



3300 Mission

BUDGET AND FINANCE
COMMITTEE

September 25, 2024

William Wilcox, Tax-Exempt Bond Program Manager
Mayor's Office Of Housing And Community Development

File #240884: Acquisition, Ground Lease, Loan, Limited Payment Guaranty

Resolution 1) approving and authorizing the Director of Property, on behalf of the San Francisco Mayor's Office of Housing and Community Development ("MOHCD"), to acquire real property located at 3300, 3306, and 3308 Mission Street ("Property") from 3300 Mission Partners LP. ("Borrower") for \$4,151,000 under an Agreement for Purchase and Sale ("Purchase Agreement"); 2) placing the Property under the jurisdiction of MOHCD for use in constructing affordable housing; 3) approving and authorizing the Director of Property and the Director of MOHCD to enter into a Ground Lease to lease the Property back to the Borrower for a term of 75 years and one 24-year option to extend and an annual base rent of \$1 ("Ground Lease") in order to construct a 100% affordable, 35-unit multifamily rental housing development affordable to low-income households, including one manager unit, and ground floor commercial space (the "Project"); 4) approving and authorizing an Amended and Restated Loan Agreement in an amount not to exceed (NTE) \$12,440,242 for a minimum loan term of 57 years ("Loan Agreement") to finance the development and construction of the Project; 5) approving and authorizing a limited payment guaranty in an amount not to exceed \$1,000,000 from MOHCD for the benefit of Wincopin Circle LLLP ("Limited Payment Guaranty");

PROJECT TIMELINE – 3300 Mission

- The site has been a vacant husk since a 2016 fire destroyed the bar and Single Room Occupancy (SRO) hotel previously at the site, leaving the building uninhabitable.
- Development team acquires property in June 2023
- Then later in June 2023 project is awarded \$6.5m in acquisition and predevelopment funds from MOHCD NOFA
- July 2024 project awarded \$25m in 9% Low Income Housing Tax Credits
- November 2024 construction to begin
- May 2026 Lease Up begins





PROJECT

- Located in Bernal Heights corridor of Mission Street, which has seen almost no affordable housing production in recent years
- 35 studio units affordable to households making 30% to 80% of Area Median Income (AMI)
- Bernal Heights Neighborhood Center will provide on-site services
- Commercial Space
 - 700 Square Foot Ground Floor Commercial Space with tenant TBD
- Project team consists of:
 - Bernal Heights Housing Corporation
 - Tabernacle Community Development Corporation
 - Mitchelville Real Estate Group

PERMANENT FINANCING

Total Development Sources	\$36.8M
▪ MOHCD Predevelopment Loan (Existing)	\$2,349,000
▪ MOHCD Permanent Gap Loan (Today)	\$7,991,242
▪ MOHCD FHLB AHP Bridge Loan (Today)	\$2,100,000
▪ 9% Tax Credit Equity (Enterprise)	\$24,400,800

MOHCD to Acquire Land and Ground Lease Property to Developer

- \$4,151,000 existing MOHCD acquisition loan deemed repaid upon transfer of the land

Emerging Developer Capacity Guaranty

- \$1,000,000 guaranty for shorter of construction period or three years to support emerging developers who otherwise would be unable to develop housing





William Wilcox, Tax
Exempt Bond Program
Manager, MOHCD

Gina Dacus, Bernal Heights
Neighborhood Center

Todd Clayter, Tabernacle
Community Development
Corporation