

ALICE GRIFFITH PHASE 4

Project Description

Alice Griffith Phase 4 (the “Project”) is the fourth phase of the redevelopment of the 256-unit Alice Griffith Public Housing site as a mixed-income, service-enriched community, developed according to the principles of HOPE SF. When the redevelopment is complete all 256 public housing units will be replaced along with 248 new affordable units, 367 market rate units, 42 inclusionary units and 237 workforce units (serving households between 120% and 160% AMI). AG Phases 1 and 2 began construction in March 2015 and are expected to be complete in December 2016. AG Phase 3A and Phase 3B began construction in February 2016 and is expected to be complete in November 2017. Once these three phases are complete, 306 units will be complete: 207 of those units will be public housing replacement units and 97 will be new affordable units. Phase 4 totals 31 units, 13 public housing replacement units and 18 new affordable units.

Double Rock Ventures LLC, (“DRV”) the development entity for the redevelopment of Alice Griffith Public Housing is an affiliate of McCormack Baron Salazar (“MBS”). CP Development Co, LP is a partnership including the Lennar Corporation, now Five Point (“CP DEV CO” or “Lennar”) created for the purpose of redeveloping Hunters Point Shipyard Phase 2 and Candlestick Point. On June 3, 2010, the former San Francisco Redevelopment Agency (the “Former Agency” now the Office of Community Investment and Infrastructure or “OCII”) executed a Development and Disposition Agreement (“DDA”) with CP DEV CO that includes a Below Market-Rate Housing Plan (“Housing Plan”). The Housing Plan defines the roles and responsibilities of the Former Agency and CP DEV CO regarding the development of up to 10,500 housing units, an important part of which is the revitalization of the Alice Griffith public housing development as a mixed-income, service-enriched community, developed according to the principles of HOPE SF (“AG”). Based on the requirements of the DDA, MBS was selected by CP DEV CO to be the Alice Griffith Developer based upon their extensive experience revitalizing public housing across the country. Additional development team members include the San Francisco Housing Authority “SFHA” or “Housing Authority” and Urban Strategies, Inc., which will be implementing the social services program at AG.

CP DEV CO concluded a years-long public planning process on August 3, 2010; when the Board of Supervisors approved tax, land exchange, entitlement, and redevelopment plan amendment documents that together enable the implementation of the Candlestick Point-Hunters Point Shipyard Phase 2 mixed-use project (“CP-HPS2”). These approvals were in addition to the Former Agency’s approval of the DDA and Housing Plan described above. CP DEV CO is required per the terms of the DDA to provide a minimum of \$90,000 per public housing replacement unit and \$70,000 per new affordable unit.

In August 2011, the development team was awarded a U.S. Department of Housing and Urban Development (“HUD”) Choice Neighborhoods Initiative Implementation (“CNI”) Grant in the amount of \$30,500,000, of which \$21,500,000 is to be used for housing development at AG. The CNI program is designed to catalyze critical improvements in neighborhood assets, including vacant property, housing, services and schools. The CNI funding comes with a variety of deadlines and deliverables, the most important of which is a statutory obligation that grant

funds be expended and units delivered by September 2016 for the portion of the funds associated with Phases 1 and 2 and September 2017 for the portion of the funds to be used for Phase 3. Therefore, CNI funds and associated funding deadlines will apply to the first 3 phases of AG. Several loans for AG have been approved by the Former Agency Commission and the Commission on Community Investment and Infrastructure (“CCCI”). The Mayor’s Office of Housing and Community Development (“MOHCD”) will issue the tax exempt bonds for the Project. OCII and CPDEV CO will provide gap financing for each phase of the development. Phases 1 - 3 are currently under construction and on schedule to meet the CNI deadlines.

Scope of Work:

The Project provides handsome townhomes and one-story flats for thirty-one families and related private and common open spaces, car and bicycle parking and a children’s play area in a secure central area. The unit mix includes twelve 1-bedroom units, six 2-bedroom units, ten 4-bedroom units and three 5-bedroom units in a mix of flats and two and three-story townhomes.

Ownership:

MBS, through DRV, has formed a limited partnership to own the improvements, Alice Griffith Phase 4, L.P. (“the Partnership”). SFHA will own the land that the improvements will be built on. SFHA will enter into a long term Ground Lease with the Partnership.

Financing:

The Partnership will apply for a tax-exempt bond allocation and 4% low-income housing tax credits for the units:

- o Total Est. Development Cost \$26 mil
- o Total Hard Cost \$19.3 mil
- o Acquisition Cost \$0
- o Soft Costs \$6.6 mil

Funding sources include an OCII Loan, Tax Exempt Bonds, and 4% Low Income Housing Tax Credits.

Schedule:

Alice Griffith Phase 4 Schedule	
Task	Date
TEFRA Ad Published	9/12/2016
TEFRA Hearing	9/27/2015
Inducement Resolution Lodged with Board	10/4/2016
Inducement Resolution to Budget & Finance Committee	10/12/16 or 10/19/16
Inducement Resolutions Approved by Board	10/25/2016

Submit CDLAC application	1/13/2017
Submit tax credit application	1/13/2017
CDLAC meeting -- secure allocation	3/15/2017
TCAC Meeting -- secure allocation	3/15/2017
Allocation Resolutions Lodged with Board	4/4/2017
Allocation Resolution to Budget and Finance	4/12/2017 or 4/19/2017
Allocation Resolution Approved by Full Board	4/25/2017
Mayor signs the resolution	5/5/2017
Finalize construction contract	5/5/2017
Close bond and credit financing	5/9/2017
Start construction	5/10/2017
Complete construction	6/2018

Development Team:

- Developer: McCormack Baron Salazar
- Architect: HKIT Architects, with Y.A. Studio
- Contractor: Nibbi Brothers and Baines Construction