

HOUSING DEVELOPMENT PROJECT REVIEW

Project Name: Quetzal Gardens
Borrower: Quetzal Gardens L.P.
Address: 1695 Alum Rock Ave, San Jose
Census Tract: 5036.01 **San Jose Council District:** 5 **Supervisory District:** 2
Developer/Sponsor: Resources for Community Development ("RCD")
Total Development Cost: \$50,194,787
Residential Square Footage: 67,924 **Commercial/Office Square Footage:** 8,000

Quetzal Gardens



1695 Alum Rock Ave, San Jose

PROJECT SUMMARY

Quetzal Gardens is a 71 affordable housing development with 8,000 square feet of commercial space on a 0.74 acre site and is being developed by Resources for Community Development ("RCD"). The project is located in the Little Portugal area of East San Jose. The building consists of six (6) stories. Twenty-Four (24) of the units will be set aside for chronically homeless individuals or families, forty-six (46) units will be allocated to residents who are considered extremely low income (ELI) and low income (LI) and 1 unit will be set aside for staff.

Existing Conditions: The site is currently vacant and being used as a public parking lot. This site previously had a 10,300 square foot office building that was demolished without permits. A church is located to the west of the site, an auto body shop to the east and two retail uses located to the south.

Land Use: On June 14, 2017 the San Jose Planning Commission approved a Conditional Use Permit and Site Development Permit to allow for the mixed-use building.

Green Building: The project includes the construction of a photovoltaic system, a combination of solar photovoltaic and solar powered water heating systems, integration of a green roof, use of cool-roof technology and use of graywater system for landscaping irrigation.

Environmental Review: Under the provisions of Sections 15302 and 15332 of the State Guidelines for Implementation of the California Environmental Quality Act, the project was found exempt from the environmental review requirements of Title 21 of the San José Municipal Code, implementing the California Environmental Quality Act of 1970, as amended.

Services: RCD's in-house Resident Services Department will take the lead in providing services for the family units. The service coordinator will provide individualized services to all residents and referrals to local community services.

Project-Based Section 8 Vouchers (PBV's): RCD has received an allocation of 32 PBV's with an initial contract term of 15 years with a one term extension for an additional 15 years.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	May 3, 2016
2. Community Engagement (continuous and ongoing)	March 2016
3. Planning Commission Land Use Approval	June 14, 2017
4. Submit AHSC Application	March 1, 2018
5. AHSC Award	October 1, 2018
6. Submit 4% Tax Credit application	October 12, 2018
7. Construction finance closing	January 1, 2018
8. Begin Construction	February 1, 2019
9. Start of Lease-Up Activities	December 1, 2018
10. Complete Construction	February 1, 2020
11. 100% Occupancy	June 1, 2020
12. Permanent Loan Conversion	August 1, 2020

Permanent Source of Funds

Perm Loan	\$5,898,169
City of San Jose Loan	\$9,127,364
County Capital Loan	\$9,830,000
HCD AHSC Loan	\$8,000,000
AHP Loan	\$1,050,000
Tax Credit Equity	\$14,464,406
GP Capital Contribution	\$674,848
Deferred Developer Fee	\$1,150,000
Total Permanent Source of Funds	\$50,194,787

Use of Funds

Acquisition	\$3,441,643
Legal - Acquisition	\$15,556
Predevelopment Loan Interest/Fees	\$193,893
New Construction	\$32,225,757
Construction Contingency	\$2,267,850
Soft Cost Subtotal	\$8,128,307
Capitalized Operating Reserve	\$551,236
Soft Cost Contingency	\$345,697
Developer Fee Paid	\$1,150,000
Developer Fee Deferred/Contributed	\$2,350,000
Total Use of Funds	\$50,194,787