

Project Description
Multifamily Securities Program
City and County of San Francisco

Market Heights Apartments

Overview

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of Market Heights Apartments, a 46-unit affordable multifamily housing project located at 211 & 291 Putnam Street and 1000 Tompkins Avenue in the City and County of San Francisco (the “Project”).

Following rehabilitation, the Project will include approximately 41,812 square feet of gross floor area, comprised of 40,449 square feet of residential area and 1,363 square feet of non-residential area. Non-residential spaces will include a community center, leasing office, laundry room, janitor room, electrical room, and kitchen.

Total project costs, including the cost to acquire the land and rehabilitate existing buildings, will be approximately \$32,050,527, or \$696,751 per dwelling unit.

The residential unit distribution, which will include one 3-bedroom manager’s unit is:

<u>Unit type</u>	<u>Number of units</u>
Studio	0
1-Bedroom	6
2-Bedroom	16
3-Bedroom	22
4-Bedroom	2

Seventy-two percent of the Project’s residential units will serve households earning no more than 50 percent of the San Francisco County Area Median Income (“AMI”), while the balance of units will serve households earning no more than 60 percent of AMI.

Residents

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: 211 & 291 Putnam Street, 1000 Tompkins Avenue,
San Francisco, CA 94110
Block/Lot: 5731/002

The scope of work for the rehabilitation will include the following:

- Selected replacement of unit interior finishes
- Paint all previously painted exterior building surfaces

- New roof for all buildings including removal of existing solar panels and reinstallation after re-roofing
- Replacement of various existing site lighting
- Replacement of existing water heaters
- Renovation of existing leasing office and laundry room
- New community room, kitchen, and accessible restroom
- New play structure and ground finish at existing play area
- New property monument sign
- Removal of existing mailboxes and installation of new USPS-approved mailboxes
- Landscape improvements
- Installation of new solar panel
- Various other site improvements such as:
 - Additional metal handrail at existing exterior stairways
 - Removal of existing chain link or metal fence for installation of new decorative metal fencing
 - Removal of existing concrete paving and walkway by play area
 - Removal of existing concrete steps and installation of code compliance concrete stairs by play area
 - Install new reinforced gravity block wall at existing landscape area by Unit 1000N

Development and Management Team

Project Sponsor:	Bernal Heights Neighborhood Center
General Contractor:	Midstate Construction
Architect of Record:	The John Stewart Company
Property Manager:	Caritas Management

Project Ownership Structure

Borrower Entity:	Market Heights 2, LP (to be formed)
Managing General Partner:	Bernal Heights Housing Corporation
Co-General Partner:	Ridge Point Non-Profit Housing Corporation
Administrative General Partner:	Devine & Gong, Inc.

An investor limited partner will own a 99.98% 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 Bernal Heights Housing Corp; and
- a conventional first mortgage

The sale of LIHTC will generate equity financing for the Project. The amount of tax-exempt private-activity bonds used during construction will be sized specifically to meet the 50% of aggregate basis test required for the LIHTC.

Schedule

Financing is anticipated to close between December 2018 and January 2019, with construction commencing within 60 days of closing. All construction is scheduled to be completed by April 2020.

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