

1 [Grant Agreement Amendment - 1064 Mission Homeless Services Center LLC - City-Owned
2 and Operated Homeless Services Center - 1064-1068 Mission Street - Not to Exceed
3 \$13,450,689]

4 **Resolution approving and authorizing the Director of the Mayor’s Office of Housing and**
5 **Community Development to execute an amended and restated Grant Agreement with**
6 **1064 Mission Homeless Services Center LLC, a California limited liability corporation,**
7 **in an amount not to exceed \$13,450,689 to finance the construction of a City-owned**
8 **and operated Homeless Services Center for residents experiencing homelessness,**
9 **located on the two floors on the ground level of 1064-1068 Mission Street facing**
10 **Stevenson Street, to commence upon Board approval, for a grant period of August 1,**
11 **2019, through August 1, 2021.**

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

18 WHEREAS, MOHCD enters into loan agreements with affordable housing developers
19 and operators; administers loan agreements; reviews annual audits and monitoring reports;
20 monitors compliance with affordable housing requirements in accordance with capital funding
21 regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

22 WHEREAS, The real property owned by United States, in the City and located at 1064-
23 1068 Mission Street between Sixth and Seventh Streets (“Property”), was declared surplus
24 and is subject to assignment for disposal for homeless serving purposes by the Secretary of
25 Health and Human Services under the provisions of Section 203(k)(1) of the Federal Property

1 and Administrative Services Act of 1949, as amended, and Title V of the McKinney-Vento
2 Homeless Assistance Act, as amended; and the rules and regulations promulgated thereto;
3 and

4 WHEREAS, On May 23, 2017, the Board of Supervisors approved an application to
5 acquire the Property for \$1 from the Department of Health and Human Services (“HHS”)
6 Federal Property Assistance Program for use in constructing supportive housing for homeless
7 San Franciscans (Resolution No. 178-17); and

8 WHEREAS, MOHCD submitted an application to acquire the real property and in a
9 letter dated August 7, 2017, HHS determined that the City’s application was approved for a
10 lease acquisition, with the requirement that the City provide copies of any and all financing
11 commitments and proposed documents that affect title to the property for HHS review and
12 approval; and upon demonstration of the City’s ability to obtain the needed funding in line with
13 federal requirements, the City can request that the lease be converted to a Quitclaim Deed;
14 and

15 WHEREAS, An appraisal dated May 17, 2017, valued the Property at \$36,000,000;
16 and

17 WHEREAS, On October 10, 2017, MOHCD issued a Request for Qualifications
18 (“RFQ”), seeking submittals from qualified respondents to develop the Property as permanent
19 supportive housing for adults and seniors experiencing homelessness; and

20 WHEREAS, The joint development team of Episcopal Community Services and Mercy
21 Housing California, California nonprofit public benefit corporations, jointly responded to the
22 RFP and were selected to be the developer for the Property; and

23 WHEREAS, Episcopal Community Services and Mercy Housing California established
24 1064 Mission, L.P., a California limited partnership (“Lessee”), as a separate entity under
25 which to develop the Project and 1064 Mission Homeless Services Center, LLC, as a

1 separate entity under which to develop the Homeless Services Center (“Grantee”); and

2 WHEREAS, On November 1, 2018, HHS, entered into a short term lease of the
3 Property with the City; and

4 WHEREAS, Two stories accessed from Stevenson Street, with a total of approximately
5 20,000 square feet, will be retained with the land for the City to develop a Homeless Services
6 Center (“HSC”) to be operated by the Departments of Public Health (“DPH”) and
7 Homelessness and Supportive Housing (“HSH”) for homeless clients and which is not part of
8 the residential ground leased parcel; and

9 WHEREAS, The HSC will be dedicated to providing a full range of health services for
10 people experiencing homelessness including the relocated Tom Waddell Urgent Care Clinic
11 (“TWUC”) providing urgent care and transitional primary care services both for walk-in patients
12 and those brought in by the City’s Street Medicine Team; dental care; behavioral health care,
13 including substance use counseling and referrals; case management; podiatry; and nursing
14 care; as well as administrative and operational space for the HSH San Francisco Homeless
15 Outreach Team (“SFHOT”), whose staff provides outreach to residents currently experiencing
16 homelessness throughout the City as well as seeing some clients on site; and shared spaces
17 for staff from both DPH and HSH to work and collaborate; and

18 WHEREAS, The Grantee will develop the HSC as a separate project on behalf of the
19 City in conjunction with the development of the residential permanent supportive housing by
20 1064 Mission L.P. located on the Property (the “Residential Parcel”); and

21 WHEREAS, DPH and HSH have identified funds to develop the HSC in the
22 approximate amount of \$15,063,994 composed of Certificates of Participation, General
23 Obligation Bond Funds and General Fund monies (collectively, the “Funds”) that have been
24 approved by the Board or are concurrently, with this Resolution, being considered for approval
25 by the Board; and

1 WHEREAS, For project efficiency, DPH and HSH propose to work order the Funds to
2 MOHCD who is disbursing Loan Funds for the adjacent residential project; now, therefore, be
3 it

4 RESOLVED, That the Board of Supervisors hereby approves the Grant Agreement and
5 authorizes the Director of MOHCD or his designee to enter into any amendments or
6 modifications to the Agreement (including, without limitation, preparation and attachment or,
7 or changes to, any of all of the exhibits and ancillary agreements) and any other documents or
8 instruments necessary in connection therewith that the Director determines, in consultation
9 with the City Attorney, are in the best interest of the City, do not materially increase the
10 obligations or liabilities for the City or materially diminish the benefits of the City, are
11 necessary or advisable to effectuate the purposes and intent of this Resolution and are in
12 compliance with all applicable laws, including the City Charter; and, be it

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

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

19 RECOMMENDED:

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21 Daniel Adams, Acting Director
22 Mayor's Office of Housing and Community Development

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