

1 [Grant Agreement - Mason Street Housing Associates, L.P. - Local Operating Subsidy  
2 Program Contract - 149 Mason Street Apartments, 149 Mason Street - Not to Exceed  
3 \$18,135,164]

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 Mason Street Housing Associates, L.P., a California limited**  
7 **partnership, to provide operating subsidies for formerly homeless adult**  
8 **households at 149 Mason Street Apartments, 149 Mason Street, for the term of 15**  
9 **years and six months from July 1, 2019, through December 31, 2034, in an**  
10 **amount not to exceed \$18,135,164.**

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

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

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

23 WHEREAS, Through the LOSP, the City subsidizes the difference between the  
24 cost of operating housing for homeless persons and all other sources of operating  
25 revenue for a given project, such as tenant rental payments, commercial space lease

1 payments, Continuum of Care (“CoC”) Program subsidies, project-based Section 8 rent  
2 subsidies, and California Mental Health Services Act operating subsidies; and

3 WHEREAS, All supportive housing projects selected for capital funding by the  
4 Citywide Affordable Housing Loan Committee (“Loan Committee”) are eligible to  
5 receive LOSP funds; and

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

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

14 WHEREAS, Mason Street Housing Associates, L.P., a California limited  
15 partnership (“Owner”), is the owner of 149 Mason Street Apartments, located at 149  
16 Mason Street (“Project”), which provides 55 studios of permanent supportive housing for  
17 low-income formerly homeless individuals with disabilities; and

18 WHEREAS, On May 17, 2019, the Loan Committee recommended approval to  
19 the Mayor of a LOSP grant award for the Project in an amount not to  
20 exceed \$18,135,164; and

21 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to  
22 exceed \$18,135,164 to the Owner pursuant to a LOSP Grant Agreement (“Agreement”)  
23 in substantially the form on file with the Clerk of the Board in File No. 190688, and in  
24 such final form as approved by the Director of MOHCD and the City Attorney; and

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1           WHEREAS, In the event that an alternate rental subsidy becomes available  
2 through a Project Based Voucher Notice of Funding Availability issued by the San  
3 Francisco Housing Authority and the Project is eligible to apply, the MOHCD Director  
4 will help facilitate that application, and if awarded, the amount of the Agreement will be  
5 reduced accordingly; and

6           WHEREAS, The Agreement is for a 15.5 year term, starting July 1, 2019, and  
7 ending December 31, 2034, and therefore requires Board of Supervisors authorization;  
8 now, therefore, be it

9           RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
10 MOHCD or her designee to execute the Agreement for an amount not to  
11 exceed \$18,135,164; and, be it

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

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

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

1 RECOMMENDED:

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Kate Hartley, Director  
Mayor's Office of Housing and Community Development

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