

## HOUSING DEVELOPMENT PROJECT REVIEW

**Application Review:** Dupont Family Apartments  
**Borrower:** Dupont Street, L.P.  
**Address:** 277 Dupont St., 699 West San Carlos & 257 McEvoy St., San José 95126  
**Census Tract:** 5019.00 **San Jose Council District:** 6 **Supervisorial District:** 4  
**Developer/Sponsor:** First Community Housing  
**Residential sq. ft.:** 163,207 **Commercial/Office sq. ft.:** 0  
**Construction Type:** Type IV-B construction (Mass Timber) of over one-story above grade 1-A podium

Dupont Family Apartments



699 West San Carlos St., San José

### **Project Summary:**

The Dupont Family Apartments is the first phase of a two-phase affordable rental housing development alongside each other on a 1.13-acre site and is being developed by First Community Housing (FCH). The project is located at 699 West San Carlos Street in San José. The proposed development will consist of 141 large family affordable apartments, comprised of 59 one-bedrooms, 36 two-bedrooms, and 44 three-bedrooms (plus two manager units). Forty-seven (47) units will be set aside as rapid rehousing (RRH). Forty-six (46) units will be set aside for individuals and families earning up to 30% area median income (AMI). The remaining forty-six (46) units will accommodate individuals and families earning up to 80% AMI. The apartments will be constructed within a single 13-story tall mass timber building over a one-story above grade podium. Residential amenities will include but are not limited to centralized laundry facilities, a computer lab, and a large multipurpose room with a kitchenette. The development will feature a rooftop urban farm and a large outdoor terrace.

**Existing Conditions:** The site improved with two single-story industrial buildings, and two accessory structures and a surface parking lot. All buildings and accessory structures are proposed to be demolished.

**Land Use:** The site is 1.13 acres and is located within the City of San José Envision 2040 General Plan and the Diridon Station Area Plan (DSAP). The site is zoned R-M Multiple-Residence which allows for the construction, use and occupancy of higher density residential development and higher density residential-commercial mixed-use development. The proposed project is consistent with this zoning.

**Green Building:** The Dupont Family Apartments proposes to design the building as Leadership in Energy and Environmental Design (LEED) Platinum project and would include WeGo Wise water and energy monitoring, solar water heating, energy-efficient windows, lighting, water heaters and appliances, and water-conserving fixtures.

Environmental Review: On February 11, 2020, the City of San José Council adopted a resolution approving a Special Use Permit and State Density Bonus to allow for demolition of two industrial buildings and the construction of a 100% affordable housing project. In addition, the City Council adopted a resolution adopting an Addendum to the Diridon Station Area Plan Final Program Environmental Impact Report and associated Mitigation Monitoring and Reporting program in accordance with the California Environmental Quality Act (CEQA) for the project.

Project-Based Vouchers (PBV's): FCH is not requesting any project-based vouchers through the County. The project has received a reservation of 35 PBV's directly from the Santa Clara County Housing Authority.

Services: FCH will deliver on-site resident services to the 139 restricted units. The County will be responsible for coordinating services for 47 RRH units at a cost of \$352,500 per year.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	July 2018
2. Community Engagement (continuous and ongoing)	October 2018
3. Planning Commission Land Use Approval (Entitlements)	February 2020
4. Submit 4% Tax Credit Application	September 2021
5. Receive reservation of tax credit award	December 2021
6. Construction finance closing	February 2022
7. Begin Construction	February 2022
8. Start of Lease-Up Activities	May 2023
<b>9. Complete Construction</b>	<b>November 2023</b>
10. 100% Occupancy	May 2024
11. Permanent Loan Conversion	November 2024

**Permanent Source of Funds**

Permanent Loan	\$29,898,000
HCD TOD	\$10,000,000
City of San José Capital Loan	\$17,375,000
County of Santa Clara Measure A Loan	\$27,500,000
Deferred Developer Fee	\$3,509,425
Tax Credit Equity	\$42,991,866
GP Capital Contribution	\$3,073,393
Deferred Accrued Interest	1,351,040
<b>Total Permanent Source of Funds</b>	<b>\$135,698,724</b>

**Use of Funds**

Acquisition	\$7,777,276
New Construction	\$66,411,813
Architecture and Engineering	\$8,710,288
Financing Fees	1,446,551
Legal Fees	\$213,000
Soft and other Costs	40,160,333
Capitalized Operating Reserve	\$1,486,745
Developer Fee	\$9,492,718
<b>Total Use of Funds</b>	<b>\$135,698,724</b>