

1036 Mission Apartments Project Overview

Project Summary

1036 Mission Apartments is a mixed-use, new construction project that will consist of 83 units and a ground-level commercial space for a community-serving retail use. All of the units will be made available to families and individuals earning no more than 50% of Area Median Income (AMI), and more than half of the units will be two and three bedrooms in order to target low-income families. Additionally, 40 of the units will be made available to homeless or families at risk for homelessness earning no more than 30% of AMI, with rental subsidies for those units provided by the City's Local Operating Subsidy Program (LOSP).

The residential unit distribution, which will include one 1-bedroom manager's unit, is:

1-BRs	38 units
2-BRs	38 units
3-BRs	7 units

In total, the nine-story building will consist of 96,576 square feet, including 1,039 square feet of ground floor commercial space. It will also feature a large indoor community room with a teaching kitchen, a 2,000 square-foot outdoor courtyard, and a 1,300 square-foot rooftop terrace for community gardening activities. Total project costs will be nearly \$51,669,639 or \$622,526 per dwelling unit.

Description of Residents

As a new construction project being built on an existing parking lot, no occupied housing residents will be displaced. However, a commercial parking lot operator will be displaced as part of the new development. 1036 Mission Associates, L.P. hired Overland, Pacific & Cutler as a relocation consultant to assist in this relocation effort.

Site Description and Scope of Work

Address: 1036 Mission Street, San Francisco, CA 94103
Block/Lot: 3073/162

The new construction project will include demolition of the current asphalt parking lot, excavation, pouring of a mat slab, and building of the nine-story structure. Construction is projected to last 19 months. The parking lot operator will be relocated prior to construction, which is scheduled to commence in May 2016.

Development Team

Project Sponsor: 1036 Mission Associates, L.P. (development of the project)
Non-profit Partner: Tenderloin Neighborhood Development Corporation (TNDC)
General Contractor: James E. Roberts-Obayashi Corporation (JERO)
Property Manager: TNDC
Architect: Mithun | Solomon

Project Ownership Structure

- The existing owner of the project is 1036 Mission Associates, L.P. which will transfer the property to the new limited partnership.
- An Investor Member will own a 99.99% member interest in the owner.
- Any required guaranties will be provided by TNDC.

Financing Structure

The following sources of capital financing will be utilized:

- tax-exempt bonds issued by the City of San Francisco;
- 4% federal low-income housing tax credits (LIHTC);
- Federal Home Loan Bank Affordable Housing Program funds;
- an equity contribution by the General Partner; and
- soft debt from the City and County of San Francisco.

Permanent soft financing includes California Department of Housing and Community Development Transit Oriented Development (TOD) and Multi-family Housing Program (MHP) funds.

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 4% tax credits. The sale of 4% LIHTC will generate equity financing for the project. The calculation of tax credits utilizes the 30% basis boost as San Francisco County is a “difficult-to-develop” area.

Schedule

Financing is anticipated to close between May 1, 2016 and May 31, 2016, with construction starting within 30 days of closing.

Construction will last 19 months, with an anticipated completion date of November 2017.