

Project Description
Multifamily Securities
Program City and County of
San Francisco

Fillmore Marketplace

Overview

The funds described in the “Financing Structure” section below will be used to finance the acquisition and rehabilitation of Fillmore Marketplace, a 120-unit affordable multifamily housing project located at 1223 Webster Street, 94115 zip code, in the City and County of San Francisco (the “Project”). Fillmore Marketplace was originally constructed in 1996 with funding from MOHCD. The project also received state financing through the RHCP program, which will also remain in place. These existing soft loans originally used to finance Fillmore Marketplace will remain in place.

The Project includes approximately 128,900 square feet of gross floor area, comprised of 109,700 Residential square feet of residential area and 19,200 square feet of non-residential area. Non-residential spaces include corridors, community space, and offices, as well as an 1800 square foot childcare facility operated by a third party.

Total project costs, including the cost to acquire the property and rehabilitate the existing structures, will be approximately \$41,511,500, or \$345,929 per dwelling unit.

The residential unit distribution, which includes two manager’s units (1 2bdrm and 1 3bdrm), is:

<u>Unit type</u>	<u>Number of units</u>
1-Bedroom	29
2-Bedroom	29
3-Bedroom	<u>62</u>
Total	120

8.47% percent of the residential units (118 units) will serve households earning less than 60% AMI percent of the San Francisco County Area Median Income (AMI), while the balance of units will serve households earning less than 50% AMI Percentage.

Residents

No residents will be displaced as nor will the anticipated rehabilitation scope require any of the existing residents to be relocated.

Site Description and Scope of Work

Address: 1223 Webster Street, 94115
Block/Lot: Lots 1-11, 25-28 and 31 of Block 732

The project consists of 65 3-story townhome units and 55 1,2 and 3bdrm flats. The 65 townhome units are located in 5 separate 3-story, wood framed buildings. The flats are located in a 7-story, Type I, concrete tower. The residential units are constructed over a garage structure, containing 108 parking

spaces.

The scope of the rehabilitation work consists of the replacement of all of the windows in the townhome units and the repair of the window systems at the tower structure. In addition, the existing boilers will be removed and replaced, along with a backup generator and mechanical pumps that assist with the distribution of domestic water across the site. Deteriorated wood trim at the townhome windows and at the building fascias will be replaced. The existing fire alarm system will also be upgraded.

Development and Management Team

Project Sponsors:	Related California and San Francisco Housing Development Corporation
General Contractor:	Saarman Construction
Architect of Record:	Braden-Drosihn, Inc.
Property Manager:	Related Management Company

Project Ownership Structure

Borrower Entity:	Fillmore Marketplace Housing Partners, L.P.
Managing General Partner	San Francisco Housing Development Corporation
Administrative General Partner:	Fillmore Marketplace Development Co., LLC, The Related Companies of California, its sole member

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 providing construction period debt, which will be paid down to a permanent loan;
- Equity from the sale of 4% low income housing tax credits (LIHTC);
- Seller carryback financing (structured as a residual receipts note) from the existing limited partnership, Fillmore Marketplace, L.P.;
- Existing principal and accrued interest on the soft debt provided by the City;
- Existing principal and accrued interest on the soft debt from HCD;
- Net operating income and existing reserves that will remain with the project; and
- Deferred development fees.

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 and May of 2020, with construction commencing within 10 days closing. All construction is scheduled to be completed within a year of construction start.