



HOUSING DEPARTMENT

ACTIONS RELATED TO THE LOAN COMMITMENT
AND LAND PURCHASE FOR THE GATEWAY TOWER
AFFORDABLE HOUSING DEVELOPMENT LOCATED
AT 470 SOUTH MARKET STREET

September 30, 2025
City Council

Item 8.2

Erik L. Soliván
Housing Director

Banu San
Deputy Director

Overview

- **100% Affordable Workforce Housing**
- **\$38,440,000** in City contributions
- Developer: **Core Affordable Housing LLC**
- **Santa Clara County Housing Authority:** providing **65 Project-Based Vouchers**
- **County of Santa Clara:** providing \$25,560,000 construction-permanent loan
- Total public subsidy: **\$513K per unit**
- Total private capital: **\$161K per unit**
- City's public subsidy: **\$175K per unit** or 34% of total public subsidies
- Cost of development: **\$896K per unit**

Site



Development Renderings



Sources of Funding

Permanent Period Sources	Funding Type	% of Total Development Cost	Construction Amounts
Permanent Loan	Private	16%	\$30,866,000
Deferred Developer Fee	Private	2%	\$4,556,000
City of San José	Public	19%	\$38,440,000
County of Santa Clara	Public	13%	\$25,560,000
CalHFA MIP	Public	2%	\$4,000,000
Tax Credits	Public	48%	\$93,801,000
Total			\$197,223,000

Workforce Housing Extremely Low-Income

Workforce Housing Extremely Low-Income			
UNIT SIZE	Max Income	Rent Limits	Total
Studio	\$42,210	\$1,055	25
1-BD	\$48,240	\$1,130	30
2-BD	\$54,270	\$1,356	59
3-BD	\$60,270	\$1,567	6
Total			120

Workforce Housing Low to Moderate Income

Workforce Housing Low to Moderate Income											
UNIT SIZE	50% AMI			60% AMI			70% AMI			MGR Unit	Total
	Units	Max Income	Rent Limits	Units	Max Income	Rent Limits	Units	Max Income	Rent Limits		
Studio	4	\$70,350	\$1,758	0	\$84,420	\$2,110	4	\$98,490	\$2,462		8
1-BD	11	\$80,400	\$1,884	48	\$96,480	\$2,261	11	\$112,560	\$2,638		71
2-BD	10	\$90,450	\$2,261	0	\$108,540	\$2,713	8	\$126,630	\$3,165		19
3-BD	1	\$100,450	\$2,611	0	\$120,540	\$3,134	1	\$140,630	\$3,656		2
Total	26			48			24			2	100

Summary

- Strong Collaboration
- Total Cost of Development of \$197 million
- Aligning Policy and Capital Markets



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