

1 [Grant Agreement - Housing Services Affiliate of the Bernal Heights Neighborhood Center -  
2 Local Operating Subsidy Program Contract - Monterey Boulevard Apartments, 403 Monterey  
3 Street - Not to Exceed \$1,662,342]

4 **Resolution authorizing the Director of the Mayor’s Office of Housing and**  
5 **Community Development to execute a Local Operating Subsidy Program Grant**  
6 **Agreement with Housing Services Affiliate of the Bernal Heights Neighborhood**  
7 **Center, a California limited partnership, to provide operating subsidies for**  
8 **formerly homeless adult households at Monterey Boulevard Apartments, located**  
9 **at 403 Monterey Street, for a term of 15 years and six months to commence**  
10 **following Board approval through December 31, 2033, in an amount not to**  
11 **exceed \$1,662,342.**

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

17 WHEREAS, In 2016, the City and County of San Francisco (“City”) formed the  
18 Department of Homelessness and Supportive Housing (“HSH”), with one of its goals to  
19 reduce the number of chronically homeless households that numbered 2,138 per the  
20 2017 Point in Time Homeless Count; and

21 WHEREAS, MOHCD developed the Local Operating Subsidy Program (“LOSP”)  
22 in order to establish long-term financial support to operate and maintain permanent  
23 affordable housing for homeless households; and

1           WHEREAS, Through the LOSP, the City subsidizes the difference between the  
2 cost of operating housing for homeless persons and all other sources of operating  
3 revenue for a given project, such as tenant rental payments, commercial space lease  
4 payments, Continuum of Care (“CoC”) Shelter Plus Care Program subsidies, project-  
5 based Section 8 rent subsidies, and California Mental Health Services Act operating  
6 subsidies; and

7           WHEREAS, the Board of Supervisors authorizes City funding for LOSP projects  
8 as part of the Annual Appropriation Ordinance; and

9           WHEREAS, MOHCD enters into grant agreements with supportive housing  
10 owners and operators for LOSP projects in consultation with HSH; administers LOSP  
11 contracts; reviews annual audits and prepares recommendations for annual  
12 adjustments to project funding; monitors compliance with LOSP requirements in  
13 accordance with capital funding regulatory agreements; and if necessary, takes  
14 appropriate action to enforce compliance; and

15           WHEREAS, Housing Services Affiliate of the Bernal Heights Neighborhood  
16 Center, a California limited partnership (“Developer”), is the owner and developer of  
17 Monterey Boulevard Apartments, located at 403 Monterey Street (“Project”), which  
18 provides 1 one-bedroom and 3 two-bedroom units of permanent supportive housing  
19 including 4 units that were previously supported through Continuum of Care subsidies  
20 and HSH funds; and

21           WHEREAS, In 2016 the Project’s Continuum of Care rental subsidies were not  
22 renewed by HUD and these units are an important source of permanent supportive  
23 housing for chronically homeless persons with disabilities; and

24  
25

1           WHEREAS, On May 4, 2018, the Loan Committee recommended approval to the  
2 Mayor of a LOSP grant award for the Project in an amount not to exceed \$1,662,342;  
3 and

4           WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to  
5 exceed \$1,662,342 to the Developer pursuant to a LOSP Grant Agreement  
6 (“Agreement”) in substantially the form on file with the Clerk of the Board in File  
7 No. 180536, and in such final form as approved by the Director of MOHCD and the City  
8 Attorney; and

9           WHEREAS, The Agreement is for a 15.5 year term, starting July 1, 2018 and  
10 ending December 31, 2033, and therefore requires Board of Supervisors authorization;  
11 now, therefore, be it

12           RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
13 MOHCD or her designee to execute the Agreement for an amount not to  
14 exceed \$1,662,342; and, be it

15           FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to  
16 proceed with actions necessary to implement the Agreement following execution, and  
17 ratifies, approves and authorizes all actions heretofore taken by any City official in  
18 connection with the Agreement; and, be it

19           FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the  
20 Director of MOHCD or her designee to enter into any amendments or modifications to  
21 the Agreement, including without limitation, the exhibits that the Director determines, in  
22 consultation with the City Attorney, are in the best interest of the City, do not materially  
23 increase the obligations or liabilities for the City or materially diminish the benefits of the  
24 City, are necessary or advisable to effectuate the purposes and intent of this Resolution  
25 and are in compliance with all applicable laws, including the City Charter; and, be it

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

4  
5

6           RECOMMENDED:

7

8           \_\_\_\_\_  
9           Kate Hartley, Director  
            Mayor's Office of Housing and Community Development

10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25