

## **Transbay Block 7 Affordable Project Description**

### **May 2015**

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Transbay Block 7 Affordable Housing (the “Project”) is a 120 unit family project being developed by Mercy Housing California (“Mercy”). It will be located on Transbay Block 7 at 222 Beale Street, which is adjacent to Transbay Block 6, a market-rate residential tower and an affordable eight story podium building being constructed by Golub and Company (“Golub”), a developer based in Chicago, Illinois and Mercy Housing California. Block 7 is located on Clementina Street between Fremont and Beale Streets, two blocks south of the future Transbay Transit Center. The development team of Golub and Mercy was selected pursuant to a Request for Proposals for the development of Transbay Blocks 6 and 7 issued by the former Redevelopment Agency, now the Office of Community Investment and Infrastructure (“OCII”). Golub has paid a fee of \$24,300,000 to OCII. A portion of this fee, \$14,000,000 is being used to provide the gap subsidy for Transbay Block 6. The remaining \$10,300,000, along with additional funds from OCII, will be used to provide a gap subsidy to the Project. The Mayor’s Office of Housing and Community Development (“MOHCD”) will issue the tax exempt bonds for the Project.

#### Scope of Work:

The Project will be two eight story over concrete podium buildings on the east and west ends of the block and a row of townhomes in between. The Project will have 120 units (52 1-bedroom units, 45 2-bedroom units, 23 3-bedroom units including 1 manager’s unit). It will also include the following features:

- A shared open space on Block 6, which will be used by both the Market-Rate Project and the Block 6 and 7 Affordable Projects, and which will be open to the public during daytime hours; and
- Streetscape improvements conforming to the Transbay Streetscape and Open Space Plan.

#### Ownership:

Mercy has formed a limited partnership, Mercy Housing California 64, L.P., to own the improvements (“the Partnership”). OCII, and subsequently MOHCD will own the land that the improvements will be built on. OCII will enter into a Ground Lease with the Partnership. This Ground Lease will transfer from OCII to MOHCD once construction of the improvements is completed. Mercy is the largest of the regional affordable housing development corporations of Mercy Housing Inc., a national not-for-profit organization that was established in 1981.

#### Financing:

In addition to the OCII loan described above, the Partnership will apply for a tax-exempt bond allocation currently estimated to be approximately \$35 million and 4% low-income housing tax credits for 100% of the units:

#### Schedule:

Construction on the Project is anticipated to start by January 2016 and be completed by the end of 2017.

Transbay Block 7 Schedule	
Task	Date
TEFRA Ad Published	5/3/2015
TEFRA Hearing	5/14/2015
Inducement Resolution Lodged with Board	5/15/2015
Inducement Resolution to Budget & Finance Committee	5/27/2015 or 6/3/2015
Inducement Resolutions Approved by Board	6/9/2015
Submit CDLAC application	7/17/2015
Submit tax credit application	8/21/2015
CDLAC meeting -- secure allocation	9/16/2015
TCAC Meeting -- secure allocation	10/21/2015
Allocation Resolutions Lodged with Board	11/24/2015
Allocation Resolution to Budget & Finance Committee	12/2/2015
Allocation Resolution Approved by Full Board	12/15/2015
Mayor signs the resolution	12/28/2015
Finalize construction contract	12/31/2015
Close bond and credit financing	1/15/2015
Start construction	1/15/2015
Complete construction	10/2017

Development Team:

- Architect: Santos Prescott
- Contractor: Cahill Contractors
- Legal Counsel: Goldfarb and Lipman
- Financial Consultant: California Housing Partnership
- Development Consultant: Chris Rivera