

**1760 Bush – RAD Phase II  
Project Overview**

**Project Summary**

1760 Bush consists of 108 public housing units located at 1760 Bush 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.

1760 Bush, which is part of phase II, will include approximately 74,740 square feet of gross floor area, including 63,040 square feet of residential area as well as nearly 6,352 square feet of common space and 5,348 square feet of garage area. Residents will have access to a courtyard on the ground floor and second floor, a community room, a library and a laundry room.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be nearly \$44 million, or approximately \$407,000 per dwelling unit.

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

Studios	83 units
1-BRs	24 units
2-BRs	1 unit

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.

1760 Bush is a senior/disabled project. The population is quite diverse, with English, Russian, and Chinese being the primary languages residents speak.

**Site Description and Scope of Work**

Address: 1760 Bush Street, San Francisco, CA 94109  
Block/Lot: 0664/031

The scope of work for the rehabilitation of 1760 Bush Street will include:

- creation of a vestibule entry for security;
- remodeling an existing community room and library;
- repairs to the elevator system;
- fire system and life safety upgrades, including adding sprinklers;
- accessibility upgrades;
- roofing system replacement;
- necessary upgrades to the plumbing, HVAC, and electrical systems;
- interior unit upgrades to the kitchens, bathrooms, and flooring;

- asbestos removal; and
- limited external site work.

Fourteen months are allocated to rehabilitation of the project. Existing residents will be relocated on-site through a MOHCD- and SFHA-coordinated relocation effort.

### **Development Team**

- 1760 Bush LP is the project's sponsor.
- Japanese American Religious Federation Housing Inc. will be the non-profit partner in the development and operation of the project.
- Nibbi Brothers Construction will be the general contractor for the project.
- The John Stewart Company will be 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 1760 Bush LP, of which Japanese American Religious Federation Housing Inc. 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 The John Stewart Company and Japanese American Religious Federation Housing Inc.

### **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, 2015 and September 15, 2015, with construction commencing within 30 days of closing.

The site rehabilitation work will be completed over a 14-month period with households temporarily relocated for approximately 4 weeks during each phase of the work. All construction is expected to be completed by December 2017.