*November 2, 2015*

**Clementina Towers – RAD Phase II**
**Project Overview**

## Project Summary

Clementina Towers consists of 276 existing public housing units located at 320-330 Clementina Street in the City and County of San Francisco. The project is being rehabilitated as part of a citywide program under which public housing units currently owned and operated by the San Francisco Housing Authority will convert to the Rental Assistance Demonstration (RAD) program. Under RAD, 3,584 units of public housing in 29 different projects will convert in two phases.

Clementina Towers, which is part of phase II, will include approximately 175,046 square feet of gross floor area, including 170,000 square feet of residential area as well as nearly 5,000 square feet of commonly accessible community areas.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be nearly $100 million, or $360,000 per dwelling unit.

The residential unit distribution is:

| | |
|---|---|
| 0 BRs | 226 units |
| 1-BRs | 50 units |

All of the residential units will serve households earning less than 50% of the San Francisco County Area Median Income (AMI), though the rents may be increased to 60% of California Tax Credit Allocation Committee AMI in the event of loss of subsidy.

## Description of Residents

No residents will be displaced. All residents have the right to return after any temporary relocation that might be required. RAD does not allow re-screening or re-application of any residents.

Clementina Towers is home to low-income and disabled seniors; 55% residents of are white, 36% are Asian, and 8% are African-American.

## Site Description and Scope of Work

Address: 320-330 Clementina Street, San Francisco, CA 94103
Block/Lot: 3733/161

The scope of work for the rehabilitation at the project will include structural, life safety, and accessibility upgrades and general renovations to two existing 13-story apartment towers, each consisting of 138 residential units (for a total of 276 units), and three service and maintenance structures. The proposed upgrades and renovations include:

- new structural strengthening, with new shear walls from the 1st to 8th floors of each tower as well as the excavation and installation of micro-piles tied to expanded foundations at the perimeter of the towers' long sides;
- attic/roof replacement;
- construction of a 416-square-foot, 11-foot-tall maintenance shed;
- construction of a 374-square-foot, 12-foot-tall trash compactor enclosure;
- construction of a 121-square-foot, 9–foot-tall fire pump room; and

- reconfiguration of an existing guard shack to provide upgrades that comply with requirements of the Americans with Disabilities Act.

Twenty-four months are allocated to rehabilitation of the project. Existing residents will be relocated on site as much as possible through a MOHCD- and SFHA-coordinated relocation effort. Off-site relocation will be provided only if on-site relocation is unavailable.

**Development Team**

- Clementina Towers Associates, L.P. is the project's sponsor.

- Tenderloin Neighborhood Development Corporation (TNDC) will be the non-profit partner in the development and operation of the project.

- Fine Line Construction will be the general contractor for the project.

- TNDC will also serve as the property manager for the project.

- Gelfand Partners | Architects is the architect for the project.

**Project Ownership Structure**

- The existing owner of the project is the San Francisco Housing Authority, which will retain ownership of the land and convey the improvements to Clementina Towers Associates, L.P, of which Clementina Towers GP LLC will be the managing general partner.

- An investor member will own a 99.99% member interest in the new owner.

- Any required guaranties will be provided by TNDC.

**Financing Structure**

The RAD phase II projects will utilize the following sources of capital financing:
- tax-exempt bonds issued by the City of San Francisco;
- 4% Low Income Housing Tax Credits (LIHTC);
- seller carryback financing from the San Francisco Housing Authority;
- a conventional first mortgage; and
- soft debt from the City and County of San Francisco.

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 4% tax credits.

The sale of 4% LIHTC will generate equity financing for the project. The calculation of tax credits utilizes a 30% basis boost as San Francisco County is a "difficult-to-develop" area.

**Schedule**

Financing is anticipated to close between August 15, 2016 and September 15, 2016, with construction commencing within 30 days of closing.

The site rehabilitation work will be completed over a 24-month period, with households temporarily relocated for approximately 3-10 weeks during each phase of the work. All construction is expected to be completed by August 2017.