

Project Description
Multifamily Securities Program
City and County of San Francisco

2550 Irving

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of 2550 Irving, a 90-unit affordable multifamily housing project located at 2550 Irving Street, 94122 in the City and County of San Francisco (the “Project”).

Upon completion, the Project will include approximately 100,505 square feet of gross floor area, comprised of 95,969 square feet of residential area and 4,536 square feet of non-residential area. Non-residential spaces will include a parking garage, bike storage, common areas for residents, a laundry room, a community kitchen, office and a meeting room, a roof terrace and garden, on site property management offices, and social services offices.

Total project costs, including the cost to acquire the land and construct new the building, will be approximately 102,778,845 dollars, or 1,141,987 dollars per dwelling unit.

The residential unit distribution, which will include 1 Manager’s unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	9
1-Bedroom	34
2-Bedroom	23
3-Bedroom	24

35 percent of the residential units will serve households earning less than 30 percent of the San Francisco County Area Median Income (AMI) and below, while the balance of units will 30-75 percent of AMI.

Residents

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

Site Description and Scope of Work

Address: 2550 Irving Street, San Francisco, California, 94122

Block/Lot: Block 1724/Lot 038

The scope of work for the Property amenities will include:

- Unit Amenities/Features: Dishwasher, Refrigerator, Range, Microwave, Ceiling Fans, Blinds.
- Project Amenities:
 - 2 Elevators

- 1 Laundry Room with 9 Washers and Dryers
- Community Room, with a Community Kitchen
- Tot Lot/Playground
- High Speed Internet
- Bike Parking
- Roof terrace and garden
- Gated Entry, with building card keys, and security cameras
- Roof Urban Agriculture Programming
- On-site social services and property management

Development and Management Team

Project Sponsor:	Tenderloin Neighborhood Development Corporation
General Contractor:	Guzman Construction Group
Architect of Record:	Pyatok Architects
Property Manager:	Tenderloin Neighborhood Development Corporation

Project Ownership Structure

Borrower Entity:	2550 Irving Associates, L.P.
Managing General Partner:	2550 Irving GP LLC

An investor will replace the initial Limited Partner, Taylor Family Housing, Inc., will and own a 99.99% interest in the borrower entity.

Turk Street, Inc. is the Sole Member of 2550 Irving GP LLC.

The Project Sponsor, and Manager of 2550 Irving GP LLC, is the Tenderloin Neighborhood Development Corporation.

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);
- HCD Multifamily Housing Program (MHP) and Infill Infrastructure Grant (IIG)
- Federal Home Loan Bank Affordable Housing Program (FHLB AHP)
- a conventional first mortgage; and
- soft debt from the City.

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 April 2024 and May 2024, with construction commencing following closing. All construction is scheduled to be completed by November 2025.

Narrative Description of Project Sponsor Experience

TNDC was formed in 1981 to serve the low-income community of the Tenderloin neighborhood of San Francisco. Since that time, we have expanded to nine different parts of San Francisco, yet remain deeply committed to providing affordable homes and services for San Francisco residents with the lowest of incomes. TNDC began with the purchase of a single SRO and a desire to protect the neighborhood from speculative real estate and gentrification pressures as the hotel and financial districts began encroaching on the neighborhood. Since that first building purchase over 41 years ago, TNDC has grown its portfolio to include 44 buildings located throughout the City of San Francisco, providing over 4,100 homes.

As owner and asset manager, TNDC is committed to ensuring and monitoring the long-term social, physical, and financial goals of each building in our ownership portfolio; our team has tackled some large and complex acquisitions, proving that we have the capacity to take on projects within the TNDC development pipeline year-over-year. TNDC effectively owns and operates one of the largest portfolios of low-income tax credit housing within San Francisco, demonstrating our capacity to successfully own and operate new projects.

TNDC has completed development of over 40 rehab and new construction projects; these projects include over 1,000 units for formerly homeless households, demonstrating TNDC's deep knowledge and expertise in engaging communities to plan, finance, develop, operate, and provide supportive services to residents of affordable housing, including formerly homeless individuals, families, seniors, and those with special needs.

TNDC Asset Management has extensive experience managing complex regulatory and compliance requirements of the various local, state and federal agencies including Low Income Housing Tax Credits (LIHTC), California Department of Housing and Community Development (HCD), Community Development Block Grant (CDBG), HOME, San Francisco Mayor's Office of Housing and Community Development (SFMOHCD) and Office of Community Investment and Infrastructure (OCII) capital providers, as well as operating subsidy partners. Operating subsidy partners include: City of San Francisco Local Operating Subsidy Program (LOSP), San Francisco Housing Authority, HUD Project Based Voucher Section 8, Rental Assistance Demonstration (RAD), McKinney Shelter Plus Care, CalHFA Mental Health Services Act, and San Francisco Department of Homelessness and Supportive Housing (who contracts were previously administered by the San Francisco Department of Public Health and San Francisco Human Services Agency).

Key acquisition accomplishments include the Citizen's Housing Portfolio Acquisition in 2009, where we acquired 548 units of low-income housing across 6 buildings, many of which service Special Needs and Formerly Homeless families and individuals, and Rental Assistance Demonstration (RAD) Acquisitions, where we acquired 5 RAD properties that included 726 units. These experiences, in which TNDC took over ownership and property management of several buildings serving low-income individuals and families, demonstrates TNDC's capacity to manage its growth as the organization expands its portfolio. The department works in close collaboration with the Housing Development, Property Management and Accounting departments to achieve long-term sustainability of the organization's portfolio of 41 stabilized buildings.

TNDC was the first agency to implement a precursor to the “Fair Chance Ordinance” in 2012 for Kelly Cullen Community. Using this low-barrier tenant selection process, TNDC reduced the denial ratio from the average 50% to 6% from over 192 applications. By implementing a “Request for Consideration” with the application, those that may otherwise be denied for “standard” criminal screening were instead flagged up front, thereby circumventing appeals and reducing anxiety among this vulnerable population. Not only did this program receive praise from the Department of Public Health and the Corporation for Supportive Housing, it was also highlighted at a subsequent Housing California Conference.