

1 [Local Operating Subsidy Program Contract - Broadway Sansome Associates, LP - 255  
2 Broadway Street - Not to Exceed \$4,570,219]

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 **Broadway Sansome Associates, LP, a California limited partnership, to provide**  
6 **operating subsidies for formerly homeless households at 255 Broadway Street, for a**  
7 **fifteen-year period, in an amount not to exceed \$4,570,219.**

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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  
11 new housing and the rehabilitation of single- and multi-family housing for low- and  
12 moderate-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  
17 order to establish long-term financial support to operate and maintain permanent affordable  
18 housing for homeless households. Through the LOSP, the City subsidizes the difference  
19 between the cost of operating housing for homeless persons and all other sources of  
20 operating revenue for a given project, such as tenant rental payments, commercial space  
21 lease payments, Stewart B. McKinney Homeless Assistance Act subsidies, project-based  
22 Section 8 rent subsidies and California Mental Health Services Act operating subsidies;  
23 and,

24 WHEREAS, All supportive housing projects selected for capital funding by the  
25

1 Citywide Affordable Housing Loan Committee (Loan Committee) are eligible to receive  
2 LOSP funds; and,

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

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

11 WHEREAS, Broadway Sansome Associates, LP, a California limited partnership  
12 (the Developer), is the owner and developer of the Broadway Sansome Apartments located  
13 at 255 Broadway Street (Project), which will provide 74 new units for low income  
14 households, including a combined total of 36 studios, one-bedroom, and two-bedroom  
15 units for formerly homeless households; and,

16 WHEREAS, On March 21, 2014, the Loan Committee recommended approval to the  
17 Mayor of a LOSP grant award for the Project in an amount not to exceed \$4,570,219, which  
18 would be used to subsidize the operating costs for 36 of the Project units that are  
19 specifically designated for formerly homeless households; and,

20 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed  
21 \$4,570,219 to the Developer pursuant to a LOSP Grant Agreement (the Agreement) in  
22 substantially the form on file with the Clerk of the Board in File No. \_\_\_\_\_ and in  
23 such final form as approved by the Director of MOHCD and the City Attorney; and

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1           WHEREAS, The Agreement is for a 15 year term, and therefore requires Board of  
2 Supervisors authorization; and

3           WHEREAS, The Developer has applied for funding through the San Francisco Local  
4 Homeless Coordinating Board Continuum of Care application for McKinney Shelter Plus  
5 Care rental subsidies for a portion of units, which, if awarded, would reduce the amount of  
6 the LOSP Contract by a corresponding amount; now, therefore, be it

7           RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
8 MOHCD or his designee to execute the Agreement for an amount not to exceed  
9 \$4,570,219; and be it

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

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

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22 RECOMMENDED:

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24 \_\_\_\_\_  
Olson Lee, Director  
25 Mayor's Office of Housing and Community Development