

## HOUSING DEVELOPMENT PROJECT REVIEW

**Application Review:** McEvoy Apartments & Dupont Family Apartments  
**Borrower:** McEvoy Street, LP  
**Address:** 699 West San Carlos St., 277 Dupont St. & 257 McEvoy St., San José, CA 95126  
**Census Tract:** 5019.00    **San Jose Council District:** 6    **Supervisory District:** 4  
**Developer/Sponsor:** First Community Housing  
**Residential sq. ft.:** 321,244                      **Commercial/Office sq. ft.:** 4,575  
**Construction Type:** Type IV-B over I-A

McEvoy Apartments



699 W. San Carlos St., 277 Dupont Street, and 258 McEvoy Street, San José, CA 95126

### **Project Summary:**

The McEvoy Apartments and Dupont Family Apartments is a two-phased affordable rental housing development on a 1.13-acre site and is being developed by First Community Housing (“FCH”). The project is located at 699 West San Carlos St, 277 Dupont St and 280 McEvoy St in San José. The proposed development will consist of 361 affordable apartments, comprised of 140 studios, 143 one-bedrooms, 36 two-bedrooms and 46 three-bedrooms (plus four manager’s units). The project includes 40 permanent supportive housing (“PSH”) units to help individuals and families with special needs obtain and maintain permanent housing, 76 rapid rehousing (“RRH”) units to help homeless individuals and families with special needs, and 20 units for individuals with intellectual and/or developmental disabilities (“I/DD”) and their families. Of the 40 PSH units, 20 would be set aside for homeless veterans. Of the remaining affordable housing units 89 units would be affordable to households earning up to 30% of the area median income (“AMI”) and 136 would be affordable to low-income households earning up to 60% AMI. The apartments will be constructed in two thirteen-story tall mass timber building over a shared one-story above grade podium. Residential amenities will include but are not limited to centralized laundry facilities, a fitness room, a computer lab, a large multipurpose room with a kitchenette, and a large outdoor terrace.

**Existing Conditions:** The site improved with two single-story industrial buildings, 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:** McEvoy Apartments proposes to design the building as Leadership in Energy and Environmental Design (LEED) Platinum certification and would include 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 (“PBVs”):** FCH has received a reservation of 35 PBVs and 20 Veterans Affairs Supportive Housing (“VASH”) PBVs directly from the Santa Clara County Housing Authority (“SCCHA”). And will be applying for an additional 20 PBVs from SCCHA.

**Services:** FCH will deliver on-site resident services to all future tenants. The County will be responsible for coordinating supportive services for 76 RRH units at a cost of \$570,000 per year and 20 PSH units at a cost of approximately \$220,000 per year. The SCCHA Veterans Affairs Program for Homeless Veterans will be responsible for providing services for the 20 VASH units.

**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 & Begin Construction	April 2022
7. Start of Lease-Up Activities	January 2024
8. Complete Construction	March 2024
9. 100% Occupancy	September 2024
10. Permanent Loan Conversion	January 2025

**Permanent Source of Funds for McEvoy**

Permanent Loan	\$15,541,000
County of Santa Clara	\$27,500,000
City of San Jose	\$20,000,000
Other Sources	\$12,989,658
Tax Credit Equity	\$56,131,472
Deferred Developer Fee	\$2,777,305

**Total Permanent Source of Funds \$134,939,435**

**Permanent Source of Funds for Dupont**

Permanent Loan	\$25,760,000
County of Santa Clara	\$11,000,000
City of San Jose	\$17,375,000
HCD AHSC & TOD	\$16,292,363
HCD Accelerator	\$60,302,000
Other Sources	\$369,519

**Total Permanent Source of Funds \$131,098,882**

**Use of Funds for McEvoy**

Acquisition	\$6,750,000
New Construction	\$87,983,937
Architecture and Engineering	\$5,778,462
Financing Fees	\$1,496,122
Legal Fees	\$213,000
Reserves	\$1,461,767
Soft and Other Costs	\$23,496,842
Developer Fee	\$7,757,305

**Total Use of Funds \$134,939,435**

**Use of Funds for Dupont**

Acquisition	\$6,750,000
New Construction	\$86,880,827
Architecture and Engineering	\$5,778,462
Financing Fees	\$1,406,222
Legal Fees	\$113,000
Reserves	\$1,572,735
Soft and Other Costs	\$26,397,636
Developer Fee	\$2,200,000

**Total Use of Funds \$131,098,882**