

9/4/2015

HOLLY COURTS HOUSING ASSOCIATES, L.P
Bernal Heights Neighborhood Center and BRIDGE Housing Corporation
Holly Courts – RAD Phase I
Project Overview

Project Summary

Holly Courts consists of 118 existing public housing units located at 100 Appleton Ave 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.

Holly Courts will include approximately 78,669 square feet of gross floor area, including 76,412 square feet of residential area as well as 2,257 square feet of common area. Residents access courtyards between the various buildings.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be approximately \$69,000,000, or \$584,745 per dwelling unit.

The residential unit distribution, which will include one 2 bedroom superintendent unit, is:

1 BRs	48 units
2-BRs	60 units
3-BRs	10 units

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.

Site Description and Scope of Work

Address: 100 Appleton Ave, San Francisco, CA 94110
Block/Lot: 5714-001

In order to mitigate the current ventilation and organic growth concerns, the scope

eliminates the “cold wall” condition through removal and replacement of the interior furred walls at the perimeter of the building, installation of gypsum board and insulation. Ventilation systems will be added in the bathrooms and kitchens.

The electrical system is original to 1940, with piecemeal upgrades over the last 75 years. The system must be replaced, and the solution to the walls allows for the wiring to be redone within those walls at this time. The scope includes the replacement of unit lights with room specific equivalent. New fixtures provide the benefit of energy efficiency and low maintenance with longer life.

The plumbing system is original to 1940, with galvanized piping and cast iron. Wherever there is a water supply line that is galvanized steel becomes exposed during construction, it will be replaced with copper or PEX.

New insulation, sheathing, and roofing will be installed at every building. Asbestos-containing materials in the flooring will be removed and new flooring will be installed throughout the units. Kitchen cabinets and countertops will be replaced.

There are currently no units on site that meet ADA requirements for accessibility. In order to adhere to ADA compliance, the project will make 5% of units fully accessible and improve general accessibility throughout the site.

14 months are allocated to rehabilitation of the project. Existing residents will be relocated on site as much as possible as well as off site through a MOHCD- and SFHA-coordinated relocation effort.

Development Team

- Project Sponsor: HOLLY COURTS HOUSING ASSOCIATES, L.P., whose General Partner entity consists of Bernal Heights Housing Corporation (BHHC) and BRIDGE Housing Corporation
- General Contractor: Fineline Construction
- Property Manager: BRIDGE Property Management Corporation
- Architect: Gelfand Partners

Project Ownership Structure

- This project is being sponsored by HOLLY COURTS HOUSING ASSOCIATES, L.P., whose General Partner entity consists of an LLC with Bernal Heights Housing Corporation (BHHC) and BRIDGE Housing Corporation as co members. BHHC and BRIDGE were selected as co- developers for the Bernal Heights cluster through the SFHA/MOHCD RFQ process. HOLLY COURTS HOUSING ASSOCIATES, L.P. will serve as the General Partner of the Limited Partnership that will own the improvements and lease the land associated with this development.

- 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 affiliates of BRIDGE Housing Corporation & Bernal Housing Neighborhood Center will form an entity that will be the Managing General Partner.
- Bank of America will own a 99.99% member interest in the Limited Partnership.

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 and permanent financing from the San Francisco Housing Authority; a conventional first mortgage; and potentially 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 15, 2015 and October 31, 2015, with construction starting within 30 days of the close.

The site rehabilitation work will be over a 14 month period with households temporarily relocated for approximately 12 weeks during each phase of the work. All construction work will be completed by January 2017.