

Project Description
Multifamily Securities Program
City and County of San Francisco

730 Stanyan

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of 730 Stanyan, an eight-story, 160-unit affordable multifamily housing project to be located at 700-730 Stanyan Street, San Francisco, CA 94117 in the City and County of San Francisco (the “Project”). the Project will feature new affordable housing with 160 residential rental units ranging in income restrictions from 0% to 80% MOHCD AMI for families, and Transitional Age Youth (TAY), including those who were formerly homeless. The project will include one manager’s unit and comprise a mix of studios, 1-, 2- and 3-bedroom units. The project will include 40 Local Operating Subsidy Program (LOSP) units (evenly split between TAY and family households) and in addition to community spaces for residents, there will be five separate commercial spaces on the ground floor to serve the residents and the neighborhood.

Each of these five spaces will be operated by various non-profit partners to provide early childhood education, transitional age youth services/drop-in center, tech training, a senior center, and, potentially, a low-cost restaurant or cafe. The project is targeting the maximum funding award from the California Department of Housing and Community Development, as well as a maximum Affordable Housing Program award from the Federal Home Loan Bank of San Francisco and will apply for 4% tax credits combined with bonds in Summer of 2023. The project is aiming for a minimum of LEED Gold and Passive House certifications for green standards. The project will be the first to meet City Planning’s AB 168 agreement process to pay tribute to Native American land that the project will be built on. Additionally, the project is developing an affordable marketing plan to proactively reach out to underserved BIPOC populations, including seniors in District 5.

Total project costs, including the cost to acquire the land and construct new buildings, will be approximately \$153,442,165, or \$959,014 per dwelling unit.

The residential unit distribution, will include the following:

<u>Unit type</u>	<u>Number of units</u>
Studio	35
1-Bedroom	43
2-Bedroom	42
3-Bedroom	40

Residents

No residents will be displaced as the site is currently a vacant parking lot. The site was a former McDonald's restaurant purchased from the property owner.

Site Description and Scope of Work

Address: 700-730 Stanyan Street Blvd, San Francisco, CA 94118
Block/Lot: 1249/024 (Formerly 1249/014 & 1249/015)

Property amenities will include:

- Community room
- Ground floor courtyard/outdoor space
- On site laundry facilities
- On site property management services
- Support Services team, including full-time and on-site social workers
- Early childhood education center (ECE), which will be operated by a nonprofit service provider (3,750 sf)
- Senior center operated by a nonprofit service provider (2,300 sf)
- Tech-related job training center operated by a nonprofit service provider (1,600 sf)
- Drop-in center for TAY operated by third party service provider charged with service provision for the building's TAY residents (1,500 sf)
- A restaurant or low-cost food business potentially operated by a nonprofit service provider. (2,800 sf)

Development and Management Team

Project Sponsor: Tenderloin Neighborhood Development Corporation &
Chinatown Community Development Corporation (CCDC)
General Contractor: Cahill Contractors & Hercules Builders
Architect of Record: Y.A. Studio and OMA
Property Manager: Tenderloin Neighborhood Development Corporation (TNDC)

Project Ownership Structure

Borrower Entity: 730 Stanyan Associates, L.P.
Managing General Partner: 730 Stanyan TNDC GP LLC and 730 Stanyan CCDC LLC

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);
- deferred payment loan through the State of California's HCD Multifamily Housing Program;
- deferred payment loan through the State of California's HCD No Place Like Home Program;
- deferred developer fee;
- General Partner equity;
- General Partner capital
- 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 on in late 2022, with construction commencing within 180 days closing. All construction is scheduled to be completed by end of 2023. This is pending an allocation of competitive bond financing from the first round of TCAC/CDLAC, currently anticipated to be due awarded Fall 2022.

Narrative Description of Project Sponsor Experience

Tenderloin Neighborhood Development Corporation (TNDC) is a non-profit corporation that has been involved in affordable housing development since 1981 as a developer, owner, service provider, and property manager. TNDC's Housing Development department has developed, owned, and managed over 4,000 units, with another 381 units under construction and 910 units in predevelopment (5,291 units total). Many of these projects are infill developments in dense neighborhoods or redevelopment areas.

TNDC's development team has grown to an eighteen-person team with the structure and expertise to manage risk and create opportunity on complex development sites. Housing Development staff consists of a housing director, 3 associate directors, 2 senior project managers, 5 project managers, 5 assistant project managers, a project analyst, and an intern. TNDC's experience includes all major affordable housing financing sources on both challenging tenant-occupied rehabilitation and new construction on tight infill sites. In its 40 years of experience providing housing for some of San Francisco's poorest residents, TNDC has developed a deep knowledge of the development and operations of supportive housing projects.

Chinatown CDC began developing affordable housing over four decades ago and has built and rehabilitated 36 properties across San Francisco. Totaling 3,194 units, this portfolio includes 874

units for seniors and 314 units are designated as supportive housing. Another 576 are former public housing units with deeply supportive service provision. About half of Chinatown CDC's buildings are Type I construction, and an additional five buildings are either Type III/I or Type V/I.

Chinatown CDC has extensive experience in substantial rehabs. Starting in 2015, Chinatown CDC took over ownership of all 526 public housing units in Chinatown (including 92 apartments for seniors) through the HUD RAD program and completed \$150MM in renovations. In 2017, Chinatown CDC launched its Small Sites and SRO Programs to acquire and complete critical life-safety repairs in Chinatown buildings with vulnerable residents at risk of eviction. The Sponsor has since preserved 130 units, primarily serving seniors, as permanent affordable housing.