

1 [Execute Standard Agreement - Not to Exceed \$39,044,030 - Accept and Expend Homekey+
2 Grant - California Department of Housing and Community Development - Permanent
Supportive Housing for Veterans - 1035 Van Ness Avenue - Not to Exceed \$3,000,000]

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4 **Resolution authorizing the City and County of San Francisco (“City”), through the**
5 **Department of Homelessness and Supportive Housing (“HSH”), to 1) execute a**
6 **Standard Agreement with the California Department of Housing and Community**
7 **Development (“HCD”) and co-applicants Swords to Plowshares: Veterans Rights**
8 **Organization and 1035Vets LLC for a total award not to exceed \$39,044,030 under the**
9 **Homekey+ Program, including up to \$36,044,030 disbursed by HCD as a grant to**
10 **1035Vets LLC for acquisition of real property located at 1035 Van Ness for permanent**
11 **supportive housing for veterans (the “Property”) and support of operating costs, and**
12 **up to \$3,000,000 disbursed by HCD as a grant to the City for rehabilitation of the**
13 **Property; 2) accept and expend anticipated revenue from the City’s portion of**
14 **Homekey+ grant funds in an amount up to \$3,000,000 for the rehabilitation of the**
15 **Property; 3) approving and authorizing the City to commit up to \$8,000,000 in required**
16 **matching funds for rehabilitation of the Property and a minimum of five years of**
17 **operating subsidy, additionally the City committed up to 15 years of operating**
18 **subsidies through the City’s Local Operating Subsidy Program (“LOSP”) subject to**
19 **budget appropriations; 4) authorizing the City to assume any joint and several liability**
20 **for expenditure of the Homekey+ grant under the Standard Agreement; 5) adopting the**
21 **Planning Department’s findings of consistency with the General Plan, and the eight**
22 **priority policies of Planning Code, Section 101.1; and 6) authorizing HSH to enter into**
23 **any additions, amendments, or other modifications to the Standard Agreement and the**
24 **Homekey+ Documents that do not materially increase the obligations or liabilities of**
25 **the City or materially decrease the benefits to the City.**

1 WHEREAS, The Department of Homelessness and Supportive Housing's ("HSH")
2 mission is to prevent homelessness when possible and to make homelessness a rare, brief,
3 and one-time experience in San Francisco through the provision of coordinated,
4 compassionate, and high-quality services; and

5 WHEREAS, With the enactment of Resolution No. 319-18 in October 2018, the Board
6 of Supervisors declared a shelter crisis and affirmed the City and County of San Francisco's
7 (the "City") commitment to combatting homelessness and creating or augmenting a continuum
8 of shelter and service options for those experiencing homelessness; and

9 WHEREAS, Proposition C (2018) Gross Receipts Tax for Homelessness Services
10 ("Prop C"), passed by San Francisco voters in November 2018, created the Homelessness
11 Gross Receipts Tax to fund the Our City, Our Home ("OCOH") Fund, in order to expand and
12 be complementary to existing funding and strategic efforts to prevent and end homelessness
13 for San Francisco residents; and

14 WHEREAS, In April 2023, HSH released the five-year strategic plan "Home by the
15 Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco" which
16 calls for 3,250 new units of permanent housing to meet the goals set out in the plan; and

17 WHEREAS, The California Department of Housing and Community Development
18 ("HCD") issued a Notice of Funding Availability, dated November 26, 2024 ("NOFA"), for the
19 Homekey+ Program ("Homekey+" or "Program"), a copy of which is on file with the Clerk of
20 the Board of Supervisors ("Clerk") in File No. 251108; and

21 WHEREAS, HCD issued the NOFA for Homekey+ grant funds pursuant to Health and
22 Safety Code, Section 50675.1.3 (Assembly Bill No. 140 (2021-2022 Reg. Sess.), Section 20.),
23 Health and Safety Code, Section 50675.1.5 (Assembly Bill No. 531 (2023-2024 Reg. Sess.),
24 Section 14184.402 of the Welfare and Institutions Code, Section 5891.5 of the Welfare and
25 Institutions Code; and Round 5 and 6 of the Homeless Housing, Assistance and Prevention

1 (HHAP) grant program (Assembly Bill No. 129 (Chapter 40, Statutes 2023) and Assembly Bill
2 No. 166 (Chapter 48, Statutes 2024), respectively; and

3 WHEREAS, HCD is authorized to administer Homekey+ pursuant to the Multifamily
4 Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of
5 the Health and Safety Code); and

6 WHEREAS, Such Homekey+ grants are comprised of Proposition 1 bond funds
7 established by the BHIBA (AB 531, Chapter 789, Statutes of 2023) and the Homeless
8 Housing Assistance, and Prevention (“HHAP”) Homekey+ Supplemental funding, made
9 available in the 2023-24 and 2024-25 state budgets; and

10 WHEREAS, According to San Francisco’s 2024 Point in Time Count (“PIT Count”)
11 there were 755 veterans experiencing homelessness in San Francisco, 633 of whom were
12 unsheltered; and

13 WHEREAS, Swords to Plowshares: Veterans Rights Organization, a California
14 nonprofit public benefit corporation (“Swords to Plowshares”), has been providing direct
15 services to veterans experiencing homelessness in the Bay Area since 1974, and Swords
16 to Plowshares has formed 1035Vets LLC, a California limited liability company (“1035Vets
17 LLC”); and

18 WHEREAS, On May 9, 2025, the Board of Supervisors adopted Resolution No. 221-
19 25, authorizing HSH on behalf of the City to jointly apply with 1035Vets LLC and Swords to
20 Plowshares as co-applicants for Homekey+ grant funds for the real property located at 1035
21 Van Ness Avenue, Assessor Parcel Block No. 0714, Lot No. 028 (the “Property”), to be used
22 as 124 units of permanent supportive housing (“PSH”) for formerly homeless households or
23 households at risk of homelessness, with priority for veterans (the “Project”); and

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1 WHEREAS, On May 30, 2025, HSH and 1035Vets LLC submitted to HCD an
2 application for Homekey+ grant funding for the Project (“Application”), a copy of the
3 Application is on file with the Clerk in File No. 251108; and

4 WHEREAS, On July 9, 2025, 1035Vets LLC acquired the Property for \$27,750,000 and
5 has commenced predevelopment activities for the Project by obtaining short-term financing
6 from the San Francisco Housing Accelerator Fund (“Acquisition Loan”); and

7 WHEREAS, The Property includes a nine-story vacant building that was a former
8 assisted living facility, which 1035Vets LLC intends to rehabilitate to provide a total of 124
9 units of PSH for formerly homeless veterans; and

10 WHEREAS, In an award letter dated September 19, 2025, HCD approved the
11 Application in an amount not to exceed \$39,044,030 (“Award Letter”), which includes up to
12 \$36,044,030 to be disbursed by HCD as a grant to 1035Vets LLC, to repay the Acquisition
13 Loan and support the operating costs of the Project, and \$3,000,000 to be disbursed by HCD
14 as a grant to the City for rehabilitation of the Property, subject to the terms and conditions of
15 the Application, the NOFA, Project Report and the form of HCD-approved STD213, Standard
16 Agreement (“Standard Agreement”), and the Grant Budget; copies of the Award Letter,
17 Project Report, Grant Budget, and Standard Agreement are on file with the Clerk in File
18 No. 251108; and

19 WHEREAS, Receipt of these Homekey+ funds for the Project requires a City
20 commitment of up to \$8,000,000 in matching funds for rehabilitation of the Property and a
21 minimum of 5 years of operating costs as reflected in the Application and Project Report; and

22 WHEREAS, The Project will be restricted as PSH for formerly homeless households or
23 households at risk of homelessness, with priority for veterans, under the Mayor’s Office of
24 Housing and Community Development’s (“MOHCD”) Declaration of Restrictions and
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1 Affordable Housing Covenants (“Declaration”), substantially in the form on file with Clerk in
2 File No. 251108; and

3 WHEREAS, Swords to Plowshares and 1035Vets LLC will have the obligation to
4 provide PSH for formerly homeless veterans under the Standard Agreement and Declaration,
5 1035Vets LLC will have the obligation and liability for the ownership and operations of the
6 Project, and 1035Vets LLC will have the obligation to hold insurance and indemnify, defend,
7 and hold harmless the City arising from the Project as a condition of receiving funds from the
8 City; and

9 WHEREAS, The Planning Department, by letter dated June 11, 2025, (“Planning
10 Letter”) has determined that the rehabilitation of the Project is eligible for ministerial project
11 approval, and is consistent, on balance, with the General Plan, and the eight priority policies
12 of Planning Code, Section 101.1 (“General Plan Findings”), and a copy of which is on file with
13 the Clerk in File No. 251108; and

14 WHEREAS, The Homekey+ grant does not include any provision for indirect costs; and

15 WHEREAS, The Homekey+ grant does not create any new positions, and does not
16 require an amendment to the Annual Salary Ordinance; and

17 WHEREAS, The San Francisco Charter, Section 9.118 requires contracts entered into
18 by a Department having anticipated revenue to the City of \$1,000,000 or more to be approved
19 by the Board of Supervisors; now, therefore, be it

20 RESOLVED, The Executive Director of HSH or their designee is hereby authorized, in
21 consultation with the City Attorney, to enter into, execute, and deliver, on behalf of the City
22 and County of San Francisco, a Standard Agreement for a total amount not to exceed
23 \$39,044,030, and any and all other documents required or deemed necessary or appropriate
24 to secure the Homekey+ grant funds from HCD and to participate in Homekey+, and all
25 amendments thereto (collectively, the “Homekey+ Documents”); and, be it

1 FURTHER RESOLVED, HSH is hereby authorized, on behalf of the City, to accept and
2 expend up to \$3,000,000 of Homekey+ grant funds to fund a portion of the rehabilitation of the
3 Property; and, be it

4 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of
5 indirect costs in the Homekey+ grant budget; and, be it

6 FURTHER RESOLVED, HSH will ensure that all such funds are used in a manner
7 consistent and in compliance with all applicable state and federal statutes, rules, regulations,
8 and laws, including without limitation all rules and laws regarding Project Homekey+, as well
9 as any and all contracts HSH may have with HCD; and, be it

10 FURTHER RESOLVED, HSH is hereby authorized and directed to ensure that the
11 City's portion of grant funds awarded for capital expenditures for the Property are expended
12 pursuant to the terms of the Standard Agreement and Homekey+ program; and, be it

13 FURTHER RESOLVED, The City acknowledges and agrees that it shall be subject to
14 the terms and conditions specified in the Standard Agreement, which includes a City
15 commitment of up to \$8,000,000 in matching funds for rehabilitation of the Property and a
16 minimum of 5 years of operating costs, and that the NOFA and the Application will be
17 incorporated into the Standard Agreement by reference and made a part thereof; any and all
18 activities, expenditures, information and timelines represented in the Application are
19 enforceable through the Standard Agreement; funds are to be used for the allowable
20 expenditures and activities identified in the Standard Agreement; and, be it

21 FURTHER RESOLVED, The Board of Supervisors specifically authorizes the City to
22 assume any joint and several liability for expenditure of the Homekey+ grant required by the
23 terms of the Standard Agreement under the Homekey+ Program; and, be it

24 FURTHER RESOLVED, The Executive Director of HSH or their designee is authorized
25 to enter into any additions, amendments, or other modifications to the Standard Agreement

1 and the Homekey+ Documents that they determine, following consultation with the City
2 Attorney, are in the best interests of the City and that do not materially increase the
3 obligations or liabilities of the City or materially decrease the benefits to the City; and, be it
4 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
5 heretofore taken are ratified, approved, and confirmed by this Board of Supervisors; and, be it
6 FURTHER RESOLVED, This Board affirms the Planning Department's General Plan
7 Findings, for the same reasons as set forth in the Planning Letter, and hereby incorporates
8 such findings by reference as though fully set forth in this Resolution; and, be it
9 FURTHER RESOLVED, That within thirty days of the execution of the Standard
10 Agreement by all parties, HSH shall provide the Standard Agreement to the Clerk of the Board
11 for inclusion into the official file.

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3 RECOMMENDED:

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5 _____/s/_____
6 Gigi Whitley

7 Homelessness and Supportive Housing
8 Chief of Finance and Administration

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12 Approved: __/s/__Jocelyn Quintos for_____

13 Controller's Office

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17 Approved: __/s/ Sophia Kittler for_____

18 Mayor's Office