

1 [Grant Agreement - Retroactive - Operating Subsidy for Permanent Supportive Housing Units
2 - RSU Associates, L.P. - 78 Haight Street and 120 Octavia Street - Not to Exceed
3 \$15,369,361]

4 **Resolution retroactively approving and authorizing the Mayor and the Director of the**
5 **Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant**
6 **agreement with RSU Associates, L.P. in the amount not to exceed \$15,369,361 for a 20-**
7 **year term to provide operating subsidies for a 100% affordable housing project**
8 **housing for low-income and formerly homeless households, including transition aged**
9 **youth, located at 78 Haight Street and 120 Octavia Street; approving the form of and**
10 **authorizing the execution of the grant agreement with a retroactive commencement**
11 **date of October 1, 2025; authorizing the Director of MOHCD to enter into any additions,**
12 **amendments, or other modifications to the grant agreement that do not materially**
13 **increase the obligations or liabilities of the City or materially decrease the benefits to**
14 **the City; and authorizing the Director of MOHCD to take actions necessary to**
15 **implement this Resolution, as defined herein.**

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17 WHEREAS, MOHCD administers a variety of housing programs that provide financing
18 for the development of new affordable housing and the rehabilitation of single- and multi-
19 family housing for low- and moderate-income households and resources for homeowners in
20 San Francisco; and

21 WHEREAS, On February 15, 2022, through Resolution No. 62-22, the Board of
22 Supervisors approved a ground lease and an initial loan in the amount of \$26,746,467 and
23 subsequently on February 27, 2024, through Resolution No. 93-24, the Board of Supervisors
24 approved an additional loan in the amount of \$8,559,766, for a total loan of \$35,306,233 to
25 Octavia RSU Associates, L.P. (the "Grantee"), a subsidiary of Tenderloin Neighborhood

1 Development Corporation, for the purpose of construction and permanent financing of a 100%
2 affordable multifamily residential building consisting of 64 units for low income and formerly
3 homeless households (the “Project”) located at 78 Haight Street and 120 Octavia Street in the
4 City; and

5 WHEREAS, Under Resolution No. 511-19, the Board of Supervisors authorized and
6 delegated authority to the Mayor’s Office of Housing and Community Development to accept
7 and expend the county competitive allocation award in the amount up to \$36,501,108 under
8 the California Department of Housing and Community Development’s No Place Like Home
9 Program (“NPLH”) which provides funding for counties to develop multifamily housing
10 specifically for persons with serious mental illness who are homeless, chronically homeless,
11 or at-risk of chronic homelessness to households earning up to 30% of the area median
12 income as determined by the No Place Like Home regulations adjusted for household size;
13 and

14 WHEREAS, The Grantee has requested a project-based operating subsidy to increase
15 the affordability and lower rents for half of the housing units (32 units) dedicated to Transition
16 Age Youth as permanent supportive housing, including 15 units for those referrals who meet
17 the NPLH eligibility criteria of homeless or at risk of homelessness with mental illness; and

18 WHEREAS, The Grantee completed construction of the Project on September 15,
19 2025, and has requested grant funding to support operations of the Project commencing on
20 October 1, 2025; and

21 WHEREAS, On September 26, 2025, the Citywide Affordable Housing Loan
22 Committee consisting of MOHCD, Department of Homelessness and Supportive Housing, the
23 Office of Community Investment and Infrastructure, and the Controller’s Office of Public
24 Finance recommended approval to the Mayor of a grant in an amount not to exceed
25 \$15,369,361 to the Grantee for a term of 20 years commencing retroactively on October 1,

1 2025, consisting of (1) annual grants of general funds, subject to the Board of Supervisor's
2 budget appropriation in its sole discretion, in an amount not to exceed \$10,589,361 over a 15
3 year period, and (2) annual grants of NPLH funds in an amount not to exceed \$4,780,000
4 over a 20 year period, to subsidize operations at the Project commencing on October 1, 2025,
5 pursuant to the terms of a Grant Agreement substantially in the form on file with the Clerk of
6 the Board of Supervisors in File No. 251263 ("Grant Agreement"), and in such final form as
7 approved by the Director of MOHCD; now, therefore, be it

8 RESOLVED, That in accordance with the recommendation of the Director of MOHCD,
9 the Board of Supervisors hereby approves the Grant Agreement substantially in the form on
10 file with a retroactive commencement date of October 1, 2025, and authorizes the Mayor and
11 the Director of MOHCD or the Director's designee to enter into additions, amendments, or
12 other modifications to the Grant Agreement (including, without limitation, preparation and
13 attachment of, or changes to, any of all of the exhibits and ancillary agreements) and any
14 other documents or instruments necessary in connection therewith, that the Director of
15 MOHCD determines, in consultation with the City Attorney, are in the best interests of the
16 City, do not materially increase the obligations or liabilities for the City or materially diminish
17 the benefits of the City, or are necessary or advisable to effectuate the purposes and intent of
18 this Resolution and are in compliance with all applicable laws, including the City Charter; and,
19 be it

20 FURTHER RESOLVED, That the Grant Agreement is subject to the Board of
21 Supervisor's sole authority to appropriate the City's general funds to fund a portion of the
22 operating subsidy for the Project; and, be it

23 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
24 heretofore taken are hereby ratified, approved and confirmed by this Board of Supervisors;
25 and, be it

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

1 RECOMMENDED:

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3 /s/
4 Daniel Adams, Director
5 Mayor's Office of Housing and Community Development
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