



Housing

Loan Commitment Approval for Santa Teresa Multifamily

June 18, 2024

Item 8.3

Erik L. Soliván

Housing Director



Overview

- 🏠 9% Low-Income Housing Tax Credit (LIHTC) Application
- 🏠 Construction-Permanent Loan of \$7,250,000 to construct **Santa Teresa Multifamily**, a new **49-unit** housing development
- 🏠 **48 affordable units:**
 - **25 units** for extremely low-income
 - **23 units** for very low-income
 - **1 unit** for Property Manager
- 🏠 Developer: **Charities Housing**
- 🏠 **Santa Clara County Housing Authority: investing 21 Project Based Vouchers** to rent subsidize very low-income large-family households
 - Providing over \$19,000,000 in operating subsidies through rental assistance



Sources and Uses of Funding

SOURCES	Permanent Amount
Bank Loan	\$6,587,000
County of Santa Clara	\$4,139,328
City of San José	\$7,250,000
9% LIHTC Application Projected Private Equity Investment	\$26,688,107
Federal Home Loan Bank of New York	\$720,000
Total	\$45,384,435

USES

- 🏠 Cost Per Unit: \$926,213
- 🏠 Total Development Cost (TDC): \$45,384,435

Type of Cost	Amount	% of TDC	\$ Per Unit
Hard Construction	\$18.7M	41.2%	\$381,170
Soft Costs and Other	\$14.3M	31.7%	\$293,856
Site Improvements	\$3.7M	8.1%	\$75,174
Sr. Lender Construction Loan Interest	\$3.1M	6.8%	\$62,748
Total Developer Fee	\$2.8M	6.2%	\$57,143
Land Cost	\$2.7M	6.1%	\$56,122





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