

## HOUSING DEVELOPMENT PROJECT REVIEW

**Application Review:** Sonora Court  
**Borrower:** MP Sonora Court Associates, LP  
**Address:** 1178 Sonora Court, Sunnyvale CA, 94086  
**Census Tract:** 5087.04 **San Jose Council District:** N/A **Supervisorial District:** 3  
**Developer/Sponsor:** MidPen Housing Corporation  
**Residential sq. ft.:** 115,780 **Commercial/Office sq. ft.:** 1,500  
**Construction Type:** Type VA over Type 1A

1178 Sonora Court



**Project Summary:** 1178 Sonora Ave is an affordable housing development consisting of 176 units on a 1.26-acre site and is being developed by MidPen Housing Corporation. The project is located at the corner of Sonora Court and San Zeno Way in Sunnyvale. The proposed development will consist of 39 studios, 47 1-bedrooms, 45 2-bedrooms (including one manager’s unit), and 45 3-bedroom apartments (including one manager’s unit). The project includes 45 Permanent Supportive Housing (“PSH”) units to help homeless individuals and families with special needs obtain and maintain permanent housing, 42 units for households earning up to 30% area median income (“AMI”), 44 units for households earning up to 50% AMI, and 43 units for households earning up to 70% AMI. The apartments will be constructed in one seven- story building with two stories of podium parking and five stories of residential floors above. Residential amenities include but are not limited to a learning center, community rooms, and an outdoor amenity space equipped with seating, raised garden area, arbor, play structure, and barbeque.

**Existing Conditions:** The site currently has a 19,440 square foot industrial building. The industrial building is proposed to be demolished.

**Land Use:** The site is 1.26 acres and is located in Sunnyvale at the corner of Sonora Court and San Zeno Way west of the Lawrence Expressway and adjacent to the Lawrence Caltrain Station. The project is zoned as Flexible Mixed Use and has a General plan land use designation of Mixed-Use Transit Core which allows for residential uses of 68 dwelling unit per acre. The California Density Bonus Law, as amended in AB 1763, allows affordable housing projects with a half mile of a major transit stop to have an increased density and the proposed project has a density of 140 du/a. The project obtained a Special Development Permit with a density bonus on November 8, 2021.

**Green Building:** The proposed development is designed to be sustainable project utilizing high quality construction including energy efficient glazing, insulation, energy star appliances, and low flow water fixtures. The building will

utilize all-electric systems to reduce greenhouse gas emissions.

Environmental Review: The City of Sunnyvale prepared an Environmental Impact Report (EIR) for the Lawrence Station Area Plan (LSAP) and no additional environmental review is required pursuant to the California Environmental Quality Act (“CEQA”) Guidelines Section 15168(c)(2) and (4) Public Resources code Section 21094 (c).

Project-Based Vouchers (PBV’s): MidPen has received 30 PBVs and will be requesting an additional reservation of 45 Section 8 PBVs from the Santa Clara County Housing Authority.

Services: Midpen will deliver onsite services to all future tenants. The County will be responsible for coordinating supportive services for the 45 PSH units at a cost of \$495,000 per year.

Project Schedule and Financing:

Milestone	Date of Completion
1. Site Control	May 2021
2. Community Engagement (continuous and ongoing)	April 2021
3. Planning Commission Land Use Approval	November 2021
4. City Council Land Use Approval	November 2021
5. Submit 4% / 9% Tax Credit Application	July 2023
6. Receive reservation of tax credit award	October 2023
7. Construction finance closing	January 2024
8. Begin Construction	January 2024
9. Start of Lease-Up Activities	October 2024
<b>10. Complete Construction</b>	October 2025
11. 100% Occupancy	March 2026
12. Permanent Loan Conversion	October 2026

**Permanent Source of Funds**

Permanent Loan	\$25,637,018
City of Sunnyvale- Capital Loan	\$13,750,000
City of Sunnyvale - Acquisition	\$13,550,000
County of Santa Clara	\$11,200,000
Tax Credit Equity	\$56,299,408
HCD- MHP/IIG	\$22,496,628
Deferred Developer Fee	1,300,000
Accrued Deferred Interest (All)	419,355
<b>Total Permanent Source of Funds</b>	<b>\$144,652,410</b>

**Use of Funds**

Acquisition	\$13,550,000
Architecture/Engineering	\$3,136,574
New Construction	\$94,955,289
Construction Contingency	\$7,508,540
Soft Cost Subtotal	\$19,043,193
Capitalized Operating Reserve	\$2,958,814
Developer Fee	\$3,500,000
<b>Total Use of Funds</b>	<b>\$144,652,410</b>