

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

Britton Courts

Overview

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of Britton Court, a 92-unit affordable multifamily housing project located at 171 Loehr Street and 1250 Sunnydale Avenue in the City and County of San Francisco (the “Project”).

Following rehabilitation, the Project will include approximately 95,469 square feet of gross floor area, comprised of 91,233 square feet of residential area and 4,236 square feet of non-residential area. Non-residential spaces will include an administrative office, resident services office, community room with kitchen, and day care center. Additionally, there are 7 laundry rooms.

Total project costs, including the cost to acquire the land and rehabilitate the existing buildings, will be approximately \$76,000,000 or \$760,000 per dwelling unit.

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

<u>Unit type</u>	<u>Number of units</u>
2-Bedroom	63
3-Bedroom	21
4-Bedroom	8

Forty-seven percent of the residential units will serve households earning less than 60 percent of the San Francisco County Area Median Income (“AMI”), while the balance of units will serve households earning less than 53 percent of AMI.

The buildings are occupied by Section 8 and low income tenants and are not age restricted. Of the total 92 apartment units, 46 are Section 8 and 46 are HOME-low income units; there are no market rate units at the Project.

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

Site Description and Scope of Work

Address: 171 Loehr Street/1250 Sunnydale Avenue, San Francisco, California 94134
Block/Lot: 6300/043

The scope of work for the rehabilitation is expected to include repair and/or replacement of:

- roof systems,
- exterior siding and trim,
- windows,
- domestic hot water,

- parking areas,
- stairs and landings,
- unit patios,
- unit interiors,
- common area interiors, and
- site improvements.

Development and Management Team

Project Sponsor:	Mercy Housing California
General Contractor:	TBD
Architect of Record:	Mithun Solomon
Property Manager:	Jennifer Monsarrat

Project Ownership Structure

Borrower Entity:	Mercy Housing California 74, 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 Britton Street Associates;
- a soft loan from the City;
- a conventional 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 days of closing. All construction is scheduled to be completed by the end of 2018.

Tenants are expected to be temporarily relocated for approximately 2 weeks to 1 month during each phase of the rehabilitation.