



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



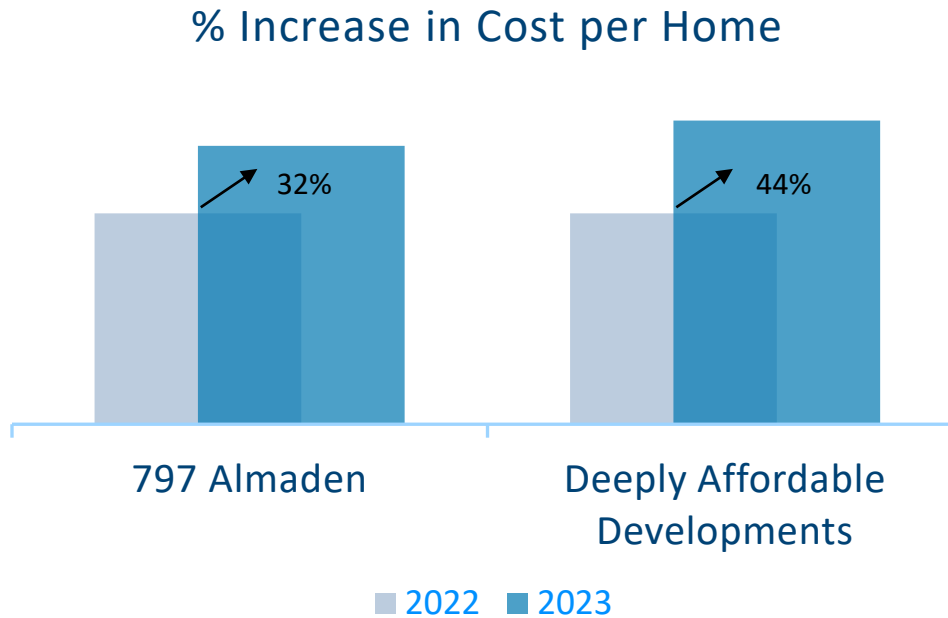
Funding

Source	Amount	Private or Public	Type of Funding
Bank Loan	\$5,477,000	Private Lender	Loan
City of San José	\$24,940,000	Public	Loan
County of Santa Clara	\$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
Private Equity Investment	\$47,155,711	Private Investment	Equity
Total	\$107,843,126		



Market Trends – Inflation

Across the Bay Area, cost of development is rising



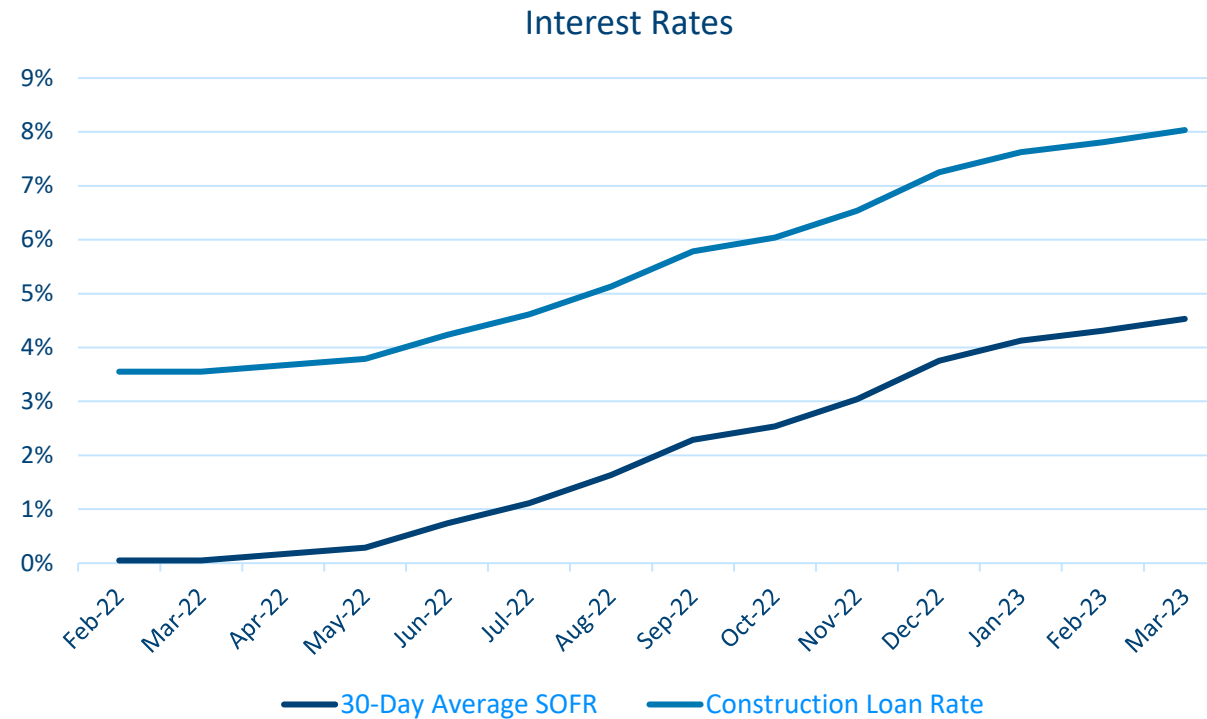
CDLAC Round	Average Cost per Home of Deeply Affordable* Developments	% Change since March '22
7-Feb-23	\$980,409	44%
9-Aug-22	\$913,330	34%
16-Mar-22	\$680,116	-

*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

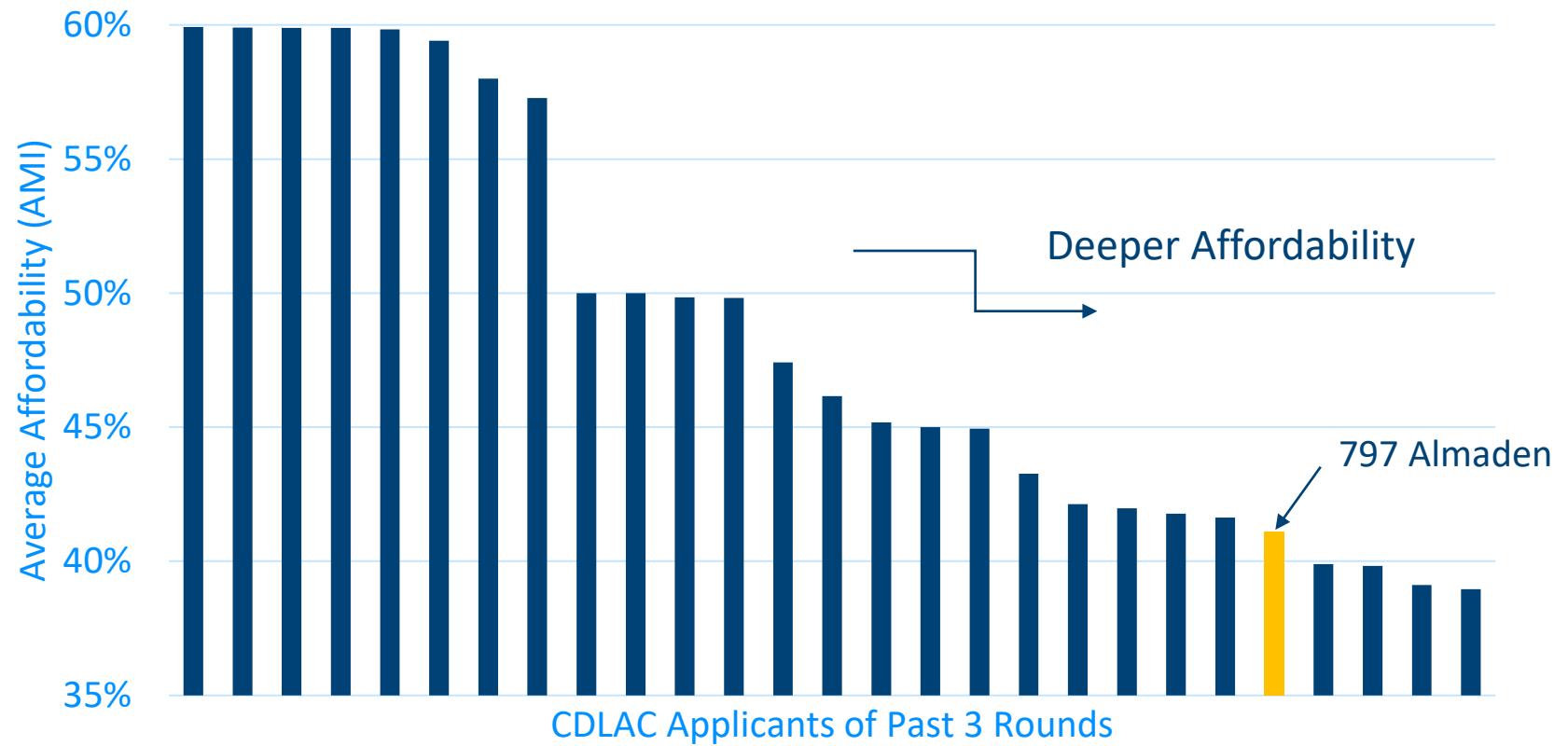
797 Almaden	30% AMI Rent Limits	50% AMI Rent Limits
Studio	\$884	\$1,473
1-BD	\$947	\$1,579
2-BD	\$1,137	\$1,896
3-BD	\$1,314	\$2,190

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



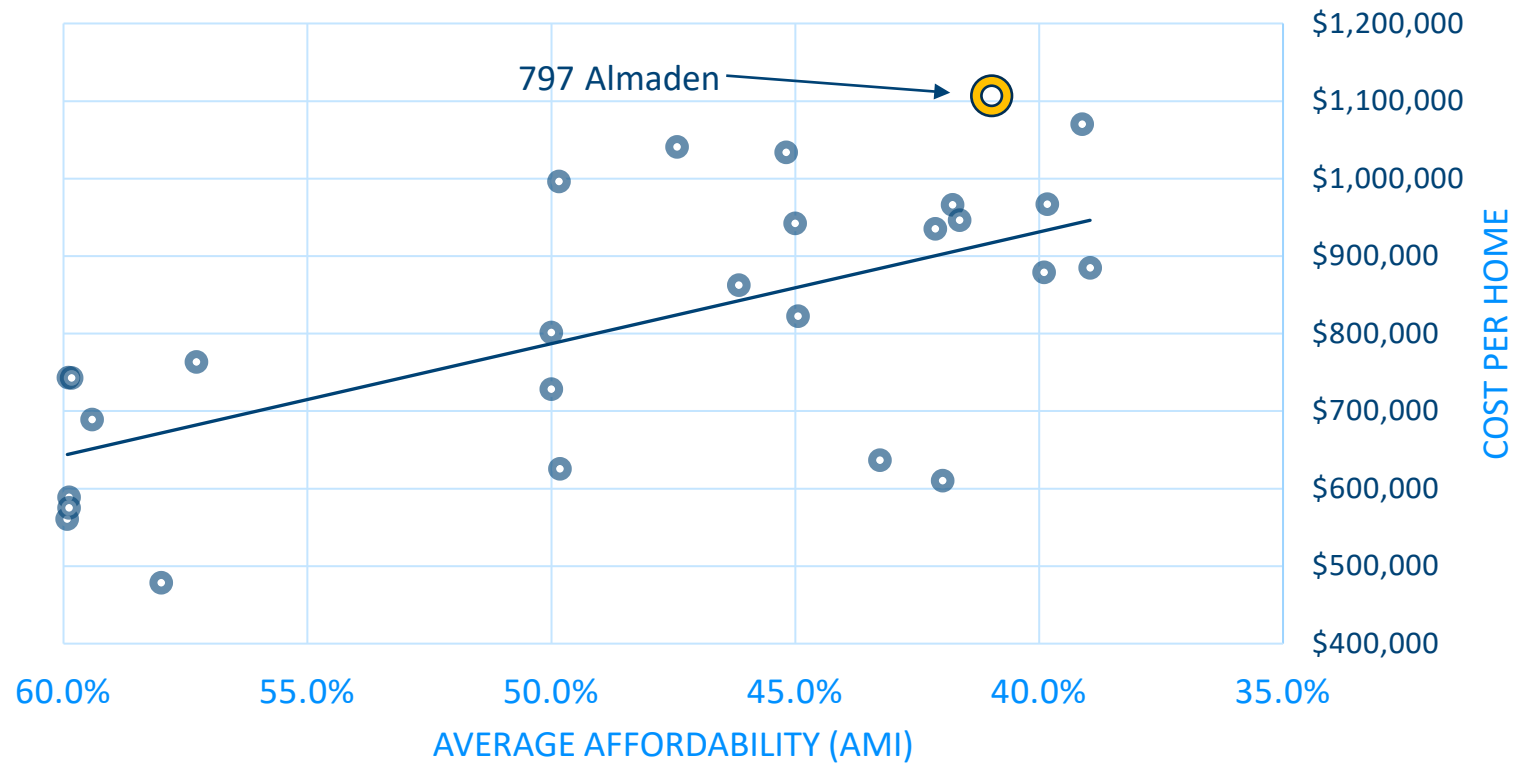
Takeaways for 797 Almaden

797 Almaden's Average Affordability in Comparison

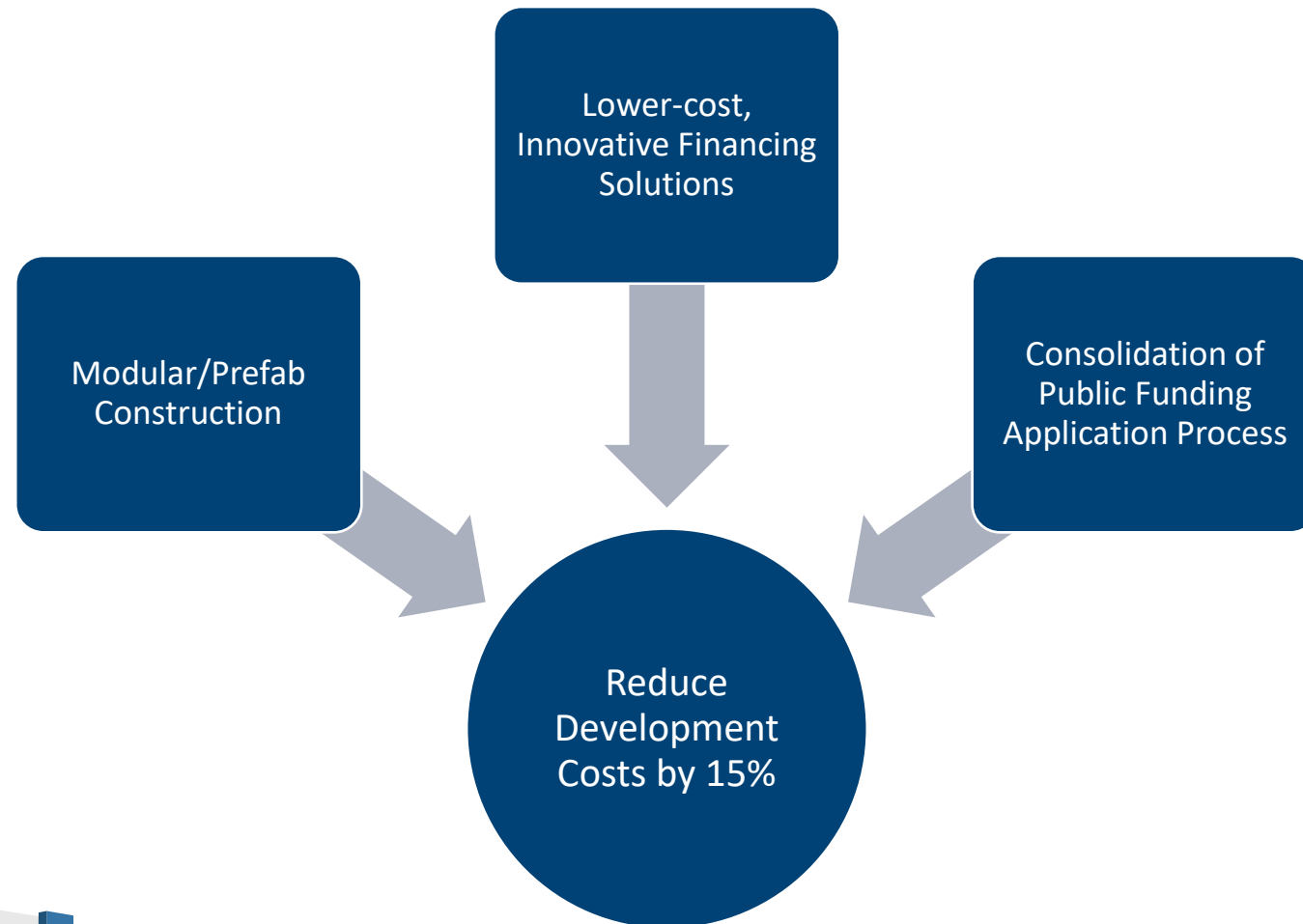


Takeaways for 797 Almaden

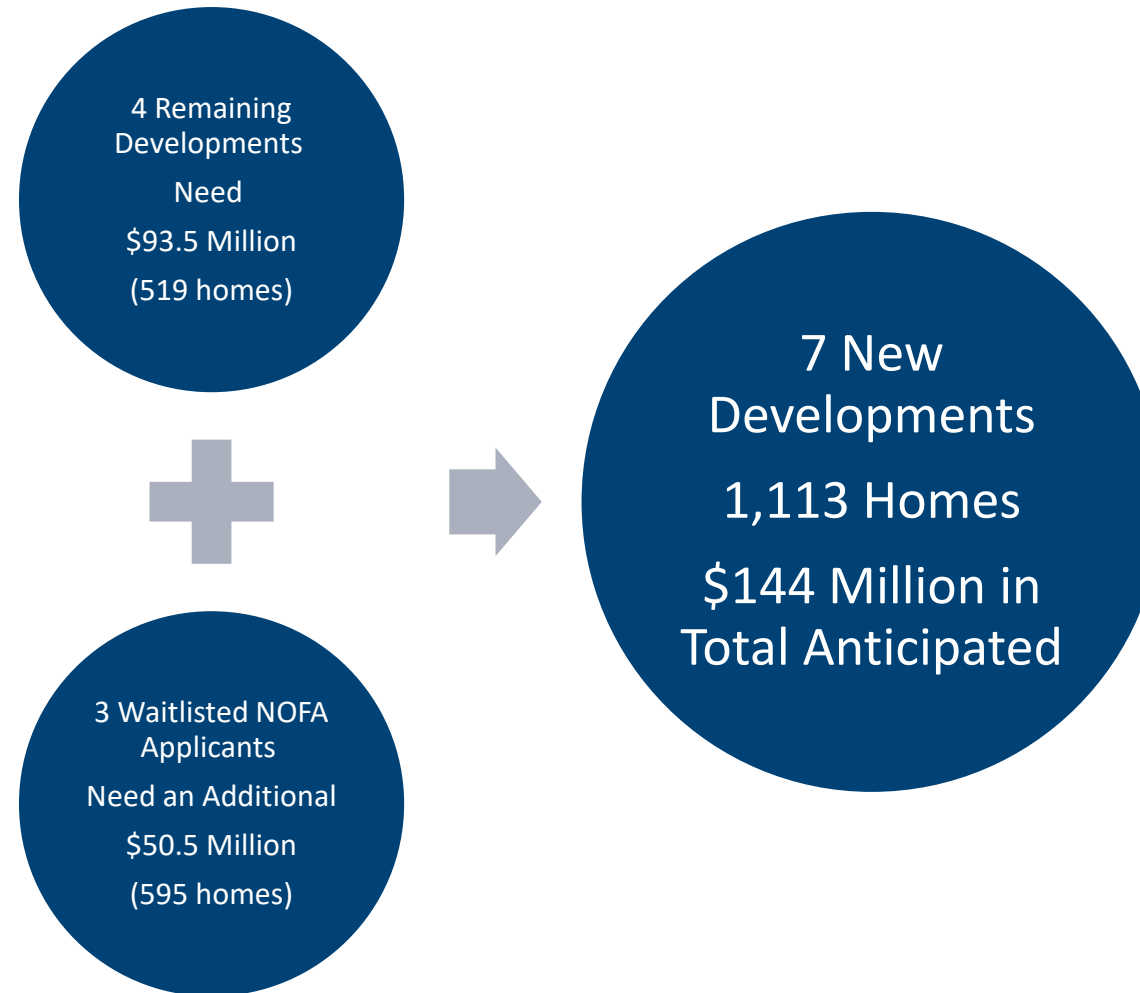
Cost per Home Response to Average Affordability



Moving Forward



NOFA PIPELINE AFTER 797 ALMADEN



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





Housing

Development Approval for 797 Almaden Apartments

March 14, 2023

Items 8.1

Jacky Morales-Ferrand

Director of Housing

Rachel Vander Veen

Assistant Director of Housing