30-50% AMI) and extremely low income (up to 30% AMI). The proposed affordable housing development is consistent with this requirement. In addition, the proposed development is consistent with the zoning ordinance and general plan land use designation but will require a Conditional Use Permit because the Zoning is Commercial Neighborhood and the General Plan allows mixed-use development for projects that meet the City's affordable housing definition.

Green Building: Sustainable features may include but are not limited to: Build It Green Certification, Energy-Star

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appliances, fluorescent light fixtures, low-flow water fixtures, low emitting paint & sealants, Non-formaldehyde insulation, energy-efficient windows, drought tolerant planting, solar thermal hot water, photovoltaic solar panels (electricity for common areas).

Environmental Review: The Initial Study pursuant to the California Environmental Quality Act (“CEQA”) is underway and will be done and approved in conjunction with the land use approvals in Summer 2019. The County’s funding is contingent upon the Project obtaining the necessary entitlements and CEQA clearance.

Project-Based Vouchers (PBV’s): Charities Housing is requesting a reservation of 49 Section 8 Project-Based Vouchers (PBVs) from the Santa Clara County Housing Authority.

Services: Resident services will be provided through a combination of service providers whose expertise is focused on senior health, socialization and support, with the goal of prolonging senior independence.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	November 2017
2. Community Engagement (continuous and ongoing)	July 2017
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	December 2019
7. Begin Construction	December 2019
8. Start of Lease-Up Activities	March 2021
9. Complete Construction	September 2021
10. 100% Occupancy	February 2022
11. Permanent Loan Conversion	August 2022

Permanent Source of Funds

County of Santa Clara	\$19,100,000
Conventional Loan	\$5,384,540
City Loan	\$18,375,000
Other Soft Financing	\$5,341,151
Deferred Developer Fee	\$4,813,270
Partner Contribution	\$5,220,312
Tax Credit Equity	\$27,872,365
Permanent Source of Funds	\$86,106,638

Use of Funds

Acquisition	\$9,976,132
New Construction	\$46,075,479
Architectural and Engineering	\$2,562,265
Const. Interest, fees and perm financing	\$8,474,276
Other (legal, reserves, etc.)	\$5,928,111
Contingency	\$5,327,105
Developer Fee	\$7,763,270
Total Use of Funds	\$86,106,638