

**Westbrook – RAD Phase II
Project Overview**

Project Summary

Westbrook consists of 225 existing public housing units located at 40 Harbor Road in the City and County 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.

Westbrook, which is part of phase II, will include approximately 254,000 square feet of gross floor area, including 226,515 square feet of residential area as well as nearly 8,000 square feet of community space and management office area. Residents will have access to landscaped seating areas and play areas in the property between the various buildings.

Total project costs, including the cost to acquire and rehabilitate the existing buildings, will be nearly \$55 million, or \$244,000 per dwelling unit.

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

1-BRs	4 units
2-BRs	59 units
3-BRs	116 units
4-BRs	33 units
5-BRs	11 units

All of the residential units will serve households earning less than 50% of the San Francisco County Area Median Income, though the rents may be increased to 60% of California Tax Credit Allocation Committee 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 resident population at Westbrook largely consists of low-income family households. In terms of racial and ethnic demographics, Westbrook’s resident population is 47% African-American, 38% White, 34% Hispanic, and 3% Asian.

Site Description and Scope of Work

Address: 40 Harbor Road, San Francisco, CA 94115
Block/Lot: Block 4700, Lot 039; Block 4700, Lot 040; Block 4700, Lot 041

The project’s scope of work is as follows:

Exterior

- Repair damaged exterior building skins
- Replace roofs
- Replace windows
- Paint exterior walls

- Replace door hardware

Interior

- Conduct priority unit maintenance
- Repaint units
- Install new flooring, kitchen and bath fixtures, appliances, door hardware, and HVAC systems
- Install smoke and carbon monoxide detectors
- Install washers and dryers
- Install a fire sprinkler system

Site

- Upgrade site lighting
- Install security cameras
- Resurface playground
- Complete limited site landscaping
- Plant new trees and maintain existing trees

Accessibility

- Convert 11 units to full accessibility compliance
- Provide accessible path of travel from designated units to community rooms

Community Space

- Refurbish community room
- Convert one unit to a police substation
- Convert one unit to a tenant council office

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

Development Team

- Westbrook Housing Partners, LP is the project sponsor.
- San Francisco Housing Development Corporation will be the non-profit partner in the development and operation of the project.
- Nibbi Brothers General Contractors will be the general contractor for the project.
- John Stewart Company will be property manager for the project.
- Saida + Sullivan Design Partners is the architect for the project.

Project Ownership Structure

- 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 San Francisco Housing Development Corporation will be the Managing General Partner.
- An Investor Member will own a 99.99% member interest in the new owner.

- Any required guaranties will be provided by The John Stewart Company, The Related Companies, and San Francisco Housing Development Corporation.

Financing Structure

The RAD phase II projects will utilize the following sources of capital financing:

- tax-exempt bonds issued by the City of San Francisco;
- 4% Low Income Housing Tax Credits (LIHTC);
- 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% LIHTC will generate equity financing for the project. The calculation of tax credits utilizes a 30% basis boost as San Francisco County is a “difficult-to-develop” area.

Schedule

Financing is anticipated to close between August 15, 2016 and September 15, 2016, with construction commencing within 30 days of closing.

The site rehabilitation work will be completed over an 18-month period, with households temporarily relocated for approximately 4-6weeks during each phase of the work. All construction work will be completed by February 2018.