

1 [Local Operating Subsidy Program Contract - Mercy Housing California 50, LP - 129 Golden  
2 Gate Ave. - Not to Exceed \$434,998]

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**  
5 **Mercy Housing California 50, a California limited partnership, to provide operating**  
6 **subsidies for formerly homeless households at Vera Haile Senior Housing, 129 Golden**  
7 **Gate Avenue, for a fifteen-year period, in an amount not to exceed \$434,998.**

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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-  
12 income 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 2014; 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

23 WHEREAS, All supportive housing projects selected for capital funding by the  
24 Citywide Affordable Housing Loan Committee (Loan Committee) are eligible to receive LOSP  
25 funds; and

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

3           WHEREAS, MOHCD enters into grant agreements with supportive housing owners and  
4 operators for LOSP projects in consultation with the Department of Public Health (DPH) and  
5 Human Services Agency (HSA), administers LOSP contracts, reviews annual audits and  
6 prepares recommendations for annual adjustments to project funding, monitors compliance  
7 with LOSP requirements in accordance with capital funding regulatory agreements, and if  
8 necessary, takes appropriate action to enforce compliance; and

9           WHEREAS, Mercy Housing California 50, a California limited partnership (the  
10 Developer), is the owner and developer of Vera Haile Senior Housing, located at 129 Golden  
11 Gate Ave. (Project), which will provide 90 studios, one-bedroom, and two-bedroom units for  
12 formerly homeless households and one resident manager unit at 129 Golden Gate Ave.; and

13           WHEREAS, On February 7, 2014, the Loan Committee recommended approval to the  
14 Mayor of a LOSP grant award for the Project in an amount not to exceed \$434,998; and

15           WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed  
16 \$434,998 to the Developer pursuant to a LOSP Grant Agreement (the Agreement) in  
17 substantially the form on file with the Clerk of the Board in File No. 140647 and in such final  
18 form as approved by the Director of MOHCD and the City Attorney; and

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

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1 RESOLVED, That the Board of Supervisors hereby authorizes the Director of MOHCD  
2 or his designee to execute the Agreement for an amount not to exceed \$434,998; and, be it

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

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

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15 RECOMMENDED:

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

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