

May 3, 2016

**City and County of San Francisco
Multifamily Housing Revenue Bond Program
Project Description**

Mission Bay South Block 3 East - 1150 3rd Street

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of 1150 3rd Street, a 101-unit affordable multifamily housing project to be located at 1150 3rd Street in San Francisco’s Mission Bay neighborhood (the “Project”). The Project, which is being developed by Chinatown Community Development Center and Swords to Plowshares, will serve low-income families and formerly homeless veterans.

Upon completion, the Project will include approximately 121,832 square feet of gross floor area, comprised of 78,778 square feet of residential area and 61,027 square feet of non-residential area. Non-residential spaces will include a large community room; multipurpose and youth rooms; office and counseling spaces; laundry facilities; and a large, landscaped central courtyard.

Total project costs, including the cost to acquire the land and construct new buildings, will be approximately \$90 million, or \$892,000 per dwelling unit.

The residential unit distribution, which will include a single 3-bedroom onsite manager’s unit, is as follows:

<u>Unit type</u>	<u>Number of units</u>
1-Bedroom	50
2-Bedroom	30
3-Bedroom	21

50% percent of the residential units will serve veteran households earning less than 30 percent of the San Francisco County Area Median Income (“AMI”); these one-bedroom units will be set aside for formerly homeless veterans. Thirty (30) units will serve households earning less than 50 percent of AMI and 20 households earning less than 60 percent AMI.

The developers anticipate receiving a combination of VASH and LOSP subsidies. In the event of a loss of subsidy, the maximum rents would go to 60% AMI.

Residents

No residents will be displaced as this is a new construction project.

Site Description and Scope of Work

Address: 1150 3rd Street, San Francisco, California 94158
Block/Lot: 8711/026

Property amenities will include:

- a community room w/ kitchen;
- a computer lab;
- a teen room;
- a multi-purpose room;
- two laundry rooms;
- courtyards on upper and lower levels;
- a multigenerational, fully accessible multi-use space;
- architectural and sculptural play features;
- a community gardening area;
- a parking garage with 19 spaces, including two car share vehicles; and
- multiple green building elements.

Development and Management Team

Project Sponsors:	Chinatown Community Development Center and Swords to Plowshares
General Contractor:	Nibbi Brothers General Contractors
Architect of Record:	Leddy Maytum Stacy Architects
Property Manager:	Chinatown Community Development Center and Swords to Plowshares

Project Ownership Structure

Borrower Entity:	MB3E, L.P.
Managing Member:	CCDC-MB3E 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”);
- an Office of Community Investment and Infrastructure loan;
- California Veterans Housing and Homelessness Prevention Program;
- HUD Veterans Affairs Supportive Housing;
- Federal Home Loan Bank Affordable Housing Program;
- California Affordable Housing and Sustainable Communities Program;
- Local Operating Subsidy Program; 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. The calculation of tax credits utilizes a 30% basis boost as the U.S. Department of Housing and Urban Development has designated San Francisco County a “difficult development area.”

Schedule

Financing is anticipated to close between June and September 2017, with construction commencing within 14 days of closing. All construction is scheduled to be completed by June 2019.