

Ping Yuen North – RAD Phase II Project Overview

Project Summary

Ping Yuen North consists of 200 existing public housing units located at 838 Pacific Avenue 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.

Ping Yuen North, which is part of phase II, will include approximately 181,251 square feet of gross floor area. Residents will have access to a community room, as well as landscaped gardens and play areas in the courtyards between the various buildings.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be nearly \$116,833,000, or \$584,000 per dwelling unit.

The residential unit distribution, which will include one 2-bedroom manager's unit, is:

0-BRs	44 units
1-BRs	34 units
2-BRs	100 units
3-BRs	22 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.

Ping Yuen North is a mixed project with Cantonese, Spanish, and Russian speaking residents, and includes 5% of units modified to meet the needs of residents with mobility issues and 4% modified for residents with a hearing impairment.

Site Description and Scope of Work

Address: 838 Pacific Avenue, San Francisco, CA 94103
Block/Lot: 0160/030

Building improvements are planned to include the following:

- replacement of domestic water piping for both supply and waste;
- partial electrical system replacement;
- replacement of heating system (piping and units);
- seismic improvements;
- new ventilation for all apartment kitchens and bathrooms;

- upgraded apartment kitchens and bathrooms with new, durable cabinets and fixtures and energy-efficient appliances;
- replacement of interior and exterior lighting with energy-efficient fixtures;
- security improvements including key fob-restricted access to elevators and stairs;
- addition of offices for on-site management and services staff, maintenance shops and storage;
- expansion of the ground-floor community room;
- relocation of, and upgrades to, the laundry room.

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

Development Team

- Chinatown Community Development Center (CCDC) will be the non-profit partner in the development and operation of the project.
- Cahill Contractors, Inc. will be the general contractor for the project.
- CCDC will be property manager for the project.
- Gelfand Partners Architects is the architect for the project.

Project Ownership Structure

- This project is being sponsored by CCDC, which is the sole member of the general partner of North Ping Yuen, L.P., the project's new owner.
- The existing owner of the project is the San Francisco Housing Authority, which will retain ownership of the land and convey the improvements to a limited partnership for which Chinatown Public Housing, 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 CCDC.

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 36-month period with households temporarily relocated for approximately six months during each phase of the work. All construction is expected to be completed by the end of 2018.