

Project Description
 Multifamily Securities Program
 City and County of San Francisco

Sunnydale HOPE SF Block 6

Overview

The funds described in the “Financing Structure” section below will be used to finance the construction of Sunnydale Block 6, a 166-unit affordable multifamily housing project located at 242 Hahn Street, 94134 in the City and County of San Francisco (the “Project”). Construction of Sunnydale Block 6 also starts the first phase of infrastructure development for Sunnydale HOPE SF revitalization, the City and County of San Francisco’s commitment to revitalize public housing and transform communities. This first infrastructure phase will also include new roads and utility infrastructure along with the construction of Sunnydale Block 6.

Upon completion, the Project will include approximately 243,721 square feet of gross floor area, comprised of 167,065 square feet of residential area and 76,647 square feet of non-residential area. Non-residential spaces will include parking for 83 vehicles and common area including outdoor courtyard space.

Total project costs will be approximately \$149,807,122, or \$897,049 per dwelling unit.

The residential unit distribution, which will include 1 2-bedroom superintendent unit, is:

<u>Unit type</u>	<u>Number of units</u>
1-Bedroom	21
2-Bedroom	95
3-Bedroom	40
4-Bedroom	11

All of the affordable units will serve households earning less than 50% percent of the San Francisco County Area Median Income (AMI). There will be 125 units set aside as public housing replacement units for residents of Sunnydale HOPE SF.

Residents

The residents currently living within the footprint of this first phase have moved onsite to other rehabbed units. No residents will be displaced as all residents will have the right to return to the new units within Block 6 after temporary relocation onsite during construction.

Site Description and Scope of Work

Address: 242 Hahn Street, 94134
 Block/Lot: 6311/Lot 1
 6312/ Lot 1

The Property amenities will include:

- About 31,162 sq. ft. of secure outdoor space for residents,

- A suite for property management and resident services coordinator staff,
- A 33,300 sq. ft. multi-purpose room for community meetings and events, and
- Common laundry rooms on each floor
- 232 spots for bicycles
- 83 spots for vehicles in secured subterranean parking

Development and Management Team

Project Sponsors: Mercy Housing California and Related California
General Contractor: Nibbi Brothers and Bain Company
Architect of Record: Levy Design Partners
Property Manager: Mercy Housing Property Management

Project Ownership Structure

Borrower Entity: Sunnydale Block 6 Housing Partnership, L.P., a California limited partnership
Managing General Partner/
Managing Member: 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);
- a conventional first mortgage;
- a second permanent bank loan; and
- soft debt from the City.

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.

Schedule

Financing is anticipated to close between May 2019 and September 2019, with construction commencing within 30 days closing. All construction is scheduled to be completed by April 2021.