

1 [Grant Agreement - Arendt House, L.P. - Local Operating Subsidy Program Contract -
2 Zygmunt Arendt House, 850 Broderick Street - Not to Exceed \$11,787,548]

3 **Resolution authorizing the Director of the Mayor’s Office of Housing and**
4 **Community Development to execute a Local Operating Subsidy Program Grant**
5 **Agreement with Arendt House, L.P., a California limited partnership, to provide**
6 **operating subsidies for formerly homeless adult households at Zygmunt Arendt**
7 **House, located at 850 Broderick Street, for a term of 15 years to commence**
8 **following Board approval through December 31, 2033, in an amount not to**
9 **exceed \$11,787,548.**

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

15 WHEREAS, In 2016, the City and County of San Francisco (“City”) formed the
16 Department of Homelessness and Supportive Housing (“HSH”), with one of its goals to
17 reduce the number of chronically homeless households that numbered 2,138 per
18 the 2017 Point in Time Homeless Count; and

19 WHEREAS, MOHCD developed the Local Operating Subsidy Program (“LOSP”) in
20 order to establish long-term financial support to operate and maintain permanent
21 affordable housing for homeless households; and

22 WHEREAS, Through the LOSP, the City subsidizes the difference between the
23 cost of operating housing for homeless persons and all other sources of operating
24 revenue for a given project, such as tenant rental payments, commercial space lease
25

1 payments, Continuum of Care (“CoC”) Program subsidies, project-based Section 8 rent
2 subsidies, and California Mental Health Services Act operating subsidies; and

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

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

8 WHEREAS, MOHCD enters into grant agreements with supportive housing
9 owners and operators for LOSP projects in consultation with HSH; administers LOSP
10 contracts; reviews annual audits and prepares recommendations for annual adjustments
11 to project funding; monitors compliance with LOSP requirements in accordance with
12 capital funding regulatory agreements; and if necessary, takes appropriate action to
13 enforce compliance; and

14 WHEREAS, Arendt House, L.P., a California limited partnership (the “Owner”), is
15 the owner of Zygmunt Arendt House, located at 850 Broderick Street, which provides 47
16 studio units of permanent supportive housing for extremely low-income, formerly
17 homeless seniors (“Project”); and

18 WHEREAS, On May 4, 2018, the Loan Committee, consisting of MOHCD, HSH
19 the Office of Community Investment and Infrastructure, recommended approval to the
20 Mayor of a LOSP grant award for the Project in an amount not to exceed \$11,787,548;
21 and

22 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to
23 exceed \$11,787,548 to the Owner pursuant to a LOSP Grant Agreement (“Agreement”)
24 in substantially the form on file with the Clerk of the Board in File No. 180529, and in such
25 final form as approved by the Director of MOHCD and the City Attorney; and

1 WHEREAS, The Agreement is for a 15 year term, starting January 1, 2019 and
2 ending December 31, 2033, and therefore requires Board of Supervisors' authorization;
3 now, therefore, be it

4 RESOLVED, That the Board of Supervisors hereby authorizes the Director of
5 MOHCD or her designee to execute the Agreement for an amount not to
6 exceed \$11,787,548; and, be it

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

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

18 FURTHER RESOLVED, That within thirty (30) days of the full execution of the
19 Agreement by all parties, MOHCD shall provide the final Agreement to the Clerk of the
20 Board for inclusion into the official file.

21

22 RECOMMENDED:

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Kate Hartley, Director
25 Mayor's Office of Housing and Community Development