

Alice Griffith Phase 3A Affordable Project Description

Alice Griffith Phase 3A (the “Project”) is the first part of the third phase 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, 367 market rate units, 42 inclusionary units and 237 workforce units (serving households between 120% and 160% AMI). Phase 3A and 3B total 122 units in one building that are being financed separately to increase Low Income Housing Tax Equity to the development. Phase 3A will have 92 units (12 one-bedroom, 71 two-bedroom, and 9 three-bedroom units). Phase 3B will have 30 units (1 one-bedroom, 26 three-bedroom, and three four-bedroom units). Only Phase 3A will receive tax-exempt bond financing. Phases 3A and B combined will be comprised of 76% (or 93 units) public housing replacement units and 23% (or 29 units) 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 (“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 predevelopment 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 and 2 are currently under construction. 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). CCCI will consider permanent gap funding for Phases 3A and 3B in June 2015.

Scope of Work:

The Project, along with Phase 3B will be contained within a five-story podium building. It will consist of 3 and 4 stories of Type V Residential Wood Frame construction over a Type I, post-tensioned concrete podium over 1 level of parking. Townhouse units on one side of the podium will be three stories above the podium framed in wood and one story below the podium framed in metal stud.

Ownership:

MBS, through DRV, has formed a limited partnership to own the improvements, Alice Griffith Phase 3A, L.P. (“the Partnership”). SFHA will own the land that the improvements will be built on. SFHA will enter into long term Ground Leases with the Partnership.

Financing:

The Partnership will apply for a tax-exempt bond allocation of \$32 million and 4% low-income housing tax credits for the units:

- Total Development Cost \$58 mil
- Total Hard Cost \$38.5 mil
- Acquisition Cost \$0
- Soft Costs \$13 mil

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

Schedule:

Alice Griffith Phase 3A Schedule	
Task	Date
TEFRA Ad Published	4/26/2015
TEFRA Hearing	5/14/2015
Inducement Resolution Lodged with Board	5/15/2015

Inducement Resolution to Budget & Finance Committee	5/27/15 or 6/3/15
Inducement Resolutions Approved by Board	6/9/2015
Submit CDLAC application	7/17/2015
Submit tax credit application	8/21/2015
CDLAC meeting -- secure allocation	9/16/2015
TCAC Meeting -- secure allocation	10/21/2015
Allocation Resolutions Lodged with Board	11/24/2015
Allocation Resolution to Budget & Finance	12/2/2015
Allocation Resolution Approved by Full Board	12/15/2015
Mayor signs the resolution	12/28/2015
Finalize construction contract	12/31/2015
Close bond and credit financing	1/15/2015
Start construction	1/15/2015
Complete construction	7/2017

Development Team:

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