

**MIDTOWN
REQUIRED REPAIR PLAN**

CURRENT STATUS

- 140-unit family housing project in Western Addition owned by the City containing in 6 buildings located at:
 - 1415 Scott Street- Building (“Bldg”) #1 – 30 units
 - 2040 O’Farrell – Bldg #2 – 22 units
 - 2060 O’Farrell – Bldg #3 – 22 units
 - 1450 Divisadero – Bldg #4 – 22 units
 - 2121 Geary – Bldg #5 – 22 units
 - 2141 Geary – Bldg #6 – 22 units
- 1 unit turned into an office and community room and 105-units are currently occupied.
- Laundry Rooms in Buildings 3 and 4.
- Population mostly African American families and seniors.
- The buildings are 60 years old, built in 1960’s.
- No major renovation has occurred since construction.
- Major systems are failing.
- Some key health and safety items are in violation of the current code.
- Because of lack of adequate fire safety buildings are becoming difficult to insure.
- Failure of one system could be catastrophic with death, injury and/or large displacement.
- Extremely low rents of existing tenants cause an annual operations gap of \$1.2 million, and this operations gap is filled by MOHCD.

PROPOSAL

- Repair or replace failing systems over five years.
- Use vacant units to relocate residents on-site during repair.
- Repairs to begin on Building 1 in FYE 23-24 and approximately after 2 months after Building 1 repairs are completed, repair on Buildings 2 and 3 will begin in FYE 24-25. 1 month after completion of Building 2 and 3 are completed, Building 4 will begin in FYE 25-26. 1 month after completion of Building 4, Building 5 and 6 will begin in FYE 26-27.
- Add laundry rooms at Building 1 and between Buildings 5 and 6. (Buildings 5 and 6 have a shared water system.) Many existing residents have washers and dryers in their units. With the 1960’s building design that does not allow for fresh air without open windows moisture from the washers and dryers gathers in many units and creates mold.
- All buildings will undergo the following system repairs scope shown below with the current problem and solution.

SYSTEM	PROBLEM	SOLUTION
Fire Alarm	The current code requires upgraded fire alarm with horns in every bedroom. In 2020, fire alarms were updated but bedroom alarm work not complete due to supply chain issues.	Install hardwire alarms in each bedroom.

Fire Sprinkler	Garages are sprinkled but units and hallways are not sprinkled. Insurance downgraded property due to high fire hazard and increased insurance cost by 500%. Anticipate it will be difficult to insure property in the future.	Install fire sprinkler system in hallways and units.
Heaters/ Hot Water	Heaters and boilers are constantly breaking due to sludge in the system as a result of deteriorating pipes. All four boilers have been replaced twice in the last six years. Some residents' heaters can no longer reach 68 degrees, which is the minimum heating standard.	Replace heating and hot water system including new radiators, boilers, thermostats, and pipes. Replace with high efficiency system to reduce operating cost.
Structural Upgrade	Building is similar to a soft story and is above structural risk of PML (probable maximum loss) in an earthquake there could be significant damage.	Structural engineer recommends strengthening columns in garage and securing floor diaphragm to columns.
Roof	The roof was replaced with a five- year temporary roof in 2017 awaiting future rehab. The roof was patched in 2021. Roof failure could lead to significant water intrusion and mold.	Replace roof with standard 20 to 30-year roof. Add photovoltaic panels to reduce operating cost.
Windows, Balcony, Paint	Windows are 60 years old, and some have failed. Many of the large living room sliding windows do not close and seal. Balconies are metal and some are rusting creating hazardous conditions. Some balcony drains are clogged creating pools of water.	Replace windows with new thermal windows to mitigate noise and heat loss. All new windows have screens making screen replacement simultaneous with window replacement. Repair balconies as needed. Paint building with elastomeric paint to seal cracks and prevent spauling.

PROPOSAL OUTCOMES

- Physically stabilize Midtown and reduce high maintenance and operations costs.
- Bring property to code and mitigate risk from health and safety issues.
- Rent vacant units after repairs at or near market rates to eliminate ongoing City operating subsidy to building.
- Discourage, through lease enforcement, new tenants from installing and using in-unit washers and dryers.

OVERALL PROPOSAL/SCOPE BUDGET

Midtown Repair Budget for Building 1

EXPENSES/USES	AMOUNT
Hard Cost Construction for Building 1	\$5,973,193
Hard Cost Construction for Building 2 and 3 in FYE '24-25	\$500,000
Construction Allowance for Unknown Items & Non-emergency repairs that cannot be covered in the Property's operating budget without increase MOHCD's Operating Subsidy	\$291,668
Hard Cost Contingency (20%)	\$1,294,639
Architect/Engineering	\$525,000
Project Administration, inclusive of Construction Management	\$210,000
Permit/Fees	\$145,000
Utility Fees	\$250,000
Third Party Consultants	\$125,000
Relocation Fees	\$300,000
Soft Cost Contingency	\$135,500.0
TOTAL EXPENSES	\$9,750,000

Please note that the budget above may be similar for Building 2 and 3 that will begin in FYE '24-25 and Buildings 2 and 3 do not include adding a laundry room.

TIMELINE

Please see attached project timeline and budget allocations for all buildings.