

1 [Local Operating Subsidy Program Contract - CHP Scott Street, L.P. - 3155 Scott Street - Not
2 to Exceed \$8,380,458]

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 **CHP Scott Street L.P., a California limited partnership, to provide operating subsidies**
6 **for formerly homeless transition age youth at 3155 Scott Street, for a fifteen-year**
7 **period, in an amount not to exceed \$8,380,458.**

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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 new
11 housing and the 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 “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 2016; and

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

23 WHEREAS, All supportive housing projects selected for capital funding by the Citywide
24 Affordable Housing Loan Committee (Loan Committee) pursuant to a competitive Notice of
25 Funding Availability (NOFA) or Request for Proposals (RFP) process and intended to serve
homeless individuals or families are eligible to receive LOSP funds; and

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

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

10 WHEREAS, CHP Scott Street L.P., a California limited partnership (the Developer), is
11 the owner and developer of the affordable rental housing development located at 3155 Scott
12 Street, which will provide 24 Single Room Occupancy (SRO) units for transitional age youth
13 (the Project); and

14 WHEREAS, On February 21, 2014, the Loan Committee recommended approval to the
15 Mayor of a LOSP grant award for the Project not to exceed \$8,380,458, which would be used
16 to subsidize the operating costs for the Project; and

17 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to exceed
18 \$8,380,458 to the Developer pursuant to a LOSP Grant Agreement (the Agreement) in
19 substantially the form on file with the Clerk of the Board in File No. 140651 and in such final
20 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; now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby authorizes the Director of
4 MOHCD or his designee to execute the Agreement for an amount not to exceed \$8,380,458;
5 and be it

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

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

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18 RECOMMENDED:

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20 _____
21 Olson Lee, Director
22 Mayor's Office of Housing and Community Development
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