

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

Knox SRO

Overview

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of the Knox SRO, a 140-unit affordable multifamily housing project at 241 6th Street, 94103 in the City and County of San Francisco (the “Project”).

Following rehabilitation, the Project will include approximately 54,450 square feet of gross floor area, comprised of 47,950 square feet of residential area and 6,500 square feet of non-residential area. Non-residential spaces will include front entrance reception area, manager’s office, elevator entrance lobby, mail room, laundry room, social worker’s office, men’s and women’s restrooms, trash room, gas and electric meter rooms, program office, community room.

Total project costs, including the cost to acquire the land and rehabilitate the existing building, will be approximately \$33,564,003 or \$239,742.88/unit per dwelling unit.

The unit distribution will consist of the following:

<u>Unit type</u>	<u>Number of units</u>
Studio (residential)	139
Studio (manager’s)	1
Total Units	140

One Hundred and Forty (100%) of the residential units will serve households earning at or below 40% of the San Francisco County Area Median Income (AMI).

Residents

It is the intent of the developer to temporary relocation all tenants within the building (vacant units) while the units are rehabilitated. Tenants are expected to be temporarily relocated for not to exceed 30 days during each phase of the rehabilitation. If any tenant is temporarily relocated outside the building, they have the right to return to their unit after rehabilitation.

Site Description and Scope of Work

Address: 241 6th Street
Block/Lot: Lot 078; Block 3772

The scope of work for the substantial rehabilitation will consist of however not limited to:

- Install new kitchen cabinets and counters,
- New roof and waterproofing,
- Doors,
- Hardware,
- Energy efficient/double pane windows,
- Unit flooring and common areas,
- Exterior and interior painting,

- Showers/tubs,
- Toilets,
- Energy star rated appliances,
- Dwyer kitchen units,
- Elevator finishes,
- Security cameras,
- Plumbing,
- Accessible upgrades (ADA),
- Signs,
- Back-up generator,
- Heating/ventilation.

Development and Management Team

Project Sponsor: TODCO, Inc.
General Contractor: NCR Construction, Inc.
Architect of Record: Barcelon and Jang
Property Manager: John Stewart Company (JSCo)

Project Ownership Structure

Borrower Entity: Knox Partners 2 LP
Managing General Partner: Knox SRO LLC
Managing Member: TODCO/YBC 3

An investor (TBD) 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 (anticipate using bonds during construction only & lease-up),
- 4% low-income housing tax credits (LIHTC),
- Seller carryback financing from (Knox Partners Limited Partnership),
- A first mortgage (HCD loan already in place – will extend. Anticipate additional MOHCD permanent financing – HCD-HHC-II),
- Soft debt from the City (RDA loan already in place-will be extended),
- General partner equity and existing reserves.

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. The calculation of tax credit equity utilizes a 30% basis boost as San Francisco County is a “difficult-to-develop” area and or QCT area.

Schedule

Financing is anticipated to close by October/November 11, 2021, with construction commencing within 30 days after closing all financing which will be approximately December 10, 2021. All construction is scheduled to be completed fourteen (14) months after start of construction which will be approximately February 11, 2023.