

1 [Grant Agreement - Third & LeConte Associates - 1075 Le Conte Avenue - Not to Exceed
2 \$12,974,190]

3 **Resolution authorizing the Director of the Mayor’s Office of Housing to execute a**
4 **Local Operating Subsidy Program Grant Agreement with Third & LeConte**
5 **Associates LP, a California limited partnership, to provide operating subsidies for**
6 **formerly homeless households at 1075 Le Conte Avenue, for a 15-year period, in**
7 **an amount not to exceed \$12,974,190.**

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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 2014; 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) are eligible to receive

1 LOSP funds; and,

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

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

11 WHEREAS, Third & LeConte Associates LP, a California limited partnership (the
12 Developer), is the owner and developer of the 1075 Le Conte Avenue Apartments (the
13 Project), which will provide 72 studio, junior one-bedroom, one-bedroom, two-bedroom
14 and three-bedroom units for formerly homeless households and one resident manager
15 unit at 1075 Le Conte Avenue; and,

16 WHEREAS, On February 15, 2013, the Loan Committee recommended approval
17 to the Mayor of a 15-year LOSP contract for the Project in an amount not to exceed
18 \$12,974,190; and,

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

23 RESOLVED, That the Board of Supervisors hereby authorizes the Director of
24 MOH or his designee to execute the LOSP Grant Agreement (Agreement) with the
25 Developer for an amount not to exceed \$12,974,190, in substantially the form on file

1 with the Clerk of the Board in File No. _____ and incorporated herein by reference,
2 and in such final form as approved by the Director of MOH and the City Attorney; and,
3 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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Olson Lee, Director

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Mayor's Office of Housing

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