November 2, 2015

1750 McAllister Street – RAD Phase II
Project Overview

Project Summary

1750 McAllister consists of 97 public housing units located at 1750 McAllister 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.

1750 McAllister, which is part of phase II, will include 44,273 square feet of gross floor area, including 42,389 square feet of residential area as well as nearly 1,884 square feet of common area. Residents will have access to open space and a community garden in the front courtyard and parking in the lot adjacent to the building.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be approximately $35.7 million, or $357,000 per dwelling unit.

The residential unit distribution is:

Studios	75 units
1-BRs	21 units
2-BRs	1 unit

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% 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. All temporary relocation for 1750 McAllister will occur on-site.

Site Description and Scope of Work

Address: 1750 McAllister Street, San Francisco, CA 94115
Block/Lot: 1157/7&8

Scope of work on the existing structures will include:

- building envelope repairs;
- full modernization of elevators;
- upgrades to the security and fire systems; and
- replacement of windows, doors, flooring, appliances and fixtures in residential units and common spaces.

Seismic risk testing showed a probable maximum loss within industry standards – Scenario Expected Loss of 10 and Scenario Upper Loss of 16 – so no structural seismic upgrades are required. A total of seven units will be converted to mobility units, and four units will be converted to communication units.

A one-story, horizontal addition will extend the ground floor by approximately 780 square feet, so that the capacity for on-site social services and property management can be increased. The parking lot will be re-graded, repaved and re-striped with new signage and lighting. The front courtyard will be enhanced with the addition of gating for security and privacy, benches and furniture for seating, and planters and canopy for greening.

Twenty-two 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

- 1750 McAllister, L.P. is the Project Sponsor.
- Community Housing Partnership (CHP) will be the non-profit partner in the development and operation of the project.
- FineLine Construction will be the general contractor for the project.
- CHP will also serve as the property manager for the project.
- Levy Design Partners, Inc. is the architect for the project.

Project Ownership Structure

- This project is being sponsored by 1750 McAllister, L.P.
- 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 CHP 1750 RAD LLC, a California Limited Liability Company, will be the Managing General Partner. CHP is the sole member/manager of CHP 1750 RAD LLC.
- An Investor Member will own a 99.99% member interest in the new owner.
- Any required guaranties will be provided by CHP.

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 starting within 30 days of closing.

The site rehabilitation work will be over a 22-month period with households temporarily relocated for approximately 4-8 weeks (depending on number of units in the phase of the work). All construction work will be completed by July 2018.