

Alemany – RAD Phase II Project Overview

Project Summary

Alemany consists of 158 public housing units located at 938 Ellsworth 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.

Alemany, which is part of phase II, will include approximately 121,129 square feet of gross floor area, including 116,929 square feet of residential area as well as nearly 4,200 square feet of community space, property management and services offices, and laundry area. Residents will have access to play areas for children, laundry facilities, community grills and landscaped areas, and a new community center.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be approximately \$144.8 million, or more than \$916,000 per dwelling unit.

The residential unit distribution, which will include two 2-bedroom superintendent units, is:

1-BRs	13 units
2-BRs	93 units
3-BRs	42 units
4-BRs	2 units

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

Site Description and Scope of Work

Address: 938 Ellsworth Street
Block/Lot: 5843/007 & 008

The work at Alemany will rehabilitate and renovate units to improve structural performance and unit conditions. Exterior envelopes of each building will be significantly improved with new doors and windows, insulation added to exterior walls, and new roofs. Units themselves will have finishes updated and replaced as needed, with problematic materials being removed. The landscaping throughout the project will be improved with better irrigation, new and less confusing layouts, and removal of dead vegetation and replacement with native flora. Also, access and security will be improved and a new community center will be built.

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

Development Team

- Alemany Housing Associates, L.P is the project's sponsor.
- BRIDGE Housing Corporation (BRIDGE) and Bernal Heights Neighborhood Center (Bernal) will be the non-profit partners in the development and operation of the project.
- Fineline Construction will be the general contractor for the project.
- BRIDGE Property Management Company will be property manager for the project.
- Gelfand Partners 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 a Limited Partnership for which BRIDGE and Bernal will be the managing general partners.
- An investor member will own a 99.99% member interest in the new owner.
- Any required guaranties will be provided by BRIDGE.

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 the 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 24-month period with households temporarily relocated for approximately 18 weeks during each phase of the work. All construction work will be completed by October 2018.