

Project Description
Multifamily Securities Program
City and County of San Francisco

Market Heights Apartments

Overview

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of Market Heights Apartments, a 46-unit affordable multifamily housing project located at 211 & 291 Putnam Street and 1000 Tompkins Avenue in the City and County of San Francisco (the “Project”).

Following rehabilitation, the Project will include approximately 41,812 square feet of gross floor area, comprised of 40,449 square feet of residential area and 1,363 square feet of non-residential area. Non-residential spaces will include a community center, leasing office, laundry room, janitor room, electrical room, and kitchen.

Total project costs, including the cost to acquire the land and rehabilitate existing buildings, will be approximately \$36,893,278 or \$802,028 per dwelling unit.

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

<u>Unit type</u>	<u>Number of units</u>
Studio	0
1-Bedroom	6
2-Bedroom	16
3-Bedroom	22
4-Bedroom	2

Forty-eight percent of the Project’s residential units will serve households earning no more than 50 percent of the San Francisco County Area Median Income (“AMI”), while the balance of units will serve households earning no more than 60 percent of AMI.

Residents

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

Site Description and Scope of Work

Address: 211 & 291 Putnam Street, 1000 Tompkins Avenue,
San Francisco, CA 94110
Block/Lot: 5731/002

The scope of work for the rehabilitation will include the following:

Common area interior and building system improvements:

- Playground and playground surface replacement in existing common courtyard.
- Site furnishing and landscaping replacement in existing common courtyard.
- Community Room space addition in existing crawlspace including resident kitchen and accessible toilet rooms.
- Rental office and laundry room area remodel accommodating to be connected to new Community Room.
- One water heater replacement out of three total on the property.
- Selective interior light fixture replacement with LED fixtures.
- Metal handrail and fencing replacement at common courtyard.
- Photovoltaic power generation system installation on roof for domestic hot water heating.
- Mailbox replacement.

Unit Interior Improvements (selective replacement per unit interior replacement schedule based on unit evaluation):

- Unit Alterations for full accessibility compliance with Chapter 11B of the California Building Code at (3) units (6.5%). Waiver Request submitted for reduction below 10%.
- Retrofit for audio-visual accessibility compliance with Chapter 11B of the California Building Code at (2) units (4%+).
- Interior paint at all units.
- Kitchen cabinet, countertop, sink and fixtures replacement at all units.
- Selective appliance replacement.
- Toilet replacement with ultra low flow toilets at all units.
- Selective tub/shower, tub/shower surround, lavatory, fixture replacement.
- Selective bathroom accessory replacement.
- Selective flooring replacement with vinyl plank flooring.
- Selective window replacement.
- Selective window covering replacement.
- Selective unit entry and interior door replacement.
- Selective interior light fixture replacement with LED fixtures.
- Smoke/CO1 detector replacement at hall and bedrooms.
- Selective unit stair handrail replacement.

Development and Management Team

Project Sponsor:	Bernal Heights Neighborhood Center
General Contractor:	Midstate Construction
Architect of Record:	The John Stewart Company
Property Manager:	Caritas Management

Project Ownership Structure

Borrower Entity:	Market Heights 2, LP
Managing General Partner:	Boomerang Housing Corporation
Co-General Partner:	Ridge Point Non-Profit Housing Corporation
Administrative General Partner:	Devine & Gong, Inc.

An investor limited partner will own a 99.98% 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”);
- seller carryback financing from Boomerang Housing Corporation; and
- a conventional first mortgage

The sale of LIHTC will generate equity financing for the Project. The amount of tax-exempt private-activity 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 between December 2018 and January 2019, with construction commencing within 30 days of closing. All construction is scheduled to be completed by December 2019.

Tenants are expected to be temporarily relocated for approximately two weeks during each phase of the rehabilitation.