

1 [Local Operating Subsidy Program Contract - 1100 Ocean Avenue Associates, LP - 1100  
2 Ocean Avenue - Not to Exceed \$3,745,499]

3 **Resolution authorizing the Director of the Mayor’s Office of Housing and Community**  
4 **Development to execute a Local Operating Subsidy Program Grant Agreement with 1100**  
5 **Ocean Avenue Associates, LP, a California limited partnership, to provide operating**  
6 **subsidies for formerly homeless transition age youth at 1100 Ocean Avenue, for a fifteen-**  
7 **year period, in an amount not to exceed \$3,745,499.**

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

13 WHEREAS, In 2004, the City and County of San Francisco (City) published its “Ten  
14 Year Plan to End Chronic Homelessness,” and established a goal of creating 3,000  
15 permanent affordable housing units for homeless households by 2016; and

16 WHEREAS, MOHCD developed the Local Operating Subsidy Program (LOSP) in order  
17 to establish long-term financial support to operate and maintain permanent affordable housing  
18 for homeless households. Through the LOSP, the City subsidizes the difference between the  
19 cost of operating housing for homeless persons and all other sources of operating revenue for  
20 a given project, such as tenant rental payments, commercial space lease payments, Stewart  
21 B. McKinney Homeless Assistance Act subsidies, project-based Section 8 rent subsidies and  
22 California Mental Health Services Act operating subsidies; and

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1           WHEREAS, All supportive housing projects selected for capital funding by the Citywide  
2 Affordable Housing Loan Committee (Loan Committee) pursuant to a competitive Notice of  
3 Funding Availability (NOFA) or Request for Proposals (RFP) process and intended to serve  
4 homeless individuals or families are eligible to receive LOSP funds; and

5           WHEREAS, The Board of Supervisors of the City and County of San Francisco (Board  
6 of Supervisors) authorizes City funding for LOSP projects as part of the Annual Appropriation  
7 Ordinance; and

8           WHEREAS, MOHCD enters into grant agreements with supportive housing owners  
9 and operators for LOSP projects in consultation with the Department of Public Health (DPH)  
10 and Human Services Agency (HSA), administers LOSP contracts, reviews annual audits and  
11 prepares recommendations for annual adjustments to project funding, monitors compliance  
12 with LOSP requirements as part of monitoring compliance with capital funding regulatory  
13 agreements, and if necessary, takes appropriate action to enforce compliance; and

14           WHEREAS, 1100 Ocean Avenue Associates L.P., a California limited partnership (the  
15 Developer), is the owner and developer of the affordable rental housing development located  
16 at 1100 Ocean Avenue, which will provide 71 new studios, one bedroom, two bedroom, and  
17 three bedroom units for transitional age youth and low income families (the Project); and

18           WHEREAS, On December 20, 2013, the Loan Committee recommended approval to  
19 the Mayor of a LOSP grant award for the Project not to exceed \$3,745,499, which would be  
20 used to subsidize the operating costs for 19 of the Project units that are specifically  
21 designated for transition age youth; and

22           WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed  
23 \$3,745,499 to the Developer pursuant to a LOSP Grant Agreement (the

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1 Agreement) in substantially the form on file with the Clerk of the Board in File No. 140649 and  
2 in such final form as approved by the Director of MOHCD and the City Attorney; and

3 WHEREAS, The Agreement is for a 15 year term, and therefore requires Board of  
4 Supervisors authorization; now, therefore, be it

5 RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
6 MOHCD or his designee to execute the Agreement for an amount not to exceed \$3,745,499;  
7 and, be it

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

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

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20 RECOMMENDED:

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Olson Lee, Director  
23 Mayor's Office of Housing and Community Development

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