

Project Description
Multifamily Securities Program
City and County of San Francisco

Bernal Gateway Apartments

Overview

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of Bernal Gateway Apartments, a 55-unit affordable multifamily housing project located at 3101 Mission Street and 141 & 143 Precita Avenue in the City and County of San Francisco (the “Project”).

Following rehabilitation, the Project will include approximately 66,312 square feet of gross floor area, comprised of 47,115 square feet of residential area and 19,197 square feet of non-residential area. Non-residential spaces will include a community center, a central office, and private storage.

Total project costs, including the cost to acquire the land and rehabilitate existing buildings, will be approximately \$40,713,141, or \$738,784 per dwelling unit.

The residential unit distribution, which will include one 3-bedroom manager’s unit is:

<u>Unit type</u>	<u>Number of units</u>
Studio	0
1-Bedroom	9
2-Bedroom	29
3-Bedroom	13
4-Bedroom	4

Twenty-seven percent of the Project’s residential units will serve households earning no more than 20 percent of the San Francisco County Area Median Income (“AMI”), twenty-five percent of units will serve households earning no more than 30 percent of AMI, and the balance of units will serve households earning no more than 60 percent of AMI.

Residents

No residents will be displaced as all residents will have the right to return after any temporary relocation that might be required.

Site Description and Scope of Work

Address: 3101 Mission Street, 141 & 143 Precita Avenue,
San Francisco, CA 94110
Block/Lot: 5501/079

The scope of work for the rehabilitation will include the following:

- Exterior Improvements
 - New landscaping at rear courtyard

- Repair drain at podium level
- Replace exterior stair handrails
- Re-paint exterior stair contrasting stripes
- Repair substrate of concrete pavers
- New trash/recycling metal fence enclosure at rear courtyard
- HVAC
 - Replace exhaust vent caps at building 1 roof
 - Replace mechanical equipment and re-zone systems (design-build)
- Plumbing
 - Replace heating and domestic hot water boilers
 - Repair/clean select sewer laterals, waste pipes
- Electrical
 - Replace building exterior/site lighting
 - Replace interior common area lighting at building 1
 - Replace lighting at unit porches & balconies at buildings 2 & 3
- Accessibility
 - Add new accessible mobility features at 3 existing units
 - Add new accessible communications features at 1 existing unit
 - Re-configure ramp at rear courtyard
- Common Area Interior Improvements
 - New floor and wall finishes at building 1
 - Replace fixtures and appliances at community room
 - New fixtures at youth center
 - New fixtures and appliances at daycare center
- Residential Unit Improvements
 - Replace unit fixtures, appliances & finishes
- Thermal/Moisture Protection
 - Replace waterproof coating at balconies on buildings 2 & 3
 - Remove and replace asphalt shingle roofing at buildings 2 & 3
 - Remove and replace membrane roofing at building 1
- Electronic Safety/Security
 - Replace entry system at main entry and resource center entry

Development and Management Team

Project Sponsor:	Bernal Heights Neighborhood Center
General Contractor:	Midstate Construction
Architect of Record:	The John Stewart Company
Property Manager:	Caritas Management

Project Ownership Structure

Borrower Entity:	Bernal Gateway 2, LP
Managing General Partner:	Bernal Heights Housing Corporation
Co-General Partner:	Ridgepoint Non-Profit Housing Corporation
Administrative General Partner:	Devine & Gong, Inc.

An investor limited partner will own a 99.98% 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”);
- seller carryback financing from Bernal Heights Housing Corp; and
- a conventional first mortgage.

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 January and February 2019, with construction commencing within 60 days of closing. All construction is scheduled to be completed by June 2020.

Tenants are expected to be temporarily relocated for approximately two weeks during each phase of the rehabilitation.