

1 [Grant Agreement - Mercy Housing California XIV, L.P. - Local Operating Subsidy Program  
2 Contract - 10th & Mission Family Housing, 1390 Mission Street - Not to Exceed \$9,741,171]

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 XIV, L.P., a California limited partnership, to provide**  
6 **operating subsidies for formerly homeless families at 10th & Mission Family**  
7 **Housing, 1390 Mission Street, for the 15-year and six months term of July 1, 2018,**  
8 **through December 31, 2033, in an amount not to exceed \$9,741,171.**

9  
10 WHEREAS, The Mayor's Office of Housing and Community Development (MOHCD)  
11 administers a variety of housing programs that provide financing for the development of new  
12 housing and the rehabilitation of single- and multi-family housing for low- and moderate-  
13 income households in San Francisco; and

14 WHEREAS, In 2016, the City and County of San Francisco ("City") formed the  
15 Department of Homelessness and Supportive Housing ("HSH"), with one of its goals to reduce  
16 the number of chronically homeless households that numbered 1,700 per the 2015 Point in  
17 Time Homeless Count; and

18 WHEREAS, MOHCD developed the Local Operating Subsidy Program ("LOSP") in  
19 order to establish long-term financial support to operate and maintain permanent affordable  
20 housing for homeless households; through the LOSP, the City subsidizes the difference  
21 between the cost of operating housing for homeless persons and all other sources of  
22 operating revenue for a given project, such as tenant rental payments, commercial space  
23 lease payments, Continuum of Care ("CoC") Shelter Plus Care Program subsidies, project-  
24 based Section 8 rent subsidies, and California Mental Health Services Act operating  
25 subsidies; and

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

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

6           WHEREAS, MOHCD enters into grant agreements with supportive housing owners and  
7 operators for LOSP projects in consultation with the Department of Homelessness and  
8 Supportive Housing (“HSH”); administers LOSP contracts; reviews annual audits and  
9 prepares recommendations for annual adjustments to project funding; monitors compliance  
10 with LOSP requirements in accordance with capital funding regulatory agreements; and if  
11 necessary, takes appropriate action to enforce compliance; and

12           WHEREAS, Mercy Housing California XIV, L.P., a California limited partnership (the  
13 “Owner”), is the owner of 10th & Mission Family Housing, located at 1390 Mission Street,  
14 which provides 44 units for extremely low-income, chronically homeless individuals and  
15 families (“Project”); and

16           WHEREAS, On April 20, 2018, the Loan Committee recommended approval to the  
17 Mayor of a LOSP grant award for the Project in an amount not to exceed \$9,741,171; and

18           WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to  
19 exceed \$9,741,171 to the Owner pursuant to a LOSP Grant Agreement (the “Agreement”) in  
20 substantially the form on file with the Clerk of the Board in File No. 180532, and in such final  
21 form as approved by the Director of MOHCD and the City Attorney; and

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

1           WHEREAS, The Agreement is for a 15.5 year term, and therefore requires Board of  
2 Supervisors authorization; now, therefore, be it

3           RESOLVED, That the Board of Supervisors hereby authorizes the Director of MOHCD  
4 or her designee to execute the Agreement for an amount not to exceed \$9,741,171; and, be it

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

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

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22 \_\_\_\_\_  
23 Kate Hartley, Director  
24 Mayor's Office of Housing and Community Development  
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