

May 3, 2016

**City and County of San Francisco  
Multifamily Housing Revenue Bond Program  
Project Description**

*Dorothy Day Community*

**Overview**

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of Dorothy Day Community, a 100-unit affordable multifamily housing project located at 54 McAllister Street in the City and County of San Francisco (the “Project”).

Following renovation, the Project will include approximately 74,963 square feet of gross floor area, comprised of 50,750 square feet of residential area and 24,213 square feet of non-residential area. Non-residential spaces will include a community/dining room, library/exercise room, management and services offices, and a front lobby.

Total project costs, including the cost to acquire the land and rehabilitate the existing buildings, will be approximately \$111,000,000, or \$1,110,000 per dwelling unit.

The residential unit distribution, which will include a single one-bedroom manager unit, is as follows:

<u>Unit type</u>	<u>Number of units</u>
Studio	26
1-Bedroom	74

Ninety percent of the residential units will serve households earning less than 60 percent of Area Median Income (“AMI”), while the balance of units will serve households earning less than 50 percent of AMI. Presently, all 100 units are project-based Section 8 units with all but the manager’s unit receiving the Section 8 subsidy.

**Residents**

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

**Site Description and Scope of Work**

Address: 54 McAllister Street, San Francisco, CA 94102  
Block/Lot: Block 0349, Lots 009 and 014

The scope of work for the rehabilitation will include:

- repair and replacement of unit interior and finishes,
- site improvements,
- common area renovations,
- energy efficiency upgrades,
- roof repair,

- heater repair or replacement, and
- exterior and interior painting.

### **Development and Management Team**

Project Sponsor:	Mercy Housing California
General Contractor:	TBD
Architect of Record:	TBD
Property Manager:	Mercy Housing Management Company

### **Project Ownership Structure**

Borrower Entity:	Mercy Housing California 75, L.P.
Managing General Partner	Mercy Housing Calwest

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”);
- seller carryback financing from Dorothy Day Community, L.P., a California limited partnership; and
- a conventional first mortgage.

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. The calculation of tax credits utilizes a 30% basis boost as the U.S. Department of Housing and Urban Development has designated San Francisco County a “difficult development area.”

### **Schedule**

Financing is anticipated to close between August and December 2017, with construction commencing within 3 days of closing. All construction is scheduled to be completed by December 2018.

Tenants are expected to be temporarily relocated for approximately 3 weeks during each phase of the rehabilitation.