

St. Francis of Assisi Senior Community Project Overview

Project Summary

St. Francis consists of 110 existing affordable housing units located at 145 Guerrero Street in the City and County of San Francisco. The property was constructed in 1980 as senior housing and consists of approximately 68,867 square feet of gross floor area, including 40,233 square feet of residential area as well as nearly 28,634 square feet of garage, courtyard, and common area. Residents have access to a community room, laundry room, garage, courtyard, and management offices on the ground floor.

The current proposed rehabilitation is substantial. Total project costs, including acquisition costs, total \$48,424,082 or \$440,218 per dwelling unit.

The residential unit distribution, which includes two 2-bedroom managers' units, is:

1 BRs	108 units
2-BRs	2 units

This property is a U.S. Department of Housing and Urban Development (HUD) 202 senior property with 100% project-based Section 8. Per the HUD use agreement, all households must earn no more than 50% of Area Median Income (AMI) and pay no more than 30% of their income for rent. Upon the syndication of this project, a California Tax Credit Allocation Committee (TCAC) regulatory agreement will be recorded and require that, in the event Section 8 is not renewed, 10% of the residential units will serve households at 50% of the TCAC AMI or below and the remaining 90% of the residential units will serve households at 60% of the TCAC AMI or below.

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: 145 Guerrero Street
Block/Lot: Block 3533, Lot 37

The rehabilitation is anticipated to include replacement of all of the residential windows, lighting upgrades, mechanical ventilation in the units, energy efficiency upgrades, and upgrades of interior unit finishes in some of the units.

Twelve to fourteen months are allocated to rehabilitation of the project. Existing residents will be relocated both on and off site through a Mercy Housing California-led relocation effort.

Development Team

Project Sponsor: Mercy Housing California
General Partner: Mercy Housing Calwest
General Contractor: Saarman Construction Limited
Property Manager: Mercy Housing Management Group
Architect: Hardison, Komatsu, Ivelich and Tucker

Project Ownership Structure

- This project is being sponsored by Mercy Housing California.
- The existing owner of the project is Francis of Assisi Senior Community, which will transfer the property to the new limited partnership.
- An Investor Member will own a 99.99% member interest in the new owner.
- Any required guaranties will be provided by Mercy Housing California.

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 (LIHTC);
- seller carryback financing; and
- a conventional first mortgage loan.

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% 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 July 15, 2016 & August 1, 2016, with construction starting within 30 days of closing.

The site rehabilitation work will be over a 12-14 month period, with households temporarily relocated for approximately 3-4 weeks during each phase of the work. All construction work will be completed by December 31, 2017.