

9/11/15

**491 31st Ave, LP
491 31st Ave – RAD Phase I
Project Overview**

Project Summary

491 31st Ave consists of 75 existing public housing units located at 491 31st Ave in the City 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.

491 31st Ave will include approximately 50,600 square feet of gross floor area, including 36,312 square feet of residential area as well as nearly 5,535 square feet of garage space, and 2,585 square feet of community and office spaces. Residents will have access to a 2,131 square foot communal courtyard.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be approximately \$27,000,000 or \$360,000 per dwelling unit.

The residential unit distribution, which will include one 2 bedroom superintendent unit, is:

0 BRs	66 units
1-BRs	8 units
2-BRs	1 units

All of the residential units will serve households earning less than 50 percent of the San Francisco County Area Median Income, though the rents may be increased to 60% State TCAC 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.

The resident population at 491 31st Ave consists of senior and disabled households. There is a large proportion of monolingual households speaking a variety of languages including Cantonese, Russian, Spanish, and Vietnamese. Households general consist of one or two members per unit.

Site Description and Scope of Work

Address: 491 31st Ave, San Francisco, CA 94124
Block/Lot: Block 1463, Lot 53

The scope of work for the rehabilitation of 491 31st Ave will include:

- Structural modifications at community room entrance
- Necessary repairs to elevator system
- Fire systems and life safety upgrades

- Accessibility upgrades
- Repair exterior decks and balconies
- Replace exterior windows and doors
- Repaint building exterior façade
- Replace roofing system including downspouts
- Necessary upgrades to the plumbing, HVAC, and electrical systems
- Interior unit priority maintenance
- Upgrade and reconfigure ground floor common areas
- Limited external sitework

15 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

- 491 31st Ave, LP is the Project Sponsor.
- Mercy Housing will be the non-profit partner in the development and operation of the project.
- Nibbi Brothers will be the general contractor for the project.
- John Stewart Company will be property manager for the project.
- Gelfand Partners is the architect for the project.

Project Ownership Structure

- This project is being sponsored by 491 31st Ave, LP
- 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 San Francisco Housing Development Corporation will be the Managing General Partner.
- An Investor Member will own a 99.99% member interest in the Owner.
- Any required guaranties will be provided by The John Stewart Company and Mercy Housing.

Financing Structure

The following sources of capital financing will be utilized: 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% Low Income Housing Tax Credits (LIHTC) will generate equity financing for the project. The calculation of tax credits utilizes the 30% basis boost as San Francisco County is a “difficult-to-develop” area.

Schedule

Financing is anticipated to close between October 1, 2015 and October 31, 2015, with construction starting within 30 days of the close.

The site rehabilitation work will be over a 15 month period with households temporarily relocated for approximately four to five weeks during each phase of the work. All construction work will be completed by April, 2017.