

Granada Hotel:

Resolution to
purchase HAF loan,
provide construction
financing, and
authorize permanent
loan agreement

Board of Supervisors
Budge and Finance Committee

July 10, 2024



**The Mayor's Office of Housing and
Community Development**

*MOHCD supports residents with affordable
housing opportunities and essential services
to build strong communities.*



File No. 240730

MOHCD Loan Agreement for
\$71,125,575 total local financing
(OCOH and General Funds)

For the purpose of:

- (1) purchasing the existing HAF loan
- (2) providing additional funds to complete construction
- (3) providing permanent financing of the completed building

PROJECT HISTORY - Granada Hotel - 1000 Sutter

July 2020

City of San Francisco submitted its first Homekey application to the State, requesting \$45M in partnership with Episcopal Community Services (ECS) to purchase the existing 214-unit SRO Hotel, rehabilitate the property and convert it into Permanent Supportive Housing

September 2020

Preliminary grant of \$42.3M in Homekey funds awarded

October 2020

SF Board of Supervisors approves the acquisition, including entering into a Standard Agreement for the Homekey award, and provides matching funds via HSH up to \$33M – *preliminary budget produced on a tight timeline without access to the building, to qualify for Homekey funds*

September 2021

Rehabilitation scope and design properly established. Project cost estimate increases from \$87.5M to \$93.4M (+\$5.9M). SFHAF provides a loan upside and extension based on a letter of support from the Directors of HSH and MOHCD.

PROJECT HISTORY - Granada Hotel - 1000 Sutter

Continued

March 2022

Rehabilitation commences

May 2023

Full galvanized pipe replacement and contingency replenishment expand project scope, cost, and timeline. Citywide Affordable Housing Loan Committee approves an additional \$25M in Our City Our Home (OCOH) funds

July 2023

OCOH funds approved in the FY23-24 budget for a total City commitment of up to \$71,125,575. SFHAF provides a second upside and loan extension

October 2024

SFHAF acquisition/rehabilitation loan expires - **early takeout = interest savings**

January 2025

Expected Temporary Certificate of Occupancy

May 2025

Lease-up expected to complete

PROJECT DETAILS

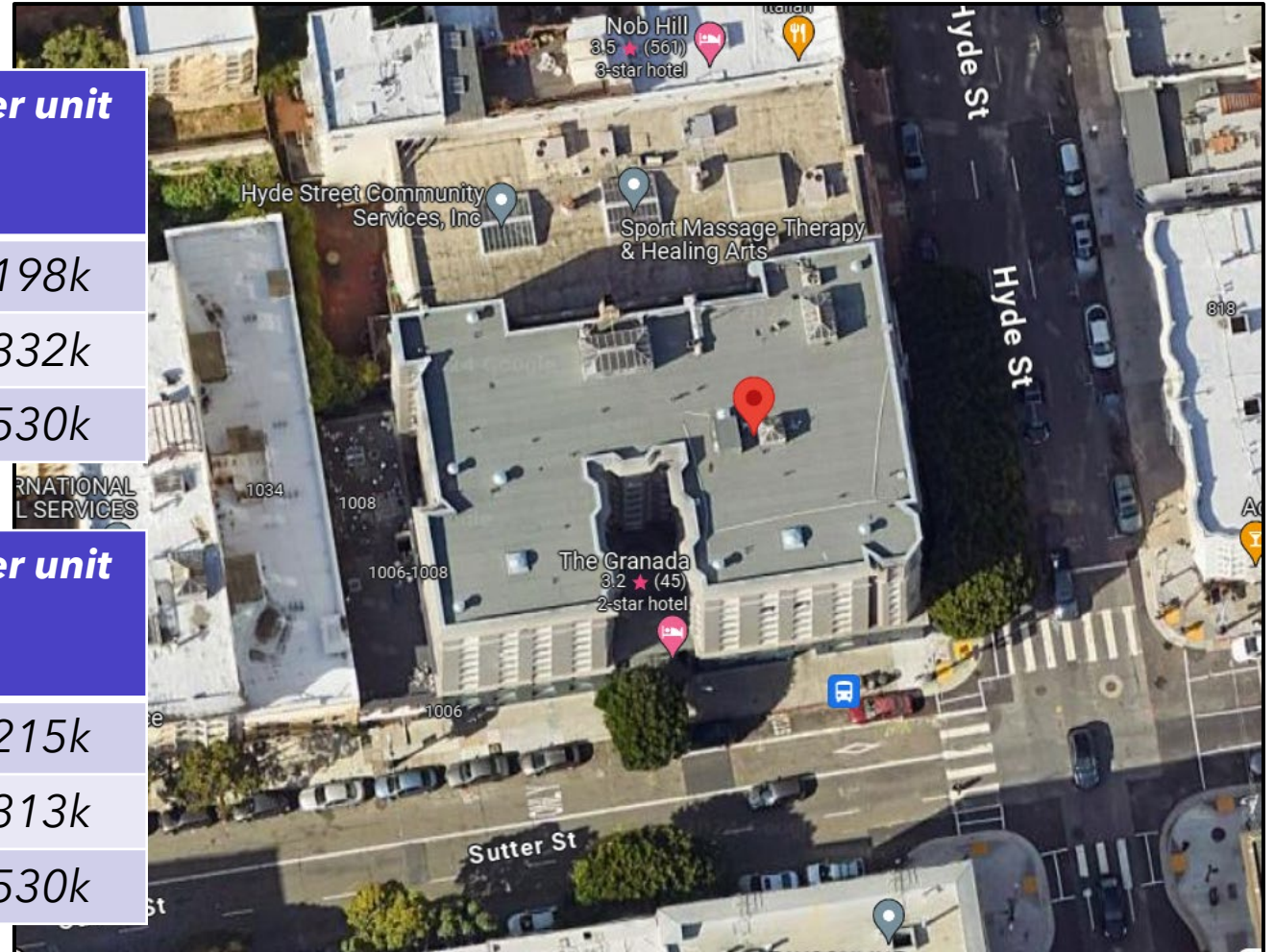
Granada Hotel 1000 Sutter St

- Located in Downtown/Civic Center
- 212 units @ 50% MOHCD AMI
 - 214 units total
 - 2 managers' units
 - Serves adults formerly experiencing homelessness referred through Coordinated Entry
 - 80 existing senior households will transition to PSH upon turnover
 - All SROs

Granada Hotel - 1000 Sutter Street

PERMANENT FINANCING (SOURCES)	Total	Per unit
Homekey Grant (State funds)	\$42M	\$198k
MOHCD/HSH Loan (City funds)	\$71M	\$332k
TOTAL	\$113M	\$530k

PROJECT COSTS (USES)	Total	Per unit
Existing building	\$46M	\$215k
Rehabilitation	\$67M	\$313k
TOTAL	\$113M	\$530k



Thank You

Budget and Finance Committee

July 10, 2024

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