

## HOUSING DEVELOPMENT PROJECT REVIEW

**Application Review:** Curtner Studios

**Borrower:** Curtner Studios, L.P.

**Address:** 701 Curtner Ave., San Jose

**Census Tract:** 5031.23 **San Jose Council District:** 6 **Supervisorial District:** 2

**Developer/Sponsor:** First Community Housing

**Total Development Cost:** \$14,995,679

Curtner Studios



701 Curtner Avenue, San Jose

### **Project Summary:**

Curtner Studios is an existing 3-story building consisting of 178 affordable housing units and one manager unit originally constructed in 1994 and is being rehabilitated by First Community Housing (FCH). In 2007 FCH acquired the property and updated the interior of the building to better suit long-term lower-income tenants. For example, FCH converted two residential units into case management offices, incorporated a roof-mounted photovoltaic power system, enhanced insulation and made other repairs to reduce ongoing maintenance costs of the building. Over the last several years, FCH has had some success in addressing the property's revenue shortfalls and operating challenges. For example, FCH set aside 40 units as PSH for Project Welcome Home (PWH). While this strategy has increased onsite services and improved property operations it was only implemented in the summer of 2015. Thus, residents and community members did not recognize the benefits for some years, and certainly not during the City of San Jose's community outreach phase for the nearby "Evans Lane Project" when it was conceived of as a temporary or interim housing development.

The County's investment would allow FCH to significantly renovate the development to resolve security challenges, adding offices for services staff, and adding spaces for the residents to gather and socialize. If approved, the County's investment of up to \$14,950,000 would contribute to the preservation and improvement of existing affordable housing and, upon unit turnover (currently estimated at 20 units per year), would result in 40 new PSH units and 71 RRH units.

**Existing Conditions:** The property is currently developed with 178 units of affordable housing and one manager unit.

**Land Use:** The site was originally entitled in the early 1990's. FCH has submitted a request for an amendment to their existing PD (Planned Development) Permit to allow for significant exterior elevation changes.

Green Building: The proposed improvements include

Environmental Review: The proposed amendment to the PD permit does not require a new CEQA determination.

Project-Based Vouchers (PBV's): FCH has also submitted a request for a reservation of 40 Section 8 Project-Based Vouchers (PBVs) from the Santa Clara County Housing Authority.

Services: Resident services are 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	September 2018
3. Planned Development Amendment Approval	January 2019
4. Building Permit Approval	September 2019
5. Construction finance closing	March 2019
6. Begin Construction	September 2019
7. Start of Lease-Up Activities	November 1, 2020
<b>8. Complete Construction</b>	<b>December 1, 2020</b>
9. 100% Occupancy	December 1, 2020
10. Permanent Loan Conversion	N/A

**Permanent Source of Funds**

County of Santa Clara	\$14,950,000
Conventional Loan	\$0
City Loan	\$0
Other Soft Financing	\$45,679
Deferred Developer Fee	\$0
Partner Contribution	\$0
Tax Credit Equity	\$0
<b>Permanent Source of Funds</b>	<b>\$14,995,679</b>

**Use of Funds**

Acquisition/Loan Buyout	\$5,836,381
Rehabilitation/Construction	\$6,811,460
Architectural and Engineering	\$976,316
Const. Interest, fees and perm financing	\$1,000,000
Other (legal, reserves, etc.)	\$0
Contingency	\$0
Developer Fee	\$1,271,522
<b>Total Use of Funds</b>	<b>\$14,995,679</b>