

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

5th & Howard

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of a scattered site housing project with two sites located in the City and County of San Francisco (the “Project”). The first site, located at 921 Howard Street, will be a 201-unit 100% affordable multifamily development, while the second site, located at 206 5th Street, will be a 62-unit 100% affordable air rights parcel located in a building with a total of 231 units. The remaining 169 units at the 206 5th Street site will be moderate-income and market-rate units, which will be under separate ownership and not part of the bond financing.

Upon completion, the 921 Howard Street site will include approximately 217,775 square feet of gross floor area, comprised of 197,524 square feet of residential area and 20,251 square feet of non-residential area. Non-residential spaces will include common areas, laundry facilities, property management office space, parking, and utility rooms. Total project costs for this site, including the cost to acquire the land and construct new buildings, will be approximately \$147 million or \$732,000 per dwelling unit.

Upon completion, the 206 5th Street site will include approximately 241,871 square feet of gross floor area, of which approximately 65,305 square feet will comprise the affordable air rights parcel. Non-residential spaces will include common areas, laundry facilities, property management office space, parking, and utility rooms. Total project costs for the affordable portion of this site, including the cost to acquire the land and construct new buildings, will be approximately \$45 million, or \$732,000 per dwelling unit.

The preliminary residential unit distribution for the 921 Howard site, which will include two 2-bedroom manager’s unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	30
1-Bedroom	76
2-Bedroom	81
3-Bedroom	14

The preliminary residential unit distribution for the affordable portion of the 206 5th Street site, which will include one 2-bedroom manager’s unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	7
1-Bedroom	29
2-Bedroom	25
3-Bedroom	1

Between the two sites, all 263 affordable units will serve households earning less than 50% of the San Francisco County Area Median Income (“AMI”).

Residents

No residents will be displaced as the sites are currently developed with a parking lot and two small commercial buildings.

Site Description

Addresses: 909 & 921 Howard Street, San Francisco, CA 94103 (921 Howard Street site)
414 Tehama Street, San Francisco, CA 94103 (921 Howard Street site)
206-228 5th Street, San Francisco, CA 94103 (206 5th Street site)

Blocks/Lots: 3732/003; 3732/004; 3732/005; 3732/099; 3732/100; 3732/145A; 3732/146;
3732/149

Development and Management Team

Project Sponsor: Tenderloin Neighborhood Development Corporation (“TNDC”)
General Contractor: *To be determined*
Architect of Record: HKIT Architects
Property Manager: TNDC

Project Ownership Structure

Borrower Entity: A to-be-formed limited partnership
Managing General Partner: 5H GP LLC
GP LLC Managing Member: Turk Street, Inc.

An investor limited partner will own a 99.99% interest in the limited partnership (to be formed).

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”),
- off-site inclusionary housing funds,
- a conventional first mortgage, and
- soft debt from the City.

The sale of LIHTC will generate equity financing for the Project. The amount of tax-exempt private activity 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 May and July 2018, with construction commencing within 90 days of closing. All construction is scheduled to be completed by August 2021.