

Alice Griffith Phases 1 and 2 Affordable Projects Description

May 2014

Alice Griffith Phases 1 and 2 (the “Projects”) are the first two phases of the redevelopment of the 256 units 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, 382 market rate units, 43 inclusionary units and 281 workforce units (serving households between 120% and 160% AMI). Phase 1 will be a 93 unit family project and Phase 2 will be a 91 unit family project each including 65% public housing replacement units and 35% affordable housing units (serving households at and below 50% Area Median Income).

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 (“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 LIHTC 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 predevelopment loans for AG have been approved by the Former Agency Commission and the OCII Commission and the OCII Commission is scheduled to consider the permanent gap loans for Phases 1 and 2 on June 17, 2014. 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.

Scope of Work:

Each Project will be a five-story podium building one with 93 units and one with 91 units.

Ownership:

MBS will form separate limited partnerships to own the improvements of each phase ("the Partnerships"). SFHA" will own the land that the improvements will be built on. SFHA will enter into long term Ground Leases with each Partnership.

Financing:

The Partnerships will apply for a tax-exempt bond allocation currently estimated to be approximately \$32.5 million per phase and 4% low-income housing tax credits for 100% of the units:

- Total Development Cost per phase \$54 mil
- Total Hard Cost per phase \$45 mil
- Acquisition Cost per phase \$0
- Soft Costs per phase \$9 mil

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

Schedule:

Alice Griffith Phases 1 and 2 Schedule	
Task	Date
TEFRA Ad Phase 1 Published	5/12/2014
TEFRA Ad Phase 2 Published	5/13/2014
TEFRA Hearing Phase 1	5/27/2014
TEFRA Hearing Phase 2	5/29/2014
Inducement Resolutions Lodged with Board	6/3/2014
Inducement Resolutions Lodged with Board	6/9/2014
Inducement Resolutions Approved by Board	6/17/2014
Submit CDLAC applications	7/18/2014

Submit tax credit applications	8/15/2014
CDLAC meeting -- secure allocations	9/17/2014
TCAC Meeting -- secure allocations	10/15/2014
Allocation Resolutions Lodged with Board	11/14/2014
Allocation Resolution to Budget & Finance Committee	11/19/2014
Allocation Resolution Approved by Full Board	12/2/2014
Mayor signs the resolution	12/9/2014
Finalize construction contract	12/31/2014
Close bond and credit financing	1/10/2014
Start construction	1/15/2014
Complete construction	7/2016

Development Team:

- o Developer: McCormack Baron Salazar
- o Architect: Torti Gallas
- o Contractor: Nibbi Brothers and Baines Construction

