

Homekey+ Projects: 835 Turk Street and 1035 Van Ness Avenue

Budget and Finance Committee | December 3, 2025



Leveraging State Homekey Grant Funds

Homekey Program

~\$235 million awarded to San Francisco

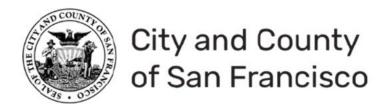
~897 new units of PSH for adults, families and young adults across 8 sites

Homekey+ Program

\$56.3 million awarded to projects in San Francisco

~230 units of PSH for veterans and adults across 2 sites

- Homekey+ is the permanent housing component of the Behavioral Health Bond under Proposition 1 and is administered by HCD.
- Focuses on quick
 delivery of permanent
 affordable housing,
 generally within 12
 months of award.



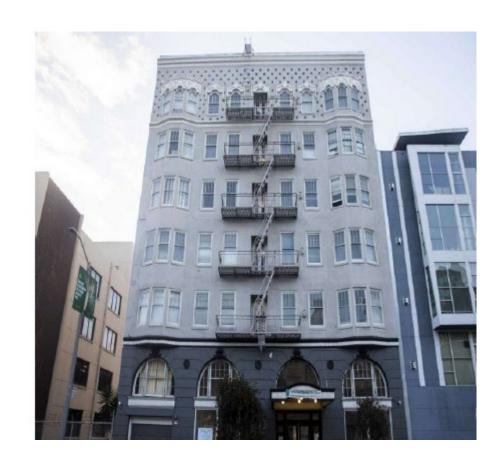
835 Turk Street

- Homekey+ Accept and Expend
- Ground Lease and Loan & Grant Agreement



835 Turk Street

- → Acquired by the City in 2022, has been operated as permanent supportive housing (PSH) for adults exiting homelessness since 2023.
- Coperated by Five Keys Schools and Programs (Sponsor) acting through its affiliate 835 Turk LLC (Borrower)
- Homekey+ grant funds will support capital and operations.
- **∽** Rehabilitation:
 - 106 units, including 6 ADA units
 - Critical structural improvements, including Seismic retrofit
 - Ground floor remodeling
 - Window replacement



835 Turk: Accept and Expend Resolution

Resolution authorizes HSH to:

- Execute a Standard Agreement for a total amount not to exceed \$17,291,506 with co-applicants 835 Turk LLC and Five Keys with the State of California's Department of Housing and Community Development (HCD).
- Retroactively accept and expend \$13,729,907 in Homekey+ grant funds.
 - The remaining funds will be disbursed from HCD directly to 835 Turk LLC to support initial operating costs for the 53 Homekey+ units.
- Approves the City to commit \$16,270,093 in capital and 5 years of operating subsidies for required matching funds.
 - Additionally, the City has committed to 15 years of operating subsidies through the LOSP program.

835 Turk: Funding Overview

Homekey+ City Portion

- \$12.7 million for Capital (Rehabilitation)
- \$1 million for Capital (Relocation)

Homekey+ 835 Turk LLC

• \$3.6 million for Operating

Required Match: Capital (\$16.2 million)

- \$6.6 million Our City, Our Home (Prop C)
- \$9.6 million 2020 Health & Recovery GO Bond Funds

Required Match: Operations

- \$16.3 million OCOH
- \$29.4 million LOSP (Additional Commitment)

835 Turk Homekey+ Grant - \$17.3 million

Capital Award: \$13.7 million

Operating Award: \$3.6 million

835 Turk: Ground Lease and Loan & Grant Agreement

Ground Lease

• Leasee: 835 Turk LLC

• Term: 55-years

• Cost: \$1 total rent

• **Scope:** Responsible for ongoing management, maintenance, rehabilitation and operation of the Project as PSH.

Loan & Grant Agreement

• Loan: \$12,922,000 to 835 Turk LLC

• Grant: \$13,729,907 in Homekey+ funds from HCD

• Term: 55 years

• Interest Rate: 0%

 Recommended by the Citywide Affordable Housing Loan Committee on November 7, 2025.



1035 Van Ness Avenue

- Homekey+ Accept and Expend
- Loan & Grant Agreement



1035 Van Ness Avenue (1035 VN)

- Former assisted living facility, 9-story building with 107 private baths and small kitchenettes.
- Swords to Plowshares (1035Vets LLC) acquired the property in June 2025, and in partnership with MOHCD and HSH will operate the site as permanent supportive housing (PSH) for veterans.
- 124 units of PSH following rehab, with 58 units supported by Local Operating Subsidy Program (LOSP) and 66 units supported by Veterans Affairs Supportive Housing (VASH) vouchers.
- Homekey+ grant will support rehabilitation and operations.



1035 Van Ness: Accept and Expend Resolution

Resolution authorizes HSH to:

- Execute a Standard Agreement for a total amount not to exceed \$39,044,030 with co-applicant 1035Vets LLC, with the State of California's Department of Housing and Community Development.
- Accept and expend \$3,000,000 in Homekey+ grant funds for rehabilitation.
 - Additional funds will be disbursed from HCD to pay \$29.8M in acquisition financing and remaining \$6.2M will be disbursed to 1035Vets LLC, to support initial operating costs.
- Approves the City to commit \$8,000,000 in capital and 5 years of operating subsidies for required matching funds.
 - Additionally, the City has committed to 15 years of operating subsidies through the LOSP program.

1035 VN: Funding Overview

Homekey+ City Portion

• \$3 million for Capital (Rehabilitation)

Homekey+ 1035Vets LLC

- \$29.8 million for Capital (Acquisition)
- \$6.2 million for Operating

Required Match: Capital (\$8 million)

- \$2.1 million Our City, Our Home (Prop C)
- \$5.9 million 2020 Health & Recovery GO Bond Funds

Required Match: Operations

- \$2.9 million General Fund
- \$8.7 million LOSP (Additional Commitment)

1035 Van Ness Homekey+ Grant - \$39 million

Capital Award: \$32.8 million

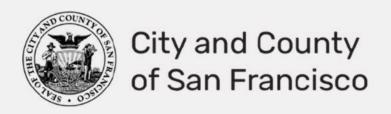
Operating Award: \$2.5 million

Veteran Units Additional
Operating Award: \$3.7 million

1035 Van Ness: Loan and Grant Agreement

Loan & Grant Agreement

- Loan: \$8,000,000 City loan to 1035Vets LLC
- **Grant:** \$3,000,000 in Homekey+ funds from HCD, managed by MOHCD
- Loan Term: 55 years
- Loan Interest Rate: 0%
- Recommended by the Citywide Affordable Housing Loan Committee on November 7, 2025.



Thank you.

Department of Homelessness and Supportive Housing

Mayor's Office of Housing and Community
Development

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