

2/5/16

**MERCY HOUSING CALIFORNIA
COLUMBIA PARK APARTMENTS
Project Overview**

Project Summary

Columbia Park Apartments consists of 50 existing affordable housing units located at 1035 Folsom Street and 21 Columbia Square Street in the City of San Francisco. Columbia Park Apartments was constructed in 1994 as a mixed-use building, including approximately 78,110 square feet of gross floor area, including 57,685 square feet of residential area as well as nearly 20,425 square feet of garage, courtyard, commercial, and common area. Residents have access to a community room, laundry room, garage, and management offices on the ground floor and a courtyard on the second floor.

In 2013, Mercy Housing completed a modest rehabilitation. The current proposed rehabilitation is substantial. Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be nearly \$27,248,970 or \$544,979 per dwelling unit.

The residential unit distribution, which will include one 2-bedroom manager's unit, is:

1 BRs	3 units
2-BRs	12 units
3-BRs	31 units
4-BRs	4 units

20 of the residential units will serve households earning less than 50% of the TCAC Area Median Income (AMI) and 29 units will serve households earning less than 60% of the TCAC AMI. At 50% and 60% TCAC AMI, a 4-person household would make a maximum income of \$58,600 and \$70,320, respectively.

Description of residents

No residents will be displaced. All residents have the right to return after any temporary relocation that might be required.

Site Description and Scope of Work

Address: 1035 Folsom Street and 21 Columbia Square Street (21 Columbia Square Street is the mailing address recognized by the U.S. Postal Service)

Block/Lot: 3754-058

The rehabilitation is anticipated to include replacement of all of the residential windows, lighting upgrades, mechanical ventilation in the units, energy efficiency upgrades, and interior unit finishes of some of the units. Common area upgrades include replacement of the hot water boiler, replacement of hallway flooring and paint, replacement of signage, and replacement of light fixtures.

10 months are allocated to rehabilitation of the project. Existing residents will be relocated both on and off-site through a MHC led relocation effort.

Development Team

Project Sponsor: Mercy Housing California 67, Limited Partnership

Non-profit Partner: Mercy Housing Calwest (development and operation of the project)

General Contractor: Saarman Construction Limited

Property Manager: Mercy Housing Management Group

Architect: McGINNIS CHEN Associates

Project Ownership Structure

- This project is being sponsored by Mercy Housing California.
- The existing owner of the project is Mercy Housing California II, LP 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 Mercy Housing California and/or Mercy Housing Inc.

Financing Structure

The following sources of capital financing will be utilized: tax-exempt bonds issued by the City of San Francisco; 4% low income housing tax credits; seller carry back financing from Mercy Housing California; a sponsor loan from Mercy Housing Inc; a conventional first mortgage; and soft debt from the City and County of San Francisco.

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% Low Income Housing Tax Credits (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 February 1, 2016 and March 31, 2016, with construction starting within 30 days of the close.

The site rehabilitation work will be over a 10 month period with households temporarily relocated for approximately 4 weeks during each phase of the work. All construction work will be completed by December 31, 2016.