

Project Description
Multifamily Securities Program
City and County of San Francisco

53 Colton

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of 53 Colton, a 96-unit affordable multifamily housing project to be located at 53 Colton Street, San Francisco, CA 94103 in the City and County of San Francisco (the “Project”).

Upon completion, the Project will include approximately 47,000 square feet of gross floor area, comprised of approximately 41,000 square feet of residential area, including units and purely residential common areas and approximately 6,000 square feet of non-residential area. Non-residential spaces will include services area and office, maintenance shop, bike room, and additional storage area.

Total project costs, including the cost to acquire the land and construct the building, will be approximately \$50,290,989, or \$523,864 per dwelling unit.

The residential unit distribution, which will include 0 superintendent units, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	96
1-Bedroom	0
2-Bedroom	0
3-Bedroom	0
4-Bedroom	0

100 percent of the residential units will serve households earning less than 60 percent of the San Francisco County Area Median Income (AMI).

The 53 Colton is subject to a Development Agreement with the City of San Francisco, and under the Development Agreement, all units in the 53 Colton building will be income-restricted not to exceed 60% AMI for the life of the project.

Residents

No residents will be displaced as the site is currently a surface parking lot.

All tenants of 53 Colton will be formerly homeless single adults referred to the 53 Colton via the Coordinated Entry system. Initially, approximately thirty-five units at 53 Colton will rehouse permanent tenants with leases from the neighboring Civic Center Hotel, which is a largely dilapidated single-room-occupancy (SRO) building. All tenants earn less than 60% of the state area median income as verified by our relocation consultant. As original tenants from Civic Center Hotel move out, units will be filled by referrals from coordinated entry system.

Site Description and Scope of Work

Address: 53 Colton Street, San Francisco, CA 94103
Block/Lot: Block 3505, Lots 027 & 028

Property amenities will include:

- On site social services
- Community room with community kitchen
- Private courtyard
- Bike Room
- Shared laundry room

Development and Management Team

Project Sponsor[s]: Community Housing Partnership and Strada Investment Group
General Contractor: Cahill Contractors, Inc.
Architect of Record: David Baker Architects
Property Manager: Community Housing Partnership

Project Ownership Structure

Borrower Entity: 53 Colton, LP
[Managing General Partner/
Managing Member]: CHP Colton, LLC

An investor limited partner will own a 99.99% interest in the borrower entity.

Financing Structure

The following sources of capital financing are expected to be utilized:

- tax-exempt bonds issued by the City;
- 4% low income housing tax credits (LIHTC);
- GP Equity – Private contribution
- GP Equity – Developer Fee
- MHP Funding (Application Pending)

The sale of LIHTC will generate equity financing for the Project. The amount of private activity tax-exempt bonds used during construction will be sized specifically to meet the 50% of aggregate basis test required for the LIHTC.

Schedule

Financing is anticipated to close between September 1, 2020 and October 1, 2020, with construction commencing within 30 days closing. All construction is scheduled to be completed by April 2022.

Narrative Description of Project Sponsor Experience

Community Housing Partnership

Founded in 1990, Community Housing Partnership (CHP) is an award-winning San Francisco nonprofit dedicated to helping homeless people secure housing and become self-sufficient. CHP believes that by providing high quality housing and delivering comprehensive services we can empower formerly homeless individuals and families to rebuild their lives. CHP develops supportive residential properties and maintains them with high-quality property management services. CHP currently owns, manages and/or provides support services in 16 buildings in San Francisco – a total of over 1,100 units, with 303 more in development. Together they house more than 1,500 formerly homeless individuals. CHP also delivers comprehensive services to its residents. Through individualized case management, employment programs, health services, youth and family programs, and civic engagement initiatives, CHP helps residents become active members of their community.

Strada Investment Group

Strada Investment Group is a real estate investment and development firm focused on urban infill, transit-oriented locations in California. The firm was founded in 2010 in San Francisco on the premise that successful real estate development in high barrier-to-entry markets can best be achieved by applying a combination of senior public and private sector experience. Strada has an exceptionally strong track record in ground-up development and the adaptive reuse and repositioning of existing buildings. Strada has acquired and actively managed over \$250 million worth of real estate with top-tier capital partners. The firm has a fully integrated development team with deep experience entitling, financing, building, and operating a wide variety of asset types, including market-rate and affordable housing. Strada currently has more than 1,000 residential units under various stages of development in the Bay Area.