

Project Description
Multifamily Securities Program
City and County of San Francisco

Frederick Douglas Haynes Apartments

Overview

The funds described in the “Financing Structure” section below will be used to finance the rehabilitation of Fredrick Douglas Haynes Apartments, a 104-unit affordable multifamily housing project located at 1049 Golden Gate Avenue 94115 in the City and County of San Francisco (the “Project”).

Upon completion, the Project will include approximately 122,080 square feet of gross floor area, comprised of 103,700 square feet of residential area and 3,370 square feet of non-residential area. Non-residential spaces will include offices, community room, and laundry room.

Total project costs, including the cost to acquire the land and rehabilitate existing buildings, will be approximately \$94,627,688, or \$675,912 per dwelling unit.

The residential unit distribution, which will include one three-bedroom superintendent unit is:

<u>Unit type</u>	<u>Number of units</u>
Studio	0
1-Bedroom	26
2-Bedroom	40
3-Bedroom	29
4-Bedroom	9

92% percent of the residential units currently serve households earning less than 80 percent of the San Francisco County Area Median Income (AMI), while the balance of units will serve households earning less than 150 percent of AMI/be rented at market rates.

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: 1019 – 1089 Golden Gate Avenue 94115
949 – 959 Laguna Street 94115
900 – 940 McAllister Street 94115
1010 – 1030 Buchanan Street 94115

Block/Lot: Block 0771 Lot 025

The scope of work for the rehabilitation will include

- New siding, insulation and exterior skin
- New roofing
- New windows
- New heating
- New plumbing
- New electrical systems
- New flooring
- New bathrooms and kitchens
- Structural repair
- New landscaping
- The inclusion of new ADA and communication units
- Expanded community room
- New laundry
- New offices

Development and Management Team

Project Sponsor[s]: Human Good Affordable Housing, Inc. and Third Baptist Gardens, Inc.
General Contractor: Nibbi Brothers General Contractor
Architect of Record: Paulett Taggart Architects
Property Manager: Human Good Affordable Housing

Project Ownership Structure

Borrower Entity: FD Haynes Apartments, L.P.
[Managing General Partner/
Managing Member]: FD Haynes Apartments GP LLC

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 Third Baptist Gardens, Inc (current property owner);
- a conventional first 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.

Schedule

Financing is anticipated to close between April 2020 and May 2020, with construction commencing within 30 days closing. Construction is scheduled to be 18 months. All construction is scheduled to complete by December 2021. Temporary relocation of Tenants is expected to last for approximately 4 to 5 months during construction.

Narrative Description of Project Sponsor Experience

Frederick Douglas Haynes Apartments is a 104 unit apartment complex located in San Francisco's Western Addition neighborhood. It is currently owned by Third Baptist Gardens, Inc (TBG), the original developer. Developed in the early 1970s, the property suffers from severe deferred maintenance. In 2018, TBG, entered into a joint venture with Humangood Affordable Housing (HGAH) in order to obtain development expertise and to receive financing to perform a substantial renovation of the site. The two entities created FD Haynes GP LLC to own, operate and renovate the site improvements. TBG will continue to own the land and will ground lease the site to the new partnership. Upon completion, this entity will serve as general partner of FD Haynes Apartments LP, which will own the site improvements. HGAH will also serve as property manager. In order to manage the development process, FD Haynes GL LLC has entered into a development management agreement with Beacon Development Group (BDG), a development subsidiary of HGAH. BDG has significant experience developing affordable housing throughout California and Washington state.

Humangood Affordable Housing

HumanGood Affordable Housing is a wholly owned subsidiary company of HumanGood (formerly American Baptist Homes of the West). For the first twenty years of its existence, HumanGood concentrated its efforts on the development and management of continuing care communities. Starting in 1969, HumanGood expanded its operations to include subsidized affordable housing communities. HumanGood Affordable Housing focuses on meeting the housing and services needs of seniors with limited means. With over \$266 million in assets and \$18 million in annual revenue, HGAH owns and manages 59 properties with 4,805 units, across Washington and California, serving over 3000 residents. Of the 59, HGAH owns and operates 49 properties and fee manages 10. HGAH communities also employs service coordinators whose role is to create interlocking services that transforms basic life enrichment activities into a solid infrastructure that enhances wellness and supports functional independence of their residents.

Beacon Development Group

Beacon Development Group is an affordable housing consulting firm that works on the West Coast with nonprofits and housing authorities. As a subsidiary of HumanGood, we facilitate the funding, design and construction of affordable housing developments for our clients, managing the entire development process from financing to construction to handing off the keys. Since 1999, Beacon has served thousands of people through the development of over 5,000 units in 87 projects, with a combined value of over \$900 million dollars. Beacon has developed housing across project types including family, senior, special needs and agricultural housing. Projects have included historic and sustainable buildings as well as urban mixed use and acquisition rehab. Primarily, a developer in Washington state, Beacon has developed four projects in California in the past five years. A list of projects is attached.