

CHARITIES HOUSING

RVSD: 08.03.2018

BLOSSOM HILL ROAD DEVELOPMENT

FREQUENTLY ASKED QUESTIONS

WILL CHARITIES HOUSING COMMISSION A TRAFFIC / ENVIRONMENTAL STUDY?

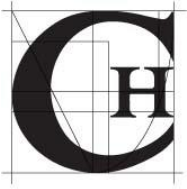
To obtain entitlements (planning approvals), the development must be found to be in compliance with the California Environmental Quality Control Act (CEQA). Part of the CEQA process/analysis is the completion of a Traffic Impact Analysis Report.

The Traffic Impact Analysis (TIA) report ensures developers comply with the City of San Jose's transportation policies and regulations by identifying the impact of the proposed development on the surrounding neighborhood and any required mitigation measures. The developer will engage a traffic consultant to study factors including: trip generation during weekday morning and evening peak hours, traffic volume in scenarios with and without the development, site access, and parking availability. Mitigation measures are then identified to reduce the development impact to a less than significant level. The transportation report becomes part of the environmental documentation needed for entitlement approval.

WHAT POPULATION IS INTENDED TO BE HOUSED AT THIS DEVELOPMENT?

This development will be reserved for frail seniors (62 and over), who may have difficulties living in their homes without services. The Residents will all be extremely low and very-low income.

Extremely low and very-low income households are defined as those whose income falls within 30%-50% of area median income. Currently a 1-person household at 30% of area median income takes in no more than \$25,080 annually; and a 1-person household at 50% of area median income takes in no more than \$41,800 annually.



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The development intends to incorporate the Long Term Supportive Services (LTSS) housing model which includes multipurpose services and design features that enables older adults to maintain independence (prevent institutionalization). The elderly frail population may need assistance related to functional impairments or limitations that make it difficult to live independently without assistance to perform activities of daily living (ADLs). ADLs can be defined as dressing, toileting, bathing, walking, transferring and eating. LTSS housing also supports residents in need of assistance with instrumental activities of living (IADLs) which can include managing medications, money management, meal preparation, grocery shopping, house cleaning etc.

One third of the units will be set aside for senior, homeless households/individuals referred by the County of Santa Clara. Residents in these Permanent Supportive Housing (PSH) units will be referred by the County of Santa Clara from their Coordinated Care Program, Nursing Homes or other County supported residential options.

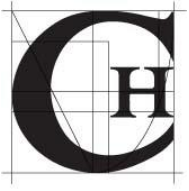
CAN THIS DEVELOPMENT CONVERT FROM AFFORDABLE TO MARKET RATE IN THE FUTURE?

No. The various sources of financing that will be used for this development will require minimally a 55-year affordability restriction which will be recorded on the property.

WHAT SERVICES WILL BE PROVIDED TO RESIDENTS?

Resident services will be provided through a combination of service providers whose expertise is focused on senior health, socialization and support, with the goal of prolonging senior independence. The three service providers that have been initially identified include On Lok Lifeways, Catholic Charities, and the County of Santa Clara or a service provider identified and paid for by the County.

On Lok Lifeways is proposing to provide an Adult Day Health Program and Clinic on-site, in approximately 18,000 square feet of commercial space. On Lok participants receive senior care services based on their individual needs which can include but is not limited to; primary medical care, nursing services, physical therapy, occupational therapy, mental health counseling, speech therapy, podiatry, recreation services, nutrition services, exercise maintenance programs, and hold regular recreational and social



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events at their sites. On Lok's services will be available to qualified residents and the greater community.

Catholic Charities will utilize approximately 5,000 square feet of the commercial space. They intend to provide senior focused programs that will serve residents and the neighboring community. Under a contract with Charities Housing, Catholic Charities will also provide Service Coordination services to the entire resident population. Service Coordination encompasses a wide range of activities that may be provided on or off site. Resident service coordinator responsibilities include linking the residents with the support services that exist in the community.

The County of Santa Clara will provide intensive Case Management for the one third of the population that they will be referring to the property. Using the standard County model for wrap around services in their Permanent Supportive Housing, the County will provide Case Managers at a ratio of 1 case manager for every 20 participants. Services will be tailored to the needs of the individual.

WHAT IS THE CURRENT DEVELOPMENT SIZE BEING PROPOSED AND WHAT ARE YOUR OCCUPANCY LIMITS PER UNIT?

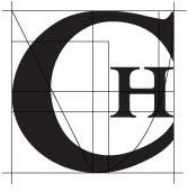
Charities is proposing to develop a 147-unit four-story development for a population that is seniors (62+). The first floor will be a combination of commercial, office and community space with residential units on the top floors. The unit size break-down would be approximately 80% studio apartments, 10% 1-bedroom, and 10% 2-bedroom.

Occupancy per unit is dependent on unit size, Charities Housing abides by HUD occupancy standards which are as follows:

Studio 1-2 persons

1-bedroom 1-3 persons

2-bedroom 2-5 persons



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REVENUE AND FINANCE

WILL RESIDENT'S CAREGIVERS LIVE WITH THE RESIDENT ON SITE? WILL CHARITIES BE VETTING SUCH PROVIDERS?

Charities does not anticipate all tenants residing at the Blossom Hill development to need a caregiver or a live-in aide. Caregivers are typically with the resident for a few hours a day, they are not considered residents of the development, there is no formal vetting process for caregivers as they come and go throughout the day.

If the resident requires a 24-hour live in aide, a request is processed. The site staff do an intake and verification, once the packet is complete it is sent to the corporate office for review and approval or denial. If the live-in aide is approved, Charities runs a background check on the person and the tenant signs a live-in aide addendum. Live-in aides have no tenancy rights and reside on site to assist the resident. If the resident moves out or passes away, the live-in aide is required to move out. Charities Housing does not determine who a resident's live in aide will be.

WHAT ARE THE ANTICIPATED PROPERTY MANAGEMENT STAFFING LEVELS FOR THIS DEVELOPMENT?

Staff will be available during business hours Monday – Friday. Additionally, there will be two staff residing at the property to address property needs after business hours and on weekends.

During the week swing and graveyard hours, front desk clerks are posted at the front entry to provide assistants to residents, verify and check-in guests, conduct physical inspections of the property, and monitor the security cameras that will be located throughout the interior and exterior of the building.

WHAT WILL THE VETTING PROCESS LOOK LIKE FOR APPLICANTS?

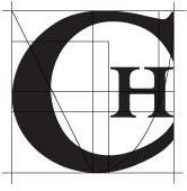
Prior to occupied tenancy every applicant will be screened and either approved or denied based on our tenant selection criteria for the property/population. This process includes but is not limited to the following verifications:

- Income Verification
- Criminal

SOBRATO CENTER FOR NONPROFITS – SAN JOSE
MAIN: 408-550-8300

1400 PARKMOOR AVENUE, SUITE 190
FAX: 408-550-8339

SAN JOSE, CA 95126
WWW.CHARITIESHOUSING.ORG



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- Sex Offender Registry
- Landlord
- Credit
- Eviction History

IS THERE AN EVICTION PROCESS IN PLACE IF RESIDENTS ARE NOT FOLLOWING THE RULES?

Prior to occupancy every resident must review and sign the Lease and House Rules. The House Rules clearly explain the rules that residents must comply with and the consequences of not complying. Depending on the severity of a Lease or House Rule infraction, the resident could face a lease violation (warning) or eviction.

HOW MUCH PARKING WILL BE PROVIDED FOR RESIDENTS AND COMMERCIAL SPACE OCCUPANTS?

Charities is still evaluating how much parking will be needed for the Blossom Hill development. A .68 parking ratio is being considered for the residential portion of the development. Given that a significant percentage of the residents will be frail elderly we are confident that this proposed parking ratio - will be adequate. Charities is also required to provide one parking space per four hundred square feet of floor area for the commercial portion of the development.

Although here are no analogous properties in Charities' portfolio (frail senior/disabled), Charities' experience owning and managing both studio and senior housing, indicates that less than one parking space per unit is more than adequate.

Listed below are examples of parking usage in some of our studio developments:
San Antonio Place, Mountain View – 118 studio apartments completed in 2006

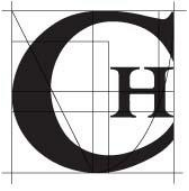
- Parking ratio is at .64, currently 20% of the parking goes unused.

Parkside Studios, Sunnyvale – 58 studio apartments completed in 2015.

- Parking ratio is 1-1, currently 22% of the parking goes unused

Pensione Esperanza, San Jose – 108 SRO apartments completed in 1999

- Parking ratio is at .30, currently all parking is being used.



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WHO WILL BE OCCUPYING THE COMMERCIAL SPACE?

Charities Housing is collaborating with On Lok to utilize a great portion of the commercial space that will be available (approximately 18,000 square feet). On Lok is a well-respected and established senior service provider. On Lok anticipates providing their senior services not only to the Blossom Hill residents but the surrounding community. We are excited that On Lok has agreed to serve from this location, their 46 years of experience will be a great asset to the community.

Additionally, Charities Housing is also partnering with Catholic Charities of Santa Clara County to use approximately 5,000 square feet of the available commercial space. For more than 60 years Catholic Charities of Santa Clara County has worked to strengthen families and build economic self-sufficiency for the poor and vulnerable in the county. Catholic Charities will be offering their services to our residents and the community that may include but is not limited to the following: behavioral health, in home and long-term care, and older adult services.

WILL THE SITE SIT VACANT WHILE YOU GO THROUGH THE ENTITLEMENT PROCESS?

Charities is committed to keeping the site activated. Charities is actively contributing to maintaining a healthy and safe community. As such, the site is currently used by four local and reputable organizations. Renowned artist, Pavel and Peter Mester, The Family Giving Tree, Southridge Church, and the Santa Clara County Fire department.

NEXT STEPS:

Charities has been working on our design process, with community input, and submitted an application to the planning department at the City of San Jose in late June.

**THE BLOSSOM HILL ROAD DEVELOPMENT IS STILL IN THE CONCEPT STAGE.
CHANGES/MODIFICATIONS TO ANY PROJECT SPECIFIC INFORMATION MAY OCCUR**