

Project Description
Multifamily Securities Program
City and County of San Francisco

Hunters Point Shipyard Block 56

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of Hunters Point Shipyard Block 56, a 73-unit affordable multifamily housing project to be located at 11 Innes Court, 94124, in the City and County of San Francisco (the “Project”).

Upon completion, the Project will include approximately 92,553 square feet of gross floor area, comprised of 58,357 square feet of residential area and 34,196 square feet of non-residential area including offices, common amenities, circulation, utility/storage, parking, and the courtyard.

Total project costs, including the cost to acquire the land and construct the new building, will be approximately \$70,781,290 or \$969,607 per dwelling unit.

The residential unit distribution, which will include one 2-bedroom superintendent/manager unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	4
1-Bedroom	18
2-Bedroom	32
3-Bedroom	16
4-Bedroom	2
5-Bedroom	1

100 percent of the residential units will serve households earning less than 50 percent of the San Francisco County Area Median Income (AMI).

Residents

No residents will be displaced as the site does not currently have any residential uses. OCII currently leases the site for use by the Master Developer to maintain a modular sales center building (the “Welcome Center”) for marketing for-sale residential units in the Hunters Point Shipyard. Pursuant to this lease, the tenant has acknowledged that it is not entitled to rights, benefits or privileges under the California Relocation Assistance Law, California Government Code Section 7260 et seq., or the Uniform Relocation Assistance and Real Property Acquisition Policies Act, 42 U.S.C. Section 4601 et seq., or under any similar law, statute, or ordinance. Therefore, no relocation benefits apply to the current commercial uses of the Site.

Site Description and Scope of Work

Address: 11 Innes Court, San Francisco, CA, 94124
Block/Lot: Lot 217; Block 4591C

Property amenities will include:

- Community room & kitchen with a large food pantry storage space

- A 7,550 sq ft landscaped courtyard with a multi-surface play area, picnic area, and seating
- First floor services and management offices
- 1 flex/small conference room
- Laundry room
- 1 Family daycare unit
- 1 Manager's unit
- 46 car parking spaces
- 10 moped/motorcycle spaces
- 73 secure indoor bicycle parking spaces
- All electric building with a significant solar array
- In-unit air conditioning

Development and Management Team

Project Sponsors:	Mercy Housing California San Francisco Housing Development Corporation
General Contractor:	Nibbi Brothers General Contractors/Baines Group JV
Architect of Record:	Van Meter Williams Pollack LLP
Property Manager:	Mercy Housing Management Group

Project Ownership Structure

Borrower Entity:	Hunters Point Block 56, L.P.
Managing General Partner:	Mercy HPSY Block 56 LLC
Co-General Partner:	SFHDC HPSY Block 56 LLC

Bank of America, N.A. is the investor limited partner and 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);
- Federal Home Loan Bank of San Francisco's Affordable Housing Program;
- general partner equity;
- soft debt from the Office of Community Investment and Infrastructure.

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 between April 3, 2023 and April 28, 2023, with construction commencing within 30 days closing. All construction is scheduled to be completed by November 30, 2024.

Narrative Description of Project Sponsor Experience

Mercy Housing California (MHC) is the developer for Hunters Point Shipyard Block 56. MHC was incorporated in 1988 as the California affiliate of Mercy Housing, Inc (MHI) and is one of the largest affordable housing developers in California in terms of staff, capacity, annual budget, and units controlled, providing affordable homes and services to people in need, touching more than 19,600 lives every day. The mission of Mercy Housing is to create stable, vibrant, and healthy communities by developing, financing and operating affordable, program-enriched housing for families, seniors and people with special needs who lack the economic resources to access quality, safe housing opportunities. MHC owns and operates 10,413 affordable homes across 152 properties located throughout California, with 57% of our properties located in the Bay Area. MHC's portfolio consists of 51% family, 33% senior and 16% supportive housing (individuals with special needs, including homeless veterans, former foster children, people living with HIV/AIDS and mental health challenges). The median annual income for a Mercy Housing California family household is \$17,000, compared to a median income of \$82,000 for California households generally. For residents in our senior and special needs housing, the median household income is just \$11,000 annually-- half the median annual income for all seniors in California. Our portfolio spans across the continuum of housing development including rental and for-sale, new construction and rehab, and single-family and multi-family products. We serve families, seniors, the disabled, and individuals with special needs—i.e., formerly homeless, people living with HIV/AIDS, and the developmentally disabled.

San Francisco Housing Development Corporation (SFHDC) is the co-developer and proposed service provider for the QIP. SFHDC has successfully developed affordable homes in San Francisco's Bayview-Hunters Point and Fillmore/Western Addition neighborhoods since 1988. With nearly 800 completed homes and a total of 1,200 units in development, SFHDC has been life changing for people struggling to afford the increasing rent in their communities. Most recently SFHDC completed 455 Fell, 108 units of family housing, in partnership with Mercy Housing California.