

9/11/15

**TENDERLOIN NEIGHBORHOOD DEVELOPMENT CORPORATION  
430 Turk – RAD Phase I  
Project Overview**

**Project Summary**

430 Turk provides 88 units of public housing plus one manager unit, primarily to senior and disabled residents. The building was constructed in 1987, and is a nine-story (plus partial basement) building. 430 Turk Street is encompassed within a building that includes 440 Turk Street, formerly offices for the San Francisco Housing Authority. 430 Turk consists of a ground floor lobby with offices and restrooms and an apartment tower from the 3rd through the 9th floors. 440 Turk includes office area on the ground and second floors surrounding the residential lobby and elevators. The two story podium (plus basement) covers nearly the entire property. The basement includes parking for both portions of the buildings as well as mechanical and electrical rooms shared by both portions of the buildings. A 10th floor attic contains building exhaust equipment, some plumbing equipment and elevator machinery and controls, all housed under a pitched roof.

The San Francisco Housing Authority is dividing the property into a residential and commercial office parcel. Operating and maintenance costs will be shared between the Housing Authority owner of the commercial parcel and the limited partnership owner of the residential parcel.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be approximately \$38.2 million, or \$430,000 per dwelling unit. The new unit breakdown will be as follows:

0-BRs	69 units
1-BRs	19 unit
2-BRs	1 unit

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. Approximately 80% of the residents are seniors; the other 20% are disabled adults.

**Site Description and Scope of Work**

Address: 430 Turk  
Block/Lot: 0336/005

430 Turk Street Apartments provides housing for seniors and people with disabilities, and contains 69 studio apartments, 19 one-bedroom apartments and 1 two-bedroom apartment.

The modernization will provide a building with 89 rental apartments with support services office spaces, property management offices, and common recreation and meeting areas. Most work will

occur at the ground floor lobby area and the 3<sup>rd</sup> through 9th floor tower. The project proposes reconfiguration of ground floor spaces to provide community support areas for the apartments above. This will include 1,300 square foot lobby with 2,950 square feet for offices (property management and support services) and community room/storage. The existing laundry room and roof garden will remain and be upgraded.

5 apartments will be reconfigured for mobility accessibility. General accessibility scope consists of repairs/replacements of paths of travel. New accessible parking stalls will be provided at parking areas. The fire alarm system will be modified to comply with current requirements for detection and notification. Windows will be replaced with retrofit windows in existing frames. Security grilles at the 3<sup>rd</sup> floor will be salvaged and reinstalled. The exterior EIFS cladding will be repainted and downspouts will be replaced.

In addition to accessible apartment renovations, many interior components will be replaced, including: cabinetry, plumbing fixtures and fittings, light fixtures, appliances, floor finishes, doors and hardware. Sprinkler heads will be replaced. Exhaust fans at the Attic/roof will be replaced. New domestic water pumps will be provided. Electrical load centers will be replaced; GFCI receptacles provided at kitchens and counters where they don't exist. The structural scope will affect the 9<sup>th</sup> floor and attic areas where diagonal bracing will be replaced. The scope of work includes structural, life safety, and accessibility upgrades and general renovations.

Twelve months are allocated to rehabilitation of the project. Existing residents will be relocated temporarily to on site and off site units through a MOHCD- and SFHA-coordinated relocation effort.

### **Development Team**

- Tenderloin Neighborhood Development Corporation (TNDC) is the Project Sponsor.
- 430 Turk Associates, L.P.
- Fineline Construction will be the general contractor for the project.
- Tenderloin Neighborhood Development Corporation will be property manager for the project.
- Gelfand Partners Architects is the architect for the project.

### **Project Ownership Structure**

- This project is being sponsored by Tenderloin Neighborhood Development Corporation and will be owned by its affiliate 430 Turk Associates, 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 430 Turk GP LLC 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 Tenderloin Neighborhood Development Corporation

### **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; 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% 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 will be over a 12 month period with households temporarily relocated for approximately four weeks during each phase of the work. All construction work will be completed by December 2016.