

Project Description
Multifamily Securities Program
City and County of San Francisco

[Treasure Island Parcel C3.1]

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of Treasure Island Parcel C3.1, a 138-unit affordable multifamily housing project to be located at Treasure Island Parcel C3.1 (6th Street at Avenue C), San Francisco, CA 94130 in the City and County of San Francisco (the “Project”). Upon completion, the Project will include approximately 199,000 square feet of gross floor area, comprised of 113,076 square feet of residential area and 20,654 square feet of non-residential area.

Total project costs, including the cost to acquire the land and construct new buildings, will be approximately 123,182,776, or 892,628/unit per dwelling unit.

The residential unit distribution, which will include one (1) 2-bedroom superintendent unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	0
1-Bedroom	23
2-Bedroom	60
3-Bedroom	40
4-Bedroom	14

51.4% percent (71 units) of the residential units will serve existing Catholic Charities households earning less than 41% percent of the San Francisco County Area Median Income (AMI) or its equivalent to 30% of the Tax Credit Allocation Committee Area Median Income (TCAC AMI). 43 of the residential units (31%) will serve households earning 68% and 108% percent of AMI or the equivalent TCAC AMI. The remaining 23 residential units (17%) will serve over-income existing households up to 136% percent AMI or the equivalent TCAC AMI and these 23 units will not be tax credit eligible. Currently, the building has income averages at 73.96% percent AMI and 54.28% TCAC AMI.

Residents

No residents will be displaced with this new construction development.

Site Description and Scope of Work

Address: Treasure Island Parcel C3.1 (6th Street at Avenue C), San Francisco, CA 94130
Block/Lot: 8905/001

Property amenities will include:

- Community room
- Teen room
- Services room and office

- Property management suite, and;
- Open space.

Development and Management Team

Project Sponsor: Mercy Housing California
 General Contractor: Nibbi Brothers
 Architect of Record: Paulett Taggart Architects
 Property Manager: Mercy Housing Management

Project Ownership Structure

Borrower Entity: Mercy Housing California 82, L.P.
 Managing General Partner: Mercy Housing Calwest, a California nonprofit public benefit corporation

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);
- a conventional first mortgage;
- soft debt from California Housing and Community Development's Affordable Housing Sustainable Communities (AHSC);
- soft debt from the City;
- Federal Home Loan Bank Affordable Housing Program loan, and;
- Deferred developer fee.

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 12/15/2021 and 1/15/2022, with construction commencing within 30 days closing. All construction is scheduled to be completed by 11/15/2023.

Narrative Description of Project Sponsor Experience

Mercy Housing is a national non-profit affordable housing developer based in Denver, Colorado. With a presence in 41 states, Mercy Housing serves more than 177,000 people and has participated in the development, financing or operation of more than 35,700 homes. Our portfolio spans across the continuum of housing development including rental and for-sale, new

construction and rehab, and single-family and multi-family products. We serve families, seniors, the disabled, and individuals with special needs—i.e. formerly homeless, people living with HIV/AIDS, and the developmentally disabled.