

Project Description
 Multifamily Securities Program
 City and County of San Francisco

681 Florida Street

Overview

The funds described in the “Financing Structure” section below will be used to finance the development of 681 Florida Street, a 130-unit affordable multifamily housing project to be located at 681 Florida Street in the City and County of San Francisco (the “Project”).

Upon completion, the Project will include approximately 141,300 square feet of gross floor area, comprised of 132,050 square feet of residential area and 9,250 square feet of non-residential area. The Project will be subdivided into three parcels; one residential parcel, and two commercial spaces. The two commercial spaces are zoned for Production, Distribution, and Repair (PDR) use and will be tenanted by a community serving arts organization and will be owned and managed by a separate entity.

Total project costs, including the cost to acquire the land and construct new buildings, will be approximately \$98,458,110 or \$757,370 per dwelling unit.

The residential unit distribution, which includes one 1-bedroom superintendent unit, is:

<u>Unit type</u>	<u>Number of units</u>
Studio	44
1-Bedroom	31
2-Bedroom	41
3-Bedroom	14

30 percent of the residential units will serve households earning less than 26 percent of the San Francisco County Area Median Income (AMI), 17 percent of the residential units will serve households earning less than 35 percent AMI, 8 percent will serve households earning less than 40 percent AMI, 7.7 percent will serve households earning less than 50 percent AMI, 9.2 percent will serve households earning less than 60 percent AMI, and 26.9 percent will serve households earning no more than 85 percent AMI.

In the event of subsidy loss, the maximum rent would be:

Type	MOHCD AMI	2019 Rent Limits	Max Rent	Utility Allowance
Studio	35%	\$ 754	\$ 697	\$ 57
Studio	40%	\$ 863	\$ 806	\$ 57
Studio	50%	\$ 1,078	\$ 1,021	\$ 57
Studio	60%	\$ 1,293	\$ 1,236	\$ 57
Studio	85%	\$ 1,831	\$ 1,774	\$ 57
1 bedroom	26%	\$ 591	\$ 300	\$ 69
1 bedroom	35%	\$ 862	\$ 793	\$ 69
1 bedroom	40%	\$ 985	\$ 916	\$ 69
1 bedroom	50%	\$ 1,209	\$ 1,140	\$ 69
1 bedroom	60%	\$ 1,478	\$ 1,409	\$ 69

1 bedroom	85%	\$ 2,093	\$ 2,024	\$ 69
2 bedroom	26%	\$ 665	\$ 300	\$ 97
2 bedroom	35%	\$ 969	\$ 872	\$ 97
2 bedroom	40%	\$ 1,109	\$ 1,012	\$ 97
2 bedroom	50%	\$ 1,386	\$ 1,289	\$ 97
2 bedroom	60%	\$ 1,663	\$ 1,566	\$ 97
2 bedroom	85%	\$ 2,355	\$ 2,258	\$ 97
3 bedroom	26%	\$ 738	\$ 300	\$ 129
3 bedroom	35%	\$ 1,077	\$ 948	\$ 129
3 bedroom	40%	\$ 1,231	\$ 1,102	\$ 129
3 bedroom	50%	\$ 1,540	\$ 1,411	\$ 129
3 bedroom	60%	\$ 1,848	\$ 1,719	\$ 129
3 bedroom	85%	\$ 2,617	\$ 2,488	\$ 129

Residents

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

Site Description and Scope of Work

Address: 681 Florida Street
Block/Lot: Block 4022; Lot 021

Site Amenities will include:

- Community room with warming kitchen
- On site laundry room
- Several courtyard spaces
- Urban agriculture space
- On-site social services offices
- On-site property management
- High efficiency, all electric building with solar hot water

Development and Management Team

Project Sponsor: Tenderloin Neighborhood Development Corporation
Mission Economic Development Agency
General Contractor: Cahill Contractors and Guzman Construction Joint Venture
Architect of Record: Mithun
Property Manager: Tenderloin Neighborhood Development Corporation

Project Ownership Structure

Borrower Entity: 681 Florida Housing Associates, L.P.
Managing General Partner/

Managing Member: 681 Florida TNDC LLC
MEDA 681 Florida 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);
- escrowed funds from the seller of the site;
- CA Housing and Community Development (HCD) Multifamily Housing Program funds;
- San Francisco Federal Home Loan Bank;
- General Partner Equity;
- a conventional first mortgage on the residential subdivision;
- 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 June 2020 and July 2020, with construction commencing within 180 days. All construction is scheduled to be completed by May 2022.

Narrative Description of Project Sponsor Experience

TNDC has over 38 years of experience developing both family and supportive housing in San Francisco, with a portfolio that includes 44 buildings in San Francisco. TNDC has developed, owned, and managed over 3,800 units, with an additional 143 units in construction and another 1,300 in predevelopment. TNDC houses more than just a housing development team, with in-house asset management, property management, facilities management, social services programming, and more. Thirty percent of TNDC's portfolio is dedicated to serving tenants who have experienced homelessness.

MEDA has over 45 years of experience serving residents and businesses in the Mission District. MEDA has been developing affordable housing for over 5 years and has co-developed over 440 RAD-funded, former SFHA-owned units in the Mission and Castro neighborhoods. MEDA has also acquired and preserved over 210 units of housing for low-income persons, with a focus on Latino families, and has almost 560 units of new construction in its pipeline.

TNDC/MEDA has a four person project management team assigned to 681 Florida, including Gabe Speyer (Senior Project Manager, TNDC), Colleen Ma (Project Manager, TNDC), Stephaney Kipple (Senior Project Manager, MEDA), and Monica Almendral (Assistant Project Manager). Additionally, Katie Lamont (Director of Housing Development, TNDC) and Karoleen Feng (Director of Community Real Estate, MEDA), will be engaged in developing the commercial financing structure.