

Project Description
 Multifamily Securities Program
 City and County of San Francisco

Yosemite

Overview

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation/development of the Yosemite, a 32 unit affordable multifamily housing project located at 480 Eddy Street, San Francisco, CA 94109 in the City and County of San Francisco (the “Project”).

Following rehabilitation the Project will include approximately 20,159 square feet of gross floor area, comprised of 19,374 square feet of residential area and 785 square feet of non-residential area. Non-residential spaces will include one commercial space on the first floor, currently leased by a nonprofit yoga and wellness group that provides services to Tenderloin residents.

Total project costs, including the cost to acquire the land and construct/rehabilitate buildings, will be approximately \$26MM or \$785,000 per dwelling unit.

The residential unit distribution, which will include 1 studio night manager unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	30
1-Bedroom	1
2-Bedroom	0
3-Bedroom	0
4-Bedroom	0
MGR	1

One hundred percent of the residential units will serve households earning less than one hundred percent of the San Francisco County Area Median Income (AMI), at varying levels of affordability.

	50%	60%	70%	80%	100%	120%	Market Rate	Total (Row)
SRO								
Studio	8	4	16	2	1			31
1-Bedroom		1						1
Total (Column)								32

Residents

No residents will be displaced as all residents will have the right to return after any temporary relocation that might be required. There is one over-income household at the property; TNDC plans to offer permanent relocation assistance to this household so that their unit can be qualified for tax credits.

Site Description and Scope of Work

Address: 480 Eddy Street, San Francisco, CA 94109
476 Eddy Street, San Francisco, CA 94109 (commercial space)
Block/Lot: Lot 014 / Block 0334

The scope of work for the rehabilitation will include:

- Structural upgrades
- ADA units
- Common area ADA upgrades
- Fire sprinklers
- Roof replacement
- Elevator upgrade
- Unit kitchen, bath, and finishes upgrades
- Brickpointing & cornice repairs
- Plumbing replacement
- Integrated pest management
- Replace heating & domestic hot water boilers
- Backyard landscaping
- Common area finishes
- Security cameras
- Wireless internet

Development and Management Team

Project Sponsor[s]: Tenderloin Neighborhood Development Corporation
General Contractor: D&H Construction
Architect of Record: Paulett Taggart Architects
Property Manager: Tenderloin Neighborhood Development Corporation

Project Ownership Structure

Borrower Entity: Yosemite Apartment Associates, L.P.
[Managing General Partner/
Managing Member]: Yosemite GP 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);
- Historic tax credits
- seller carryback financing

- soft debt from the City.
- Gap financing provided by Tenderloin Neighborhood Development Corporation

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 May 1, 2020 and June 1, 2020 with construction commencing within 14 days closing. All construction is scheduled to be completed by July 2021.

Construction will either take place in one phase or two phases; the different options are currently being vetted by the project team. If the construction takes place in one phase, tenants will be temporarily relocated for approximately nine months. If the construction takes place in two phases, tenants will be temporarily relocated for approximately six months.

Addendum 1: MOHCD Application for Program Financing

Project Sponsor Experience

See attached.

PROJECT SPONSOR EXPERIENCE

Sponsor Experience: Tenderloin Neighborhood Development Corporation

The Tenderloin Neighborhood Development Corporation (TNDC) provides services for more than 4,700 low-income residents in six San Francisco neighborhoods, building community and promoting equitable access to opportunity and resources. Founded in 1981, TNDC now employs 410 people, some who live in TNDC affordable housing buildings. In addition to housing development, TNDC focuses on community organizing, urban food growth and land use, and its after-school program with the idea that everyone should have good quality housing and good quality of life in the city they love.

Housing Development:

TNDC has developed 41 buildings with eleven more currently in the pipeline. These developments provide over 3,700 affordable homes to the San Francisco community. TNDC's experience includes all the major financing sources used in the production of low-income housing as well as challenging tenant-occupied rehabilitations and new construction on tight, in-fill sites in San Francisco. In its 37 years of providing housing for the poorest of San Francisco's residents, TNDC has developed an acute knowledge of the development, operations and services needs of supportive housing projects. In addition, TNDC considers itself a community development organization as well and is experienced in community-building in the neighborhoods in which it works.

TNDC's Housing Development department creates high-quality, permanently affordable housing for low-income individuals, families, and seniors. Our team of seventeen development professionals is responsible for managing the acquisition, finance, design development and construction of affordable rental housing projects. TNDC expects to grow its portfolio to more than 5,500 homes in the coming 5 years.

Project Ownership and Management Structure of the Project after Closing

The project's ownership structure has a limited partner as the owner and TNDC as the manager of the General Partnership. This ownership structure will remain in place after closing.

Property Management:

Since its inception, TNDC has been managing affordable housing to the highest standard of quality, care and compliance. TNDC's Property Management Department is comprised of more than 200 employees and manages the 41 buildings housing 4,700 residents as well as 42 commercial spaces totaling over 215,000 square feet. We use our award-winning approach to create safe and secure environments while operating as efficiently as possible. A key element of our management practice is that building management staff work closely with the building's on-site support services staff to ensure residents retain their housing. TNDC knows that collaboration, through regular meetings between management and services, not only keeps people in their homes, but also reduces vacancy rates, increases rent receipts, and decreases property damage. Management and services jointly coordinate activities and events that bring residents and staff together, thus engendering a community atmosphere with the building. TNDC has a Property Supervisor dedicated to managing our retail spaces in coordination with our contracted commercial property management agent Ventura Partners.

Tenant Services:

TNDC's Social Work Unit has extensive experience developing and implementing service plans that meet the needs of diverse family and individual populations. Currently, TNDC has 28 Social Workers, and 85% of tenants participate in support services annually at our properties.

TNDC's support services have a demonstrated record of accomplishment in achieving its goals:

- 85% of TNDC's tenants participate in support services annually
- 95% of TNDC's tenants pay their rent on-time on a regular basis
- 95% of the tenants who were in jeopardy of losing their housing due to non-payment of rent and/or nuisance behavior and/or health and safety hazards remained housed or moved-out prior to an eviction
- 90% of TNDC's tenants remain housed for at least 12-months
- 70% of support service referrals result in linkages annually
- 72% of TNDC's tenants participate in community events and activities
- 93% of the tenants who responded to the annual Satisfaction Survey reported satisfaction with support services