

## **350 Ellis – RAD Phase II Project Overview**

### **Project Summary**

350 Ellis consists of 96 public housing units located at 350 Ellis 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.

350 Ellis, which is part of phase II, will include approximately 59,101 square feet of gross floor area, 52,477 square feet of which will be residential area and nearly 6,624 square feet of which will be non-residential, including: a lobby and community room, a resident lounge, a laundry room, manager and service coordinator offices, public restrooms, and maintenance rooms. Residents will have access to the community room, resident lounge, laundry room and landscaped rear courtyard.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be nearly \$65,000,000, or \$677,000 per dwelling unit.

The residential unit distribution is:

0 BRs	72 units
1-BRs	24 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.

350 Ellis is predominantly home to senior and/or disabled tenants. The majority of the residents speak English as their primary language; some speak Chinese, Russian, and Spanish.

### **Site Description and Scope of Work**

Address: 350 Ellis Street, San Francisco, CA 94102  
Block/Lot: 0324/023

The scope of work for the rehabilitation at the project will include:

- accessibility upgrades,
- a ground floor addition and renovation of community room spaces,
- property management and service coordinators offices,
- a new laundry room,
- elevator modernization,
- roof replacement,
- exterior window replacement and new exterior skin,
- addition of a fire sprinkler system, and

- replacement of existing ground floor storefront windows.

Residential unit repairs and upgrades include creation of five mobility units and 2 communication units, as well as new kitchen cabinets, fixtures, and finishes.

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

### **Development Team**

- Ellis 350 Associates, L.P. is the project's sponsor.
- Tenderloin Neighborhood Development Corporation (TNDC) and Glide Community Development will be the non-profit partners in the development and operation of the project.
- D&H Construction will be the general contractor for the project.
- TNDC will also serve as the property manager for the project.
- Paulett Taggart 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 Ellis 350 Associates, L.P., of which Ellis 350 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;
- 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 33-month period with households temporarily relocated for approximately 17 weeks during each phase of the work. All construction is expected to be completed by May 2019.