

1 [Grant Agreement - Mission Creek Senior Community - Not to Exceed \$11,468,518]

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3 **Resolution authorizing the Director of the Mayor’s Office of Housing to execute a**  
4 **Local Operating Subsidy Program Grant Agreement with Mercy Housing**  
5 **California XX, LP, a California limited partnership, to provide operating subsidies**  
6 **for formerly homeless households at Mission Creek Senior Community, 225 Berry**  
7 **Street, for a 15-year period, in an amount not to exceed \$11,468,518.**

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

13 WHEREAS, In 2004, the City and County of San Francisco (City) published its  
14 “Ten Year Plan to End Chronic Homelessness,” and established a goal of creating  
15 3,000 permanent affordable housing units for homeless households by 2016; and,

16 WHEREAS, MOH developed the Local Operating Subsidy Program (LOSP) in  
17 order to establish long-term financial support to operate and maintain permanent  
18 affordable housing for homeless households. Through the LOSP, the City subsidizes  
19 the difference between the cost of operating housing for homeless persons and all other  
20 sources of operating revenue for a given project, such as tenant rental payments,  
21 commercial space lease payments, Stewart B. McKinney Homeless Assistance Act  
22 subsidies, project-based Section 8 rent subsidies and California Mental Health Services  
23 Act operating subsidies; and

24 WHEREAS, All supportive housing projects selected for capital funding by the  
25 Citywide Affordable Housing Loan Committee (Loan Committee) pursuant to a

1 competitive Notice of Funding Availability (NOFA) or Request for Proposals (RFP)  
2 process and intended to serve homeless individuals or families are eligible to receive  
3 LOSP funds; and

4 WHEREAS, The Board of Supervisors of the City and County of San Francisco  
5 (Board of Supervisors) authorizes City funding for LOSP projects as part of the Annual  
6 Appropriation Ordinance; and

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

14 WHEREAS, Mercy Housing California XX, LP, a California limited partnership, is  
15 the owner and developer of the Mission Creek Senior Community (the Project), which  
16 will provide 51 studio and one-bedroom units for formerly homeless households at 225  
17 Berry Street; and

18 WHEREAS, Mercy Housing California XX, LP (Mercy), a California limited  
19 partnership, has Mercy Housing West, a California nonprofit public benefit corporation,  
20 as its managing general partner; and

21 WHEREAS, On April 19, 2013, the Loan Committee recommended approval to  
22 the Mayor of a 15-year LOSP contract for the Project in an amount not to exceed  
23 \$11,468,518; now, therefore, be it

24 RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
25 MOH or his designee to execute the LOSP Grant Agreement (Agreement) for an

1 amount not to exceed \$11,468,518, in substantially the form on file with the Clerk of the  
2 Board in File No. 130560 and in such final form as approved by the Director of MOH  
3 and the City Attorney; and, be it

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

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

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16 RECOMMENDED:

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19 Olson Lee, Director

20 Mayor's Office of Housing

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