FILE NO. 061269

RESOLUTION NO. 580-06

[Accept-Expend Federal Funding – Neighborhood Initiative Grant]

Resolution authorizing the Mayor, on behalf of the City and County of San Francisco, to accept and expend a Neighborhood Initiative Grant from the U.S. Department of Housing and Urban Development in an amount not to exceed Nine Hundred Ninety Thousand Dollars (\$990,000) for the rehabilitation and adaptive re-use of the Hotel Essex at 684 Ellis Street, San Francisco.

WHEREAS, The Board of Supervisors of the City and County of San Francisco (the "Board of Supervisors"), after careful study and consideration, has determined that there is a shortage of safe and sanitary housing within the City and County of San Francisco (the "City"), particularly for low and moderate income persons, and that it is in the best interest of the residents of the City and in furtherance of the health, safety, and welfare of the public for the City to assist in the financing of multifamily rental housing projects for such persons; and,

WHEREAS, On April 17, 2006, the Department of Housing and Urban Development (HUD) officially notified the Mayor's Office of Housing of the availability of a Neighborhood Initiative Grant in the amount of Nine Hundred Ninety Thousand Dollars (\$990,000) (the "Grant") under Public Law 109-115, the Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Act of 2006; and

WHEREAS, The City is eligible to receive the Grant for rehabilitation of a facility for use as a homeless shelter; and,

WHEREAS, The City intends to use the Grant to finance the rehabilitation and conversion of a 108-room tourist and residential hotel located at 684 Ellis Street, San

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Francisco, California 94109 into an 84-unit affordable housing development for extremely lowincome homeless individuals (the "Project"); and,

WHEREAS, The Mayor's Office of Housing proposes to maximize use of available Grant funds on the Project by not including the indirect costs of administering the Grant in the Grant budget; and,

WHEREAS, The indirect costs of administering the Grant are an eligible expense under the federal Community Development Block Grant (CDBG) program and will be paid from CDBG funds through the 2006 Community Development Block Grant Program; now, therefore, be it

RESOLVED, That the Mayor is authorized to accept and expend a Neighborhood Initiative Grant from the Department of Housing and Urban Development in an amount not to exceed Nine Hundred Ninety Thousand (\$990,000) for rehabilitation of a facility for use as a homeless shelter.

Supervisor Chris Daly

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City and County of San Francisco

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Tails

Resolution

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Date Passed:

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October 3, 2006 Board of Supervisors - ADOPTED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Ma, Maxwell, McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 061269

I hereby certify that the foregoing Resolution was ADOPTED on October 3, 2006 by the Board of Supervisors of the City and County of San Francisco.

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Date Approved

, oria L. Young of the Board Gavin Newsom