

HOUSING DEVELOPMENT PROJECT REVIEW

Application Review:	The Mil on Main		
Borrower:	The Core Companies		
Address:	1380-1400 South Main Street, Milpitas		
Census Tract:	5045.05	San Jose Council District:	N/A
		Supervisorial District:	3
Developer/Sponsor:	Core Affordable Housing LLC		
Residential sq. ft.:	213,402 sq. feet	Commercial/Office sq. ft.:	4,612 sq. ft
Construction Type:	Type 3-A		

The Mil on Main



1380-1400 South Main Street, Milpitas

Project Summary: Mil on Main is an affordable housing development consisting of 220 units on a 2.14 acre site and is being developed by The Core Companies. The project is located at 1380-1400 S Main Street in Milpitas. The proposed development consists of 219 affordable apartments, comprised of 80 studios, 75 one-bedrooms, and 64 two-bedrooms (plus one manager’s unit). The project includes 24 Rapid Rehousing (RRH) units for homeless individuals and families with special needs, 20 units for individuals with intellectual and/or developmental disabilities (I/DD), 11 units for households earning up to 30% Area Median Income (AMI), 79 units for households earning up to 50% AMI, and 85 units for households earning up to 60% AMI. The development will be 7 stories with 5 levels of residential units and 2 levels of above-grade garage parking. Common areas will include a large courtyard on the third floor, community rooms on the first and third floors, fitness studio, cardio room, yoga studio, manager and service coordinator’s offices.

Existing Conditions: The proposed development will replace two one story buildings and a surface area parking lot.

Land Use: The proposed site is located at 1380-1400 South Main Street in Milpitas and covers 2.14 acres. Located in the Milpitas Transit Area Specific Plan (TASP) planning area, the site is zoned “Flexible Mixed Use” with a General Plan Land Use designation of “Mixed-Use Transit Core” which allows for residential uses with a density of 68 dwelling units per acre. On October 16, 2018, the City of Milpitas (City) adopted Resolution No. 8823 to approve General and Specific Plan Amendments for the site and TASP, a zoning amendment for the site, site development and conditional use permits, and a density bonus allowing for 108 du/ac.

Green Building: The project will comply with Cal Green Building Standards, utilize healthy building materials, and incorporate water and energy efficient measures.

Environmental Review: The project was deemed to be within the scope of the City of Milpitas Transit Area Specific Plan and the corresponding Environmental Impact Report (TASP EIR) adopted on June 3, 2008. As the lead agency under California Environmental Quality Act (CEQA), the City determined that no further CEQA review was required

for the project pursuant to Public Resources Code Section 21094. The City prepared and approved an Addendum to the TASP EIR that concluded that the project will not result in any new environmental impacts beyond those identified in the previously approved TASP EIR nor will it result in an increase in the severity of significant effects identified in the TASP EIR.

Project-Based Vouchers (PBV's): Core will be requesting the reservation of 55 Project-Based Vouchers from the Santa Clara County Housing Authority.

Services: The Core Companies has not selected a service provider to deliver on-site resident services to all future tenants. The County will be responsible for coordinating services for 24 RRH units at a cost of \$180,000 per year.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	December 2018
2. Community Engagement (continuous and ongoing)	January 2018
3. Planning Commission Land Use Approval	August 2020
4. City Council Land Use Approval	October 2018
5. Submit 4% Tax Credit Application	August 2024
6. Receive reservation of tax credit award	November 2024
7. Construction finance closing	May 2025
8. Begin Construction	May 2025
9. Start of Lease-Up Activities	April 2027
10. Complete Construction	July 2027
11. 100% Occupancy	January 2028
12. Permanent Loan Conversion	June 2028

Permanent Source of Funds

Permanent Loan	\$31,750,000
County of Santa Clara	\$23,300,000
HCD - AHSC	\$30,000,000
HCD – MHP/IIG	\$22,000,000
Accrued Soft Loan Interest	\$1,792,428
Deferred Developer Fee	\$2,700,000
Tax Credit Equity	\$76,222,089
Total Permanent Source of Funds	\$187,764,517

Use of Funds

Acquisition	\$18,346,450
Architect and Engineering	\$4,662,555
New Construction	\$119,031,788
Construction Loan Interest	\$13,668,820
Construction Contingency	\$6,080,112
Soft Cost Subtotal	\$19,217,046
Capitalized Operating Reserve	\$1,857,745
Developer Fee	\$4,900,000
Total Use of Funds	\$187,764,517