



MEMORANDUM

Building Safety and Housing Department

DATE: April 9, 2021
TO: Mayor and Councilmembers
THROUGH: Steve McHarris, City Manager *Steve McHarris*
FROM: Sharon Goei, Building Safety and Housing Director
SUBJECT: 1380-1400 South Main Street (The Mil on Main) Affordable Housing

Background:

The Mil on Main is a fully-entitled 220-unit apartment community located at 1380-1400 South Main Street near the Great Mall Light Rail Station. Developed by the Core Companies (CORE), the Mil on Main was approved by the Milpitas City Council on October 16, 2018. The approved project includes 10 rent restricted units for households at 50% of the Area Median Income (AMI) with the balance being market rate units.

Update:

This project has been delayed due to economic impacts caused by the COVID-19 pandemic. In response, the developer is looking to use public financing opportunities to increase the number of income-restricted affordable apartments. In addition, the developer is looking to change some of the two-bedroom units into three-bedroom units. The total number of housing units will not change. The developer intends to start construction in early 2022.

The project would be financed with a combination of Low-Income Housing Tax Credits and Tax - Exempt Bonds, Santa Clara County Measure A funds, and/or funds from California Housing and Community Development's (HCD) Affordable Housing and Sustainable Communities (AHSC) program. The project will target a variety of household income ranges as noted in the table below. Examples of income ranges of the region's diverse workforce that may qualify for each level include restaurant workers, grocery store clerks, teachers, registered nurses, and entry-level police and firefighters. To qualify for State or County funding sources, a small number of apartments (approximately 20%) would be available to Extremely-Low Income households. The following table summarizes the updated and approximate mix of affordable apartments:

Income Category	Income Range	Approximate Unit Count
Low-Income	\$66,360 - \$94,720	176
Very Low Income	\$55,280 - \$78,920	
Extremely Low Income	\$33,160 - \$47,360	44
Total		220

Aside from these changes, the project is consistent with what the City Council approved in October of 2018. The size, scope, scale, design, amenities, and parking will not differ from what was already approved.

General Plan and Housing Goals

As noted in the City's 2020 Annual Progress Report on the Housing Element, the City has exceeded its market rate housing goals but lags far behind in meeting its goals for low, very-low, and extremely low income housing. The proposed changes to this development are consistent with General Plan goals and would contribute significantly to meeting the City's Regional Housing Needs Allocation (RHNA) obligations. In fact, this project alone would fulfill more than one-third of the City's low-income housing goal.

Affordable Housing and Sustainable Communities (AHSC) Grant

The California Affordable Housing and Sustainable Communities (AHSC) grant program funds the construction of affordable housing and infrastructure that reduce greenhouse gas emissions. The maximum grant per project is \$30M. CORE wishes to apply for funding to subsidize the Mil on Main and to fund approximately \$2.9M in nearby capital projects that reduce greenhouse gas emissions by encouraging more transit use, walking, and biking trips.

Next Steps

The developer has created a resource packet which is attached for reference. The developer plans to share these materials at a community meeting to inform the community and listen to feedback. The developer may request the City Council to adopt a resolution in support of the project pursuing other public funding sources. When that is determined, the item will be agendized for a future Council meeting.

Attachment:

[Resource packet from the Core Companies](#)