

Project Description
Multifamily Securities Program
City and County of San Francisco

Mission Bay South Block 6 West (691 China Basin Street)

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of Mission Bay South Block 6 West (also known as 691 China Basin, hereinafter referred to as “MBS 6W” or the “Project”), a 152-unit affordable multifamily housing project to be located at 691 China Basin Street in the City and County of San Francisco (the “Project”). Thirty-eight of the Project’s units will be set aside as public housing replacement units for households voluntarily relocating from Sunnydale HOPE SF sites.

Upon completion, the Project will consist of approximately 187,182 square feet of gross floor area, comprised of 125,737 square feet of residential area and 61,445 square feet of non-residential area. Project amenities will include a ground floor childcare center, 27 parking spaces, a large landscaped courtyard, a community serving commercial space, large community room with a kitchen, an outdoor multipurpose space, children's play space, services offices, onsite laundry, and bike parking.

Total project costs, including the cost to acquire the land and construct the new building, will be approximately \$115,000,000, or \$756,579 per dwelling unit.

The residential unit distribution, which will include a single 2-bedroom superintendent unit, is as follows:

| <u>Unit type</u> | <u>Number of units</u> |
|------------------|------------------------|
| Studio | 10 |
| 1-Bedroom | 34 |
| 2-Bedroom | 77 |
| 3-Bedroom | 29 |
| 4-Bedroom | 1 |
| 5-Bedroom | 1 |

All of the Project’s residential units will serve households earning less than 60% percent of the San Francisco County Area Median Income (“AMI”).

Residents

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

Site Description and Scope of Work

Address: 691 China Basin Street, San Francisco, CA, 94158
Block/Lot: Block 8711, Lot 020

MBS 6W’s building massing includes four distinct wings along each of the blocks’ frontages or urban edges. There are two primary “civic” faces that overlook public parks, one with the tallest elements faces

China Basin Street and the Kids' Park (P6) and the second faces Mission Bay Commons. The seven-story China Basin Wing is the tallest portion of the block and features a façade and corner stair tower as a termination to the urban view corridor originating across the channel in Mission Bay North. The China Basin Wing also features a childcare center that will serve approximately 45 children on the ground floor, directly across from the Kids' Park (P6). The Mission Bay Boulevard façade features a large community room as well as the community serving commercial space. The Merrimac Street façade, because of its length, is broken up into three blocks separated by exterior pedestrian bridges. Finally, a four story building with stacked flats and stoops lines the pedestrian mews that separates MBS 6W with neighboring OCII affordable parcel Block 6E. The four different building nodes are intended to represent different neighborhoods with a larger MBS 6W community and are adjoined through the central courtyard space.

The site will be served by a 27-space podium parking garage at grade, inclusive of two offsite car share spaces. The parking garage entrance will be located on Merrimac Street, mirroring the garage entrance to the market-rate residential building across the street.

The units will be built through three different building types (I, III, and V) and exterior materials will be primarily comprised of economical building materials (cement plaster, cementitious panels, and lap siding) with a premium material reserved for the northwest corner stair tower, to highlight this important element.

Development and Management Team

| | |
|----------------------|--------------------------------|
| Project Sponsor: | Mercy Housing California |
| General Contractor: | Cahill Contractors, Inc. |
| Architect of Record: | Paulett Taggart Architects |
| Property Manager: | Mercy Housing Management Group |

Project Ownership Structure

| | |
|---------------------------|-----------------------------------|
| Borrower Entity: | Mercy Housing California 78, L.P. |
| Managing General Partner: | Mercy Housing Calwest |

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;
- grant funding from the State Infill Infrastructure Grant Program; 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 December 2018 and February 2019, with construction commencing within 30 days closing. All construction is scheduled to be completed by December 2020.