

Project Description
Multifamily Securities Program
City and County of San Francisco

Maceo May Apartments

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of Maceo May Apartments, a 105-unit affordable multifamily housing project to be located at 401 Avenue of the Palms (temporary address), San Francisco, CA 94130 in the City and County of San Francisco (the “Project”). The building will be the first built as part of the redevelopment of Treasure Island. The address of the building will be finalized once the master developer of Treasure Island has established the street numbering scheme for the entire island. 42 of the apartments in the building will serve as replacement housing for formerly homeless veterans currently living in interim supportive housing that Swords to Plowshares operates on Treasure Island. The balance of the units will be formerly homeless or low-income veterans.

Upon completion, the Project will include approximately 103,960 square feet of gross floor area, comprised of 68,488 square feet of residential area and 35,472 square feet of non-residential area. Non-residential spaces will include lobby, mail room, community room, community kitchen, common bathrooms, small group meeting rooms, management and services offices and storage/break rooms, maintenance and equipment rooms, laundry room, parking, and common courtyard.

Total project costs, including the cost to acquire the land and construct new buildings, will be approximately \$76,033,487, or \$724,128 per dwelling unit.

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

<u>Unit type</u>	<u>Number of units</u>
Studio	24
1-Bedroom	47
2-Bedroom	34
3-Bedroom	0
4-Bedroom	0

22% percent of the residential units will serve households earning less than 30% percent of the San Francisco County Area Median Income (AMI), and one of the residential units will serve an existing household at 60% AMI, while the balance of units will serve households earning less than 50% percent of AMI.

The project has secured 24 Continuum of Care subsidies for the 24 studio units, and 54 project-based VASH vouchers (44 one-bedrooms and 10 two-bedrooms). Continuum of Care subsidies are subject to annual renewals. The project-based VASH contract will be for 15 years with one mandatory 15-year extension. If these subsidies go away, the 24 CoC units will revert to 30% AMI and the 54 VASH units will revert to 50% AMI.

Residents

No residents will be displaced as the site is currently a vacant lot.

42 of the apartments in the building will serve as replacement housing for formerly homeless veterans currently living in interim supportive housing that Swords to Plowshares operates on Treasure Island. One-way relocation of these residents from the interim supportive housing to Maceo May Apartments will occur once construction of Maceo May Apartments is complete.

Site Description and Scope of Work

Address: 401 Avenue of the Palms (temporary address), San Francisco, CA 94130
Block/Lot: 8905-004

The property amenities will include:

- lobby
- mail room
- community room
- community kitchen
- common bathrooms
- small group meeting rooms
- on-site management and supportive services
- laundry room
- parking
- common courtyard and terrace

Development and Management Team

Project Sponsors: Chinatown Community Development Center and Swords to Plowshares
General Contractor: Cahill Construction
Architect of Record: Mithun
Property Manager: Chinatown Community Development Center and Swords to Plowshares

Project Ownership Structure

Borrower Entity: Maceo May Apts, L.P.
Managing General Partner/
Managing Member: CCDC-Maceo May Apts LLC/Chinatown Community Development Center, Inc.
Swords-Maceo May Apts LLC/Swords to Plowshares: Veterans Rights Organization

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 State of California Department of Housing and Community Development VHHP loan
- A State of California Department of Housing and Community Development MHP loan

- A Federal Home Loan Bank Affordable Housing Program Loan
- a conventional first mortgage; 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 1/30/20 and 3/31/20, with construction commencing within 7 days closing. All construction is scheduled to be completed by 7/31/21.

Narrative Description of Project Sponsor Experience

The Borrower entity is Maceo May Apts., L.P., whose initial Limited Partners are currently Chinatown Community Development Center and Swords to Plowshares, and the initial General Partners are affiliates to these two organizations. The Chinatown Community Housing Corporation (“CCHC”) was established in 1978 as a subsidiary of the Chinatown Resource Center (“CRC”), a nonprofit community development organization established the previous year. CRC was founded by five smaller Chinese community-based organizations that were formed in the late 1960s and early 1970s. CCHC’s mission was to provide safe, decent and affordable housing, and it worked closely with CRC to integrate housing development activities into an overall neighborhood improvement strategy. In 1998, in an effort to better serve their constituencies’ community development needs through streamlined governance and operations, CRC and CCHC merged to become Chinatown Community Development Center (CCDC), with a mission “to build community and enhance the quality of life for San Francisco residents” and a commitment “to the empowerment of low-income residents, diversity and coalition building and social and economic justice.” Though based in Chinatown, the organization serves other neighborhoods, including North Beach and the Tenderloin. Its Board of Directors consists of 25 individuals with a breadth of experience including affordable housing development, supportive housing, real estate, law, and accounting.

Swords to Plowshares (“Swords”) is a community-based, not-for-profit veteran service organization that provides wrap-around care to more than 3,000 veterans in the San Francisco Bay Area each year. Founded in 1974, Swords has a long track record of success helping veterans lead stable and healthy lives, and is recognized for expert leadership and continued dedication to improving the systems that veterans rely on. The organization is committed to helping veterans break through the cultural, educational, psychological and economic barriers they often face in their transition to the civilian world. Additionally, Swords advocates for reform at the state, local and national level to increase access to care, and improve services for all veterans and their families.

The borrower entity is a limited partnership, where CCDC and Swords will develop

the site as co-general partners via limited liability companies (LLCs) set up for this Project. The co-sponsors utilized the same ownership structure for the 1150-3rd Street project currently under development and the Veterans Commons/150 Otis Street project, which was jointly developed and is owned/operated by CCDC and Swords. CCDC and Swords have established the entities during predevelopment, prior to executing the predevelopment loan. Both CCDC and Swords will remain in the partnership for 15 years. As at Veterans Commons, CCDC will be the property manager of record, while Swords will provide day-to-day management and service coordination.