



*Housing*

# Development Approval for 797 Almaden Apartments

March 14, 2023

Item 8.1

**Jacky Morales-Ferrand**  
Director of Housing

**Rachel Vander Veen**  
Assistant Director of Housing

# Development Overview

- 🏠 Located at sites on 771, 777, 787, 797 South Almaden Avenue
- 🏠 Developed by **Resources for Community Development**
- 🏠 **98** apartments for extremely low-income, very low-income, and low-income individuals and families
- 🏠 **25** permanent supportive housing
  - 15 permanent supportive homes for individuals in need of mental health services and their families
  - **10** permanent supportive homes for individuals and families who have experienced chronic homelessness
- 🏠 **44%** are 2-bed and 3-bed apartments



# Key Features

- Ground floor community serving commercial space of ~2300 sq ft for possible Childcare Center
- Additional amenities
- Over 6,000 sq ft of open space as a courtyard for residents
- Transportation amenities



# Funding

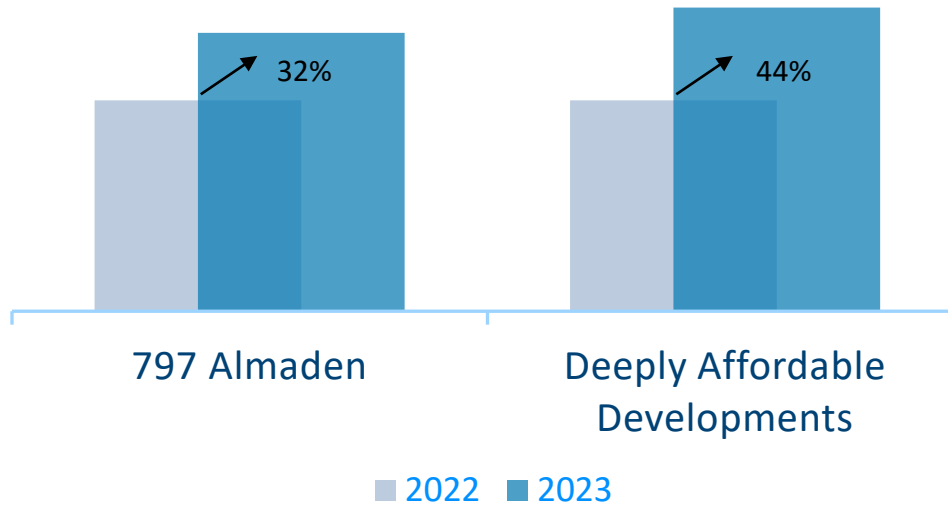
Source	Amount	Private or Public	Type of Funding
<b>Bank Loan</b>	\$5,477,000	Private Lender	Loan
<b>City of San José</b>	\$24,940,000	Public	Loan
<b>County of Santa Clara</b>	\$4,000,000	Public	Loan
California Department of Housing and Community Development – Affordable Housing and Sustainable Communities	\$20,000,000	Public	Loan
California Department of Housing and Community Development – Infill Infrastructure Grant	\$6,270,415	Public	Grant
<b>Private Equity Investment</b>	\$47,155,711	Private Investment	Equity
<b>Total</b>	<b>\$107,843,126</b>		



# Market Trends – Inflation

Across the Bay Area, cost of development is rising

% Increase in Cost per Home



CDLAC Round	Average Cost per Home of Deeply Affordable* Developments	% Change since March '22
7-Feb-23	\$980,409	44%
9-Aug-22	\$913,330	34%
16-Mar-22	\$680,116	-

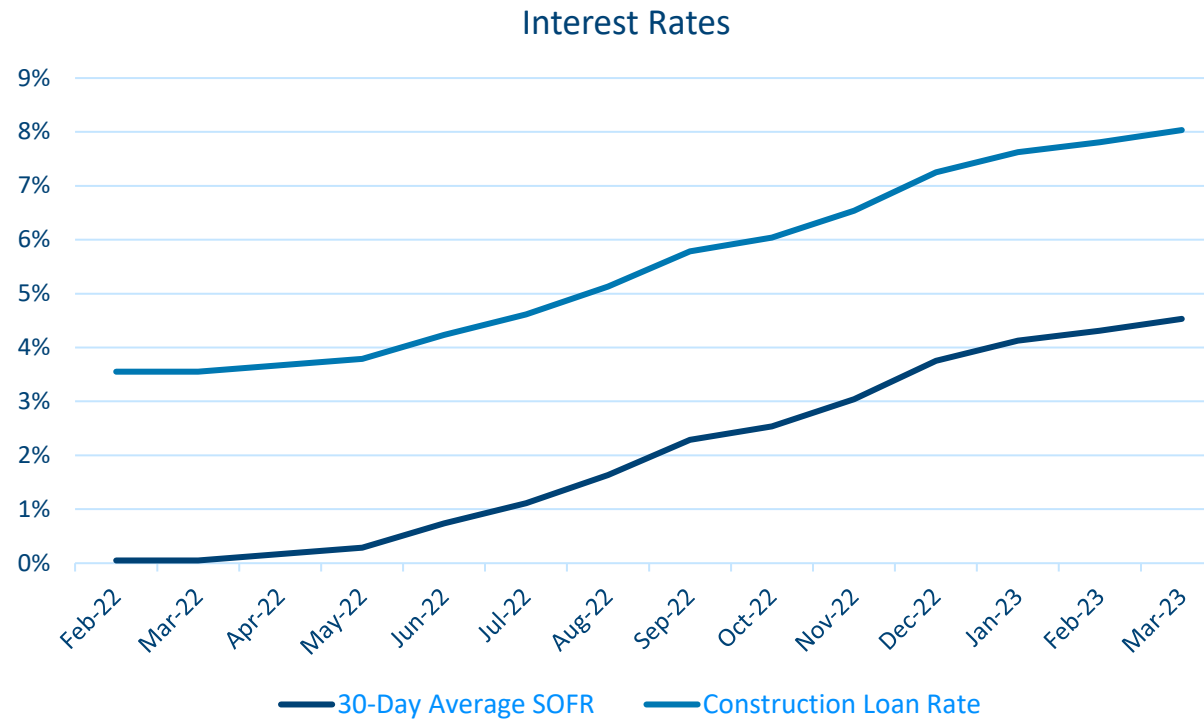
\*Developments with <50% AMI average affordability





# Market Trends – Interest Rates

Interest rates doubling in the past year leads to millions of dollars added in financing costs



# Affordability and Cost per Unit

Deeply affordable housing creates homes for our City's residents with the greatest need for safe, affordable homes

- 🏠 Deeper affordability serves City's lower income residents who experience
  - The least amount of housing options available
  - The widest gap between market rents and rents affordable to them

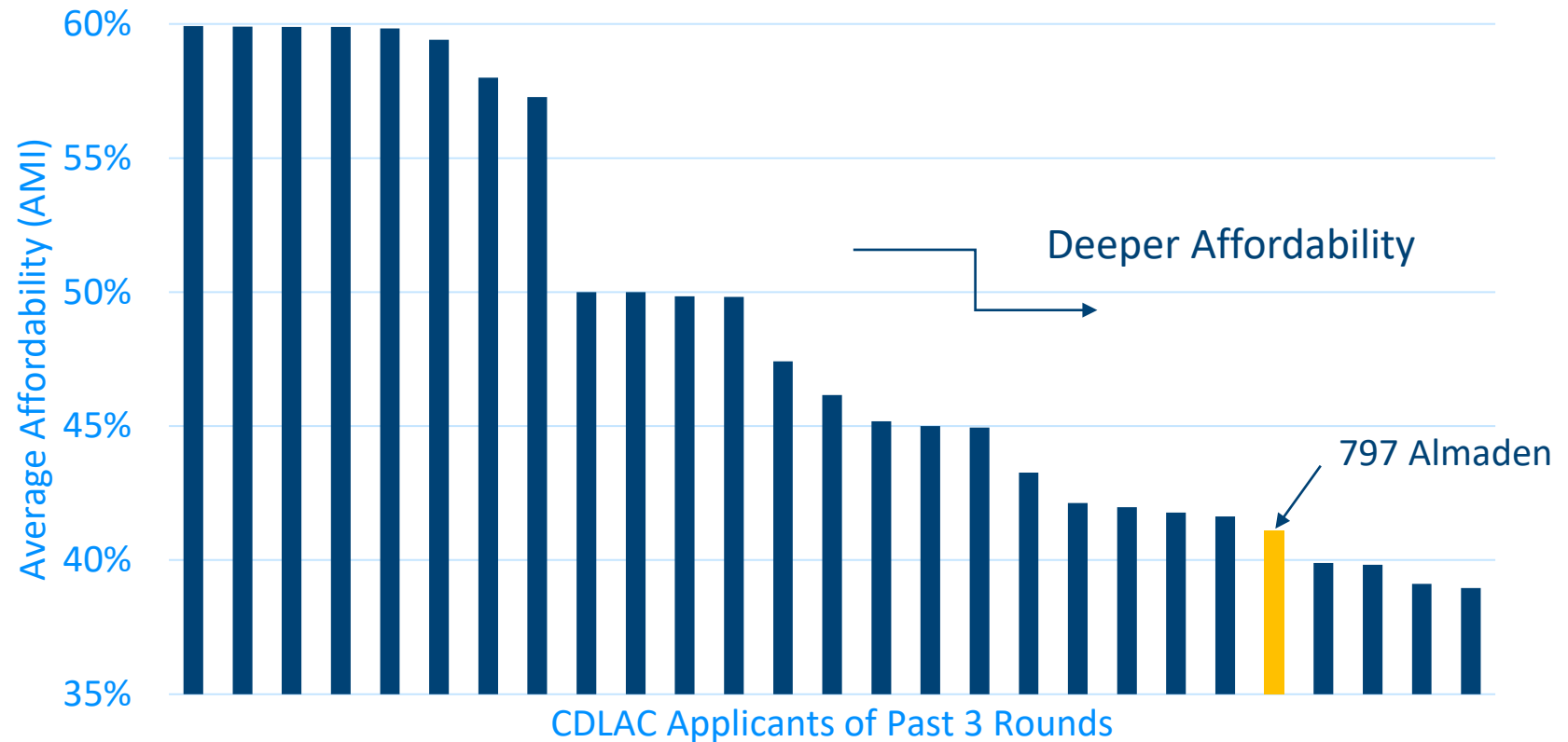
797 Almaden	30% AMI Rent Limits	50% AMI Rent Limits
Studio	\$884	\$1,473
1-BD	\$947	\$1,579
2-BD	\$1,137	\$1,896
3-BD	\$1,314	\$2,190

San José	Average Market Rents
Studio	\$2,061
1-BD	\$2,364
2-BD	\$2,939
3-BD	\$3,622



# Takeaways for 797 Almaden

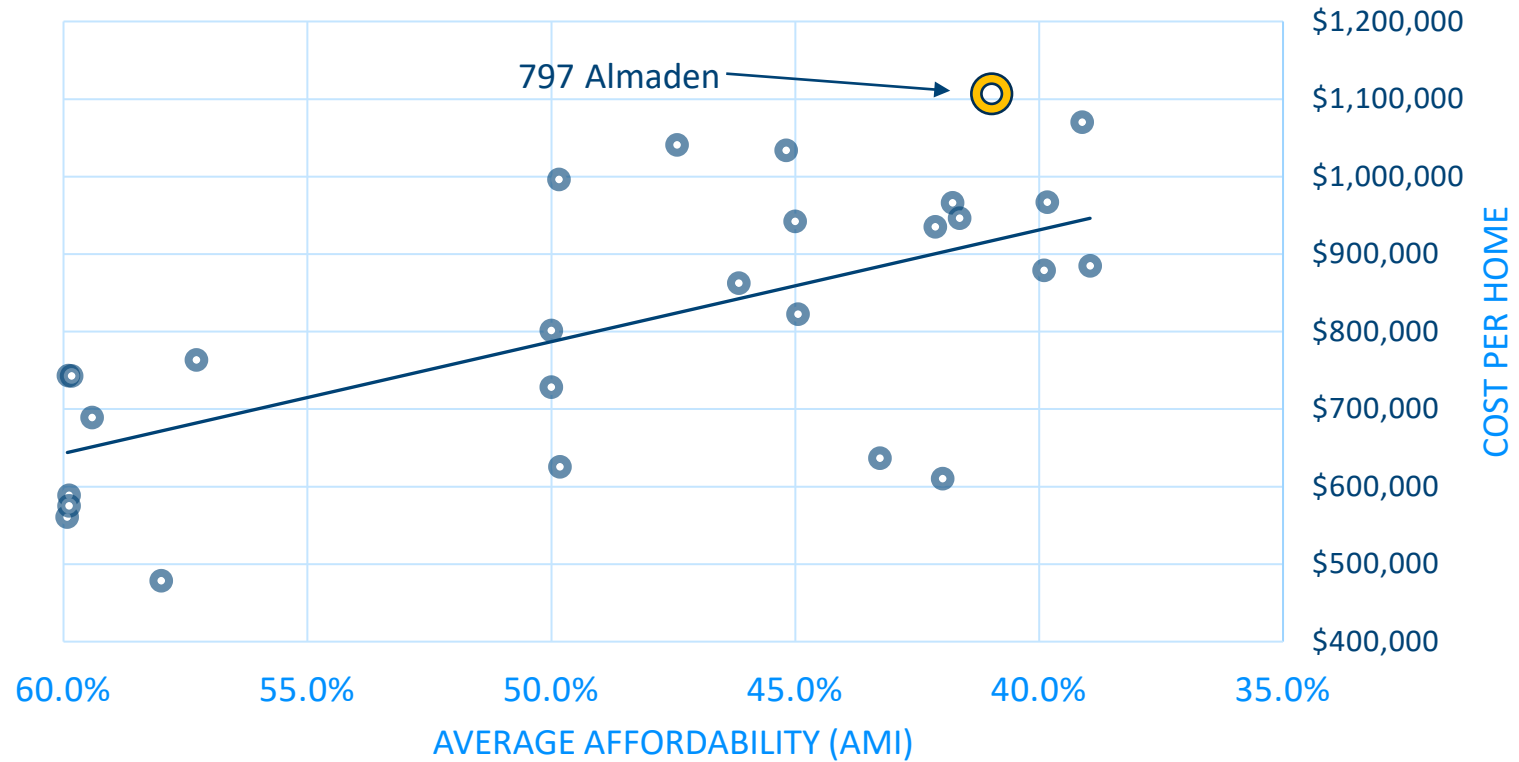
797 Almaden's Average Affordability in Comparison



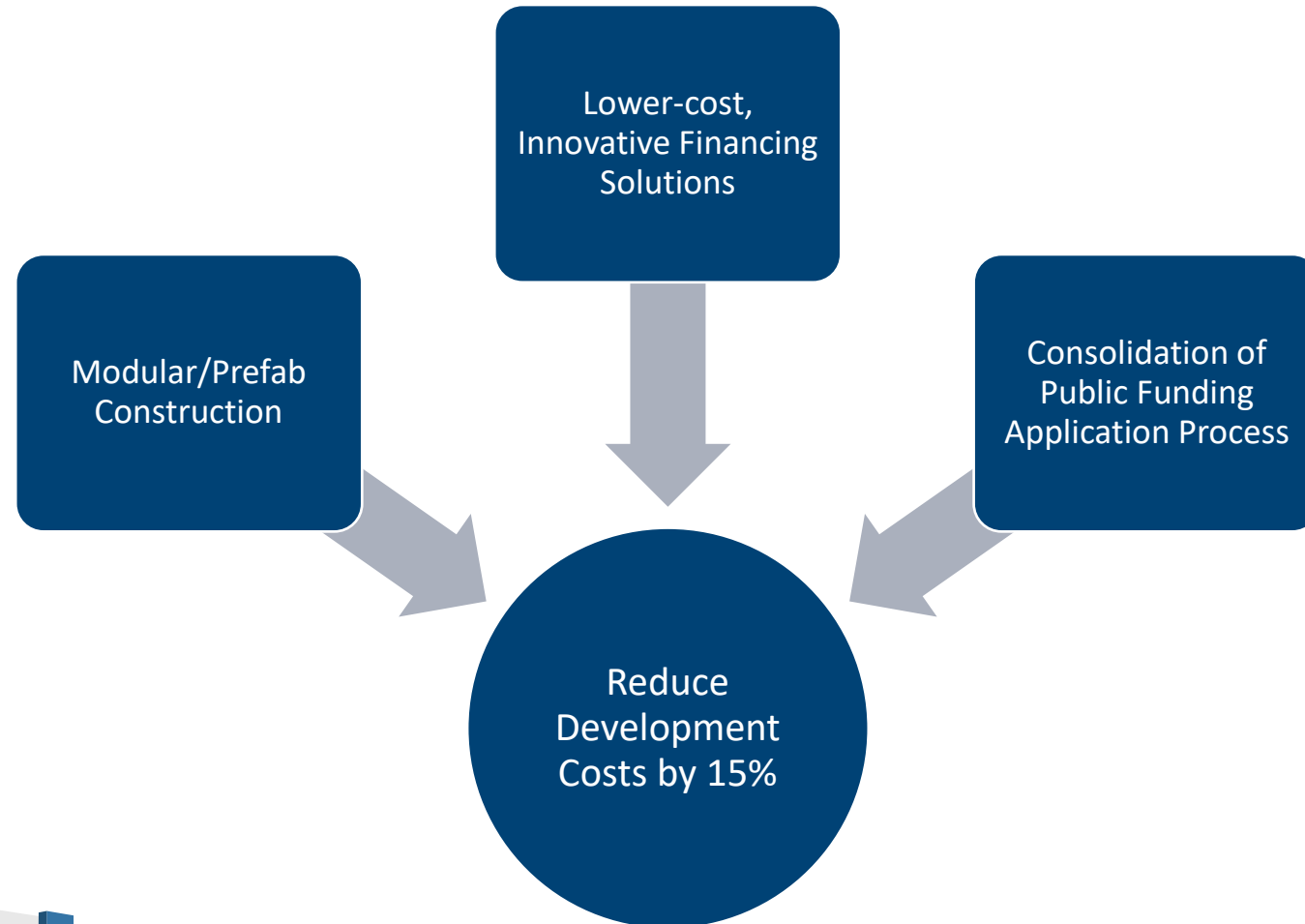


# Takeaways for 797 Almaden

Cost per Home Response to Average Affordability



# Moving Forward



# NOFA PIPELINE AFTER 797 ALMADEN

4 Remaining  
Developments  
Need  
\$93.5 Million  
(519 homes)



3 Waitlisted NOFA  
Applicants  
Need an Additional  
\$50.5 Million  
(595 homes)

7 New  
Developments  
1,113 Homes  
\$144 Million in  
Total Anticipated



# Thank you!

- 🏠 Developer Partner
  - Resources for Community Development
    - Gabriel Borden, Project Manager
    - Alicia Klein, Associate Director of Development
- 🏠 City Staff
  - Planning
    - Ruth Cueto, Supervising Planner
    - Reema Mahamood, Planner III - Environmental Review
  - CAO
    - Shasta Greene, Senior Deputy City Attorney
  - Housing
    - Michael Jun, Development Officer
    - Banu San, Housing Policy & Planning Administrator
    - Shelsy Bass, Senior Development Officer





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