

HOUSING DEVELOPMENT PROJECT REVIEW

Application Review: Gallup and Mesa Apartments
Borrower: TBD
Address: 1171 Mesa Drive & 5647 Gallup Drive, San Jose
Census Tract: 5119.15 **San Jose Council District:** 10 **Supervisorial District:** 1
Developer/Sponsor: Eden Housing
Residential sq. ft.: 35,365 **Commercial/Office sq. ft.:** 0
Construction Type: Type V over Type 1

Gallup and Mesa Apartments



1171 Mesa Drive & 5647 Gallup Drive, San Jose

Project Summary:

The Gallup and Mesa Apartments is an affordable housing development consisting of 46 units on a .38-acre site and is being developed by Eden Housing, Inc. The proposed development will consist of 45 affordable apartments, comprised of 16 studios, 19 one-bedrooms, 5 two-bedrooms and 5 three-bedrooms (plus 1 manager's units). Twenty-three (23) of the units will be set aside as permanent support housing for chronically homeless households. The building will consist of a five-story wood-frame structure over a concrete podium. The residential amenities will include but are not limited to a 3,000 square feet common space in an indoor community room which flows into an outdoor courtyard.

Existing Conditions: The property is currently vacant.

Land Use: The proposed site will be the result of the consolidation of two parcels, located in the southwest corner of Gallup Drive and Northwestern side of Mesa Drive, in the City of San Jose. The site has a total land area of 0.38 acres and is currently zoned Multiple Residence District (R-M). The current zoning will accommodate the development of 45 affordable rental units plus a manager's unit as well as 3,000 square feet of common space in an indoor community room which flows into an outdoor courtyard without rezoning the amendment to the City's General Plan. This project is currently under review for a site development permit under SB 35—Streamline Approval Process by City Planning Dept.

Green Building: The development will include several green-building features including Energy Star appliances, low flow plumbing fixtures, energy efficient lighting, solar hot water, and drought tolerant landscaping.

Environmental Review: The proposed project has not obtained final entitlements. The project proposal will require the city to conduct further environment review pursuant to the California Environmental Quality Act (“CEQA”). The County’s funding is contingent upon the Project obtaining the necessary entitlements and CEQA clearance.

Project-Based Vouchers (PBV’s): Eden Housing is requesting a reservation of 23 Section 8 Project-Based Vouchers (PBVs) from the Santa Clara County Housing Authority.

Services: The development includes 23 PSH units. The County would be responsible for coordinating and providing ongoing onsite supportive services for the residents of these 23 PSH units at a cost of approximately \$253,000 per year. If the development is approved, the Administration would assess the funding needed for the supportive services and recommend appropriations for the Board’s consideration as part of the Fiscal Year 2023-24 budget process.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	March 2014
2. Community Engagement (continuous and ongoing)	May 2017 & ongoing
3. Planning Commission Land Use Approval	November 2019
4. Submit 4% Tax Credit Application	Spring 2020
5. Receive reservation of tax credit award	Fall 2020
6. Construction finance closing	Fall 2020
7. Begin Construction	October 2020
8. Start of Lease-Up Activities	February 2022
9. Complete Construction	May 2022
10. 100% Occupancy	September 2022
11. Permanent Loan Conversion	April 2023

Permanent Source of Funds

County of Santa Clara	\$7,000,000
Permanent Loan	\$4,904,000
City of San Jose Capital Loan	\$5,750,000
Developer Fee	\$1,961,956
Other sources	\$166,924
Tax Credit Equity	\$11,663,281
Total Permanent Source of Funds	\$31,446,161

Use of Funds

New Construction	\$19,200,000
Construction Contingency	\$960,000
Soft Cost Subtotal	\$6,340,519
Financing Costs	\$813,230
Soft Cost Contingency	\$267,056
Other Costs	\$20,000
Developer Fee	\$3,845,356
Total Use of Funds	\$31,446,161