

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

***Knox SRO***

**Overview**

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of the Knox SRO, a 140-unit affordable multifamily housing project located at 241 6<sup>th</sup> Street in the City and County of San Francisco (the “Project”).

Following rehabilitation, the Project will include approximately 54,450 square feet of gross floor area, comprised of 47,950 square feet of residential area and 6,500 square feet of non-residential area. Non-residential spaces will include a front entrance reception area, manager’s office, elevator entrance lobby, mail room, laundry room, social worker’s office, men’s and women’s restrooms, trash room, gas and electric meter rooms, program office, and a community room.

Total project costs, including the cost to acquire the land and rehabilitate existing buildings, will be approximately \$20,007,442 or \$142,910 per dwelling unit.

The unit distribution will consist of the following:

<b><u>Unit type</u></b>	<b><u>Number of units</u></b>
Studio (residential)	139
Studio (manager)	1
<b>Total Units</b>	<b>140</b>

All of the residential units will serve households earning no more than 40% of the San Francisco County Area Median Income (“AMI”).

**Residents**

It is the intent of the developer to temporarily relocation tenants to vacant units within the building while their units are being rehabilitated. Tenants are expected to be temporarily relocated for no longer than 30 days during each phase of the rehabilitation. If any tenants are temporarily relocated outside the building, they will have the right to return to their unit after rehabilitation.

**Site Description and Scope of Work**

Address: 241 6th Street, San Francisco, CA 94103  
Block/Lot: 3772/078

The scope of work for the substantial rehabilitation will include (without limitation):

- installation of new kitchen cabinets and counters;
- new roofing and waterproofing;
- new doors and hardware;
- installation of energy efficient/double pane windows;
- repair/replacement of unit and common area flooring;

- exterior and interior painting;
- replacement of showers, tubs, and toilets;
- installation of Energy Star-rated appliances and Dwyer kitchen units;
- refinishing of elevators,
- installation of security cameras,
- plumbing work,
- accessibility upgrades (per ADA standards),
- upgrades to signs,
- installation of a back-up generator, and
- heating/ventilation improvements.

### **Development and Management Team**

Project Sponsor:	TODCO, Inc.
General Contractor:	NCR Construction, Inc.
Architect of Record:	Barcelon and Jang
Property Manager:	John Stewart Company (JSCo)

### **Project Ownership Structure**

Borrower Entity:	Knox Partners 2 LP
Managing General Partner:	Knox LLC
Managing Member:	TODCO/YBC 3

An investor 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 (construction period only);
- 4% low income housing tax credits (“LIHTC”);
- seller carryback financing from Knox Partners Limited Partnership;
- a first mortgage (from the California Department of Housing and Community Development);
- soft debt from the City;
- general partner equity; and
- a sponsor loan of existing reserves.

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 March and June 2017, with construction commencing within 30 days of closing. All construction is scheduled to be completed November 12, 2018.