1 2

 [Grant Agreement - Housing Services Affiliate of the Bernal Heights Neighborhood Center - Local Operating Subsidy Program Contract - Monterey Boulevard Apartments, 403 Monterey Street - Not to Exceed \$1,662,342]

Resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with Housing Services Affiliate of the Bernal Heights Neighborhood Center, a California limited partnership, to provide operating subsidies for formerly homeless adult households at Monterey Boulevard Apartments, located at 403 Monterey Street, for the 15-year and six months term of July 1, 2018, through December 31, 2033, in an amount not to exceed \$1,662,342.

WHEREAS, The Mayor's Office of Housing and Community Development ("MOHCD") administers a variety of housing programs that provide financing for the development of new housing and the rehabilitation of single- and multi-family housing for low- and moderate-income households in San Francisco; and

WHEREAS, In 2016, the City and County of San Francisco ("City") formed the Department of Homelessness and Supportive Housing ("HSH"), with one of its goals to reduce the number of chronically homeless households that numbered 2,138 per the 2017 Point in Time Homeless Count; and

WHEREAS, MOHCD developed the Local Operating Subsidy Program ("LOSP") in order to establish long-term financial support to operate and maintain permanent affordable housing for homeless households; and

WHEREAS, Through the LOSP, the City subsidizes the difference between the cost of operating housing for homeless persons and all other sources of operating revenue for a given project, such as tenant rental payments, commercial space lease

payments, Continuum of Care ("CoC") Shelter Plus Care Program subsidies, project-based Section 8 rent subsidies, and California Mental Health Services Act operating subsidies; and

WHEREAS, the Board of Supervisors authorizes City funding for LOSP projects as part of the Annual Appropriation Ordinance; and

WHEREAS, MOHCD enters into grant agreements with supportive housing owners and operators for LOSP projects in consultation with HSH; administers LOSP contracts; reviews annual audits and prepares recommendations for annual adjustments to project funding; monitors compliance with LOSP requirements in accordance with capital funding regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

WHEREAS, Housing Services Affiliate of the Bernal Heights Neighborhood Center, a California limited partnership ("Developer"), is the owner and developer of Monterey Boulevard Apartments, located at 403 Monterey Street ("Project"), which provides 1 one-bedroom and 3 two-bedroom units of permanent supportive housing including 4 units that were previously supported through Continuum of Care subsidies and HSH funds; and

WHEREAS, In 2016 the Project's Continuum of Care rental subsidies were not renewed by HUD and these units are an important source of permanent supportive housing for chronically homeless persons with disabilities; and

WHEREAS, On May 4, 2018, the Loan Committee recommended approval to the Mayor of a LOSP grant award for the Project in an amount not to exceed \$1,662,342; and

WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed \$1,662,342 to the Developer pursuant to a LOSP Grant Agreement

("Agreement") in substantially the form on file with the Clerk of the Board in File No. 180536, and in such final form as approved by the Director of MOHCD and the City Attorney; and

WHEREAS, In the event that an alternate rental subsidy becomes available through a Project Based Voucher Notice of Funding Availability issued by the San Francisco Housing Authority and the Project is eligible to apply, the MOHCD Director will help facilitate that application, and if awarded, the amount of the Agreement will be reduced accordingly; and

WHEREAS, The Agreement is for a 15.5 year term, starting July 1, 2018, and ending December 31, 2033, and therefore requires Board of Supervisors authorization; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby authorizes the Director of MOHCD or her designee to execute the Agreement for an amount not to exceed \$1,662,342; and, be it

FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to proceed with actions necessary to implement the Agreement following execution, and ratifies, approves and authorizes all actions heretofore taken by any City official in connection with the Agreement; and, be it

FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the Director of MOHCD or her designee to enter into any amendments or modifications to the Agreement, including without limitation, the exhibits that the Director determines, in consultation with the City Attorney, are in the best interest of the City, do not materially increase the obligations or liabilities for the City or materially diminish the benefits of the City, are necessary or advisable to effectuate the purposes and intent of this Resolution and are in compliance with all applicable laws, including the City Charter; and, be it

FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully executed by all parties, MOHCD shall provide the final Agreement to the Clerk of the Board for inclusion into the official file.

RECOMMENDED:

Kate Hartley, Director

Mayor's Office of Housing and Community Development



City and County of San Francisco **Tails**

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

Resolution

File Number:

180536

Date Passed: June 26, 2018

Resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with Housing Services Affiliate of the Bernal Heights Neighborhood Center, a California limited partnership, to provide operating subsidies for formerly homeless adult households at Monterey Boulevard Apartments, located at 403 Monterey Street, for the 15-year and six months term of July 1, 2018, through December 31, 2033, in an amount not to exceed \$1,662,342.

June 20, 2018 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

June 20, 2018 Government Audit and Oversight Committee - RECOMMENDED AS **AMENDED**

June 26, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

File No. 180536

I hereby certify that the foregoing Resolution was ADOPTED on 6/26/2018 by the Board of Supervisors of the City and County of San Francisco.

Clerk of the Board

Mark Farrell Mayor