

9/3/2015

**Robert Pitts Housing Partners, LP  
Robert B. Pitts (1150 Scott Street) – RAD Phase I  
Project Overview**

**Project Summary**

Robert B. Pitts consists of 203 existing public housing units located at 1150 Scott Street in the City 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.

Robert B. Pitts was constructed in 1991 on approximately 4.5 acres with an approximate gross area of 178,122 square feet. Residents will access expanded laundry facilities, community space and updated outdoor leisure space and play areas as a result of the rehabilitation project.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be nearly \$76,745,971, or \$378,059 per dwelling unit.

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

2-BRs	77 75 units
3-BRs	112 units
4-BRs	12 units
Total:199 leasable units (2 units set aside for property management and service delivery offices)	

All of the residential units will serve households earning less than 50 percent of the San Francisco County Area Median Income, though the rents may be increased to 60% State TCAC 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. The property is a family housing site with 542 residents of which 47% are African-American, 26% are Asian and 25% are Caucasian; 25% of residents are of Hispanic origin. Residents on the site speak a variety of languages, including English, Chinese, Spanish and Arabic. Tenant incomes are estimated to range from 0 to 81% of area median income (AMI).

**Site Description and Scope of Work**

Address: 1150 Scott (Block 1) & 1825 Eddy (Block 2)  
Block/Lot: 001/0752 (Block 1) & 001/1128 (Block 2)

Based on the PCA and assessments completed by Gelfand and their subconsultants, the anticipated scope of work includes the following broad categories:

1. Site accessibility: While certain units are designated as accessible, they do not meet current accessibility requirements. In particular, clearances within the bathrooms are inadequate, entry gates are too narrow, and paths of travel aren't to current code.

2. Apartment accessibility: The project will provide a total of (11) fully accessible apartments: Renovating (4) 2-bedroom, (6) 3-bedroom apartments and adding a bedroom to a 3-bdrm apartment to form (1) 4-bedroom accessible apartment. Accessible apartment renovations require reconfiguration of security gate, providing accessible concrete landing/path at the exterior, reconfiguring existing kitchen and bathroom layouts and miscellaneous minor changes to provide compliance.

3. Unit interiors: The existing cabinetry in the kitchens and baths is original and in most cases the condition of the cabinets is very bad. Though some of the stoves have been replaced in conjunction with capital spending by SFHA, most of the stoves are original as well. Similarly, the furnaces are original and water heaters are nearing the end of their useful lives. The scope assumes that within the units, all appliances (except ranges that have been replaced recently) will be replaced. Existing exhaust in the kitchens and baths is not ducted to the exterior. The scope includes installation of new exhaust fans and ducting to the exterior. All flooring will be removed and replaced with new sheet vinyl or carpet. Most units do not have window coverings and new window treatments are assumed. Garbage disposals will be added in the kitchens. New bathroom tub surrounds will be installed as will new plumbing fixtures. At this time, replacement of waste or supply lines is not assumed. All units will be repainted.

4. Building exteriors: There is considerable dry rot at many window and corner locations. The current plan calls for installation of retrofit windows. The scope also includes replacement of the existing modified bitumen roofing. All exterior surfaces will be repainted and exterior security grilles will be replaced with interior-mounted grilles.

5. Site Conditions: Landscaping is virtually non-existent. New planting and irrigation will be installed throughout the site and spaces will be programmed. Private outdoor space will be preserved at the ground floor interior facing units. The existing interior wood fencing will be repaired and painted. The existing basketball court on Block 1 (1150 Scott) will be repaved. A new play structure will be installed in the adjacent play area. Parking areas will be repaved and re-stripped, including complying accessible parking spaces. On Block 2, community gardens and a basketball court suitable to younger kids will be installed.

6. New Construction: The scope includes the construction of a new laundry facility at the west site (Block 2). Currently, there are only 8 washers and dryers for the entire 203 unit complex. To add laundry capacity at the 1150 Scott Street Community Building location (Block 1), the current facilities will be expanded within the existing space. An accessible 4bdrm unit by created onsite by adding a bedroom to a ground floor 3brdm flat. The current community room will also be expanded to create additional office space and increase the size and function of the kitchen equipment in that space. A maintenance shed will be added adjacent to the community building, as well as a mail kiosk for Block 2. A trash compactor will also be installed.

7. Trash Enclosures: There are currently 16 trash areas on the site. The number of trash locations will be reduced to 8 and new trash enclosures will be constructed in large part to reduce exposure of trash and corollary pest issues. The remaining 8 locations, which are gated and allow access into and out of the site, will be secured and new card readers will be installed to control access through these gates. The development team is in the process of determining how to deliver power and water to these locations.

8. Security: A security system consisting of 32 cameras per block will be installed. The cameras will need power and data lines; to the extent possible, the project will utilize lines that are installed by the San Francisco Housing Authority prior to conversion. Card readers will be installed at the community building to allow controlled access to the mail room and laundry rooms after hours, as well as to the perimeter entry gates that will no longer function as trash areas.

9. Existing residents will be relocated on site.

### **Development Team**

- Robert Pitts Housing Partners, L.P. is the Project Sponsor.
- Related/Robert Pitts Development Co., LLC will be the administrative general partner and lead developer of the project
- Tabernacle Community Development Corporation will be the managing general partner
- Nibbi Brothers will be the general contractor for the project.
- Related Management Company will be property manager for the project.
- Gelfand Partners is the architect for the project.

### **Project Ownership Structure**

- This project is being sponsored by The Related Companies of California and Tabernacle CDC
- 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 Tabernacle CDC will be the Managing General Partner.
- An Investor Member will own a 99.99% member interest in the Owner.

Any required guaranties will be provided by The Related Companies, LP

### **Financing Structure**

The following sources of capital financing will be utilized: tax-exempt bonds issued by the City of San Francisco; 4% low income housing tax credits; seller carryback financing from the San Francisco Housing Authority; 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% Low Income Housing Tax Credits (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 October 1, 2015 and October 31, 2015, with construction starting within 30 days of the close.

The site rehabilitation work is currently projected to take 12 months, though this schedule is contingent on the availability of vacant units on-site for relocation.