

HOUSING DEVELOPMENT PROJECT REVIEW

Application Review: Moorpark Apartments
Borrower: Moorpark Associates, L.P.
Address: 1710 Moorpark Ave., San Jose, CA 95128
Census Tract: 5021.01 **San Jose Council District:** 6 **Supervisorial District:** 4
Developer/Sponsor: MidPen Housing Corporation
Residential sq. ft.: 38,046 **Commercial/Office sq. ft.:** 2,000
Construction Type: Type V-A over Type 1-A

Moorpark Apartments



1710 Moorpark Avenue, San Jose

Project Summary:

The Moorpark Apartments development is a supportive housing development consisting of 108 units on a 0.8 acre site and is being developed by MidPen Housing Corporation. The project is located at 1710 Moorpark Avenue in San Jose. The proposed development will consist of 106 studios and two manager units. One-Hundred and six of the units will be set aside as permanent supportive housing (PSH) for homeless and chronically homeless individuals. The apartments will be constructed in one five-story building. The ground floor will consist of a parking podium with 37 parking spaces, a main entry lobby controlled by 24-hour security access, and approximately 2,000 SF of private community serving space leased back to IELC. The main residential amenity areas will be on the second floor and will include a community room with kitchen, computer lab, fitness room, offices for property management and services, a laundry facility, a private residents-only outdoor recreation area above the podium.

Existing Conditions: The site is currently developed with a parking lot, church offices, and fellowship hall. With the exception of the IELC sanctuary and chapel, all other structures will be removed on the northern portion of the parcel to accommodate the proposed

Land Use: The proposed site is located at 1710 Moorpark Avenue in the City of San Jose. The site is zoned Public/Quasi-Public (P/QP) Zoning District which allows residential service facilities, including permanent supportive housing, with the approval of a special use permit. The project is currently under review for a site development permit under SB35– Streamlined Approval Process and it is anticipated that the approval process will be completed by June 30, 2020.

Green Building: This development will meet Green Point Gold standards, use energy star appliances, will include native/drought-resistant plants, and maximize natural light in the building to save on operating costs.

Environmental Review:

The proposed project has not obtained final entitlements. The project is currently under review for a site

development permit under Senate Bill (SB) 35 – Streamlined Approval Process, which requires a ministerial approval process for developments that include a specified level of affordability and comply with objective development standards. Under SB 35, the project is not subject to the California Environmental Quality Act (CEQA). The County Financing is contingent upon the Project obtaining the necessary entitlements and SB35 permit approval.

Project-Based Vouchers (PBV's): MidPen has also submitted a request for an allocation of 106 Section 8 Project-Based Vouchers (PBV's) from the Santa Clara County Housing Authority.

Services: Supportive services for the 106 PSH residents would be provided by the County through one of its approved providers. The County will be responsible for coordinating services for the PSH residents at a cost of \$1,166,000 per year.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	October 2018
2. Community Engagement (continuous and ongoing)	June 2019
3. Land Use Approval	June 2020
4. Submit 4% Tax Credit Application	August 2020
5. Receive reservation of tax credit award	October 2020
6. Construction finance closing	April 2021
7. Begin Construction	April 2021
8. Start of Lease-Up Activities	October 2022
9. Complete Construction	October 2022
10. 100% Occupancy	February 2023
11. Permanent Loan Conversion	June 2023

Permanent Source of Funds

Conventional Loan	\$13,399,900
Sobrato Foundation	\$2,610,000
County of Santa Clara	\$16,654,646
City of San Jose	\$10,971,000
Tax Credit Equity	\$26,843,498
GP Equity	\$100
Deferred Developer Fee	\$2,066,796
GP Capital Contribution	\$4,183,682
Total Permanent Source of Funds	\$76,729,622

Use of Funds

Acquisition	\$2,610,000
New Construction	\$51,513,596
Architecture and Engineering	\$2,480,830
Financing Fees	\$4,177,327
Legal Fees	\$181,000
Soft and Other Cost	\$9,889,205
Capitalized Services Reserves	\$3,377,664
Developer Fee	\$2,500,000
Total Use of Funds	\$76,729,622