



City and County
of San Francisco

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.



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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.
- Operated 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.



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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.



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Thank you.

Department of
Homelessness and
Supportive Housing

Mayor's Office of Housing
and Community
Development