

File No. 150370

Committee Item No. 11

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Sub-Committee

Date April 29, 2015

Board of Supervisors Meeting

Date _____

Cmte Board

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| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
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| <input type="checkbox"/> | <input type="checkbox"/> | Youth Commission Report |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Introduction Form |
| <input type="checkbox"/> | <input type="checkbox"/> | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/> | MOU |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Information Form |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Grant Budget |
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| <input type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input type="checkbox"/> | <input type="checkbox"/> | Application |
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OTHER (Use back side if additional space is needed)

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Completed by: Linda Wong Date April 24, 2015
Completed by: Linda Wong Date _____

1 [Accept and Expend Grant - Local Housing Trust Fund Program - \$2,000,000]

2
3 **Resolution authorizing the Mayor's Office of Housing and Community Development to**
4 **accept and expend a grant in the amount of \$2,000,000 from the California Department**
5 **of Housing and Community Development Local Housing Trust Fund Program.**

6
7 WHEREAS, The California Department of Housing and Community
8 Development (HCD) issued a Notice of Funding Availability (NOFA) for the Local
9 Housing Trust Fund Program (LHTFP), as authorized under Chapter 892, Statutes of
10 2006 (AB 2638; Health and Safety Code, Section 50843.5) and amended by Chapter
11 769, Statutes of 2013 (AB 532); and

12 WHEREAS, Pursuant to the authorizing statutes, HCD is empowered to provide
13 grant funds to eligible city, county, and nonprofit applicants for the purpose of
14 supporting new and repurposed Local Housing Trust Funds dedicated to the creation
15 or preservation of affordable housing; and

16 WHEREAS, On November 6, 2012, the voters of the City and County of San
17 Francisco approved by ballot an amendment to the San Francisco Charter by adding
18 Section 16.110 in order to create the San Francisco Housing Trust Fund for the
19 purpose of: creating, acquiring and rehabilitating housing that is affordable for
20 households earning up to 120% of Area Median Income; and promoting affordable
21 home ownership programs; and

22 WHEREAS, HCD's LHTFP provides matching grant funds in an amount up to
23 \$2,000,000 to eligible applicants that created a new, local housing trust fund on or after
24 September 30, 2006, which would include the City and County of San Francisco; and
25

1 WHEREAS, The terms of HCD's LHTFP require the following conditions, among
2 others: 1) that the "Governing Board" of the applicant provide a resolution approving
3 the application for funding; 2) that at least 30% of LHTFP be used to assist extremely
4 low-income households; 3) that the applicant match the total value of the LHTFP grant;
5 4) that the local housing trust fund continue operating for at least five years after HCD
6 awards LHTFP funds; and 5) that so long as LHTFP funds are properly expended in
7 accordance with HCD's regulations, the applicant may re-use any LHTFP funds which
8 its awardees repay; and

9 WHEREAS, On April 15, 2014, the Board of Supervisors adopted Resolution
10 No. 119-14 authorizing the Mayor's Office of Housing and Community Development
11 (MOHCD) to apply for the LHTFP funds, and the City and County of San Francisco
12 applied for the funds on May 20, 2014; and

13 WHEREAS, On HCD issued an award letter dated October 28, 2014, granting
14 LHTFP matching funds in the amount of \$2,000,000 ("Award") to the City and County
15 of San Francisco in order to enhance and further the goals and purpose of the San
16 Francisco Housing Trust Fund for the purpose of creating, acquiring, and/or
17 rehabilitating affordable housing in San Francisco and promoting affordable
18 homeownership programs; and

19 WHEREAS, The proposed grant does not require an Annual Salary Ordinance
20 amendent; and

21 WHEREAS, MOHCD proposes to maximize use of available grant funds on
22 project expenditures by not including indirect costs in the grant budget,now, therefore,
23 be it

24 RESOLVED, That the Board of Supervisors hereby authorizes Olson Lee, the Director
25 of MOHCD, or his designee, on behalf of the City and County of San Francisco, to accept and

1 expend the Award for matching funds of \$2,000,000 for the purpose of the creation,
2 acquisition; and/or rehabilitation of affordable housing in San Francisco and/or the promotion
3 of homeownership programs, and is authorized and directed to execute HCD Local Housing
4 Trust Fund Program documents and any amendments, thereto; and, be it

5 FURTHER RESOLVED, That the City hereby agrees to use the LHFTP funds for
6 eligible activities in the manner presented in the application as approved by HCD and in
7 accordance with program guidelines; it also may execute any and all other instruments
8 necessary or required by HCD for participation in the LHFTP.

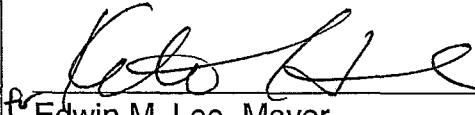
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Recommended:

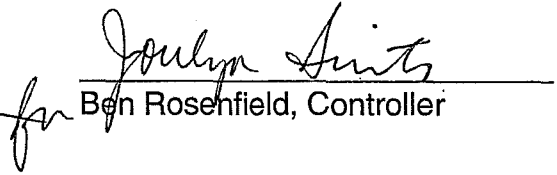


Olson Lee, Director, Mayor's Office of
Housing and Community Development

Approved:



Edwin M. Lee, Mayor



for Ben Rosefield, Controller

<p>Item 11 File 15-0370</p>	<p>Department: Mayor's Office of Housing and Community Development</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p>	
<p>Through the proposed resolution, the Board of Supervisors would authorize the City and County of San Francisco to accept and expend the award of \$2,000,000 from the California Department of Housing and Community Development, Local Housing Trust Fund Grant Program to create, acquire, and/or rehabilitate affordable housing in San Francisco, and promote affordable homeownership programs.</p>	
<p style="text-align: center;">Key Points</p>	
<ul style="list-style-type: none"> • The California Department of Housing and Community Development, Local Housing Trust Fund Grant Program issued a Notice of Funding Availability (NOFA) to provide grant funds up to \$2,000,000 to municipalities that have established local housing trust funds. According to the NOFA, grant funds are awarded to local governments that have committed funds to the development of affordable housing and must be matched dollar-for-dollar by the applicant. 30 percent of grant funds must be used on projects restricted for Extremely Low Income households and no more than 20 percent of grant funds may be used for projects affordable to Moderate Income households. These income eligibility criteria are consistent with the San Francisco Housing Trust Fund income guidelines, which limit household income to 120 percent of Area Median Income, as noted above. Grant funds must be spent within 36 months of receiving the award from the State. • The \$2,000,000 grant award will be used as a source of financing for the construction of an affordable housing project at 1036 Mission St. (Project) consisting of 88 units of housing for Extremely Low- and Very Low-income individuals and families. MOHCD staff chose to use the \$2,000,000 grant award to finance the 1036 Mission Street Project because its focus on Extremely Low and Very Low-Income populations makes it an ideal fit for the grant's criteria. Additionally, because the grant requires that all funds are allocated within three years, MOHCD needed a project that could use the funds within that timeframe. 	
<p style="text-align: center;">Fiscal Impact</p>	
<ul style="list-style-type: none"> • The cost of 1036 Mission St. Project is \$49,385,241. Of this \$49,385,241, \$8,149,277 in City funding is being allocated to the Project and serve as matching funds to the State's \$2,000,000 grant. No funding from the San Francisco Housing Trust Fund will be used to develop this Project. 	
<p style="text-align: center;">Recommendation</p>	
<ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Administrative Code Section 10.170-1 states that accepting Federal, State, or third-party grant funds in the amount of \$100,000 or more, including any City matching funds required by the grant, is subject to Board of Supervisors approval.

BACKGROUND

In November 2012, San Francisco voters approved Proposition C, a charter amendment establishing the San Francisco Housing Trust Fund for the purpose of creating, acquiring and rehabilitating housing that is affordable for households earning up to 120 percent of Area Median Income; and promoting affordable homeownership programs.

The California Department of Housing and Community Development Local Housing Trust Fund Grant Program issued a Notice of Funding Availability (NOFA) to provide grant funds of up to \$2,000,000 to municipalities that have established local housing trust funds. According to the State NOFA, grant funds are awarded to local governments that have committed funds to the development of affordable housing and must be matched dollar-for-dollar by the applicant.

In April 2014, the Board of Supervisors authorized the Mayor's Office of Housing and Community Development (MOHCD) to apply for the State grant funds. In October 2014, the State approved an award of \$2,000,000 in grant funds to the City and County San Francisco to create, acquire, and/or rehabilitate affordable housing in San Francisco, and promote affordable homeownership programs.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would authorize the City and County of San Francisco to accept and expend the award of \$2,000,000 in State Local Housing Trust Fund Grant funds to create, acquire, and/or rehabilitate affordable housing in San Francisco, and promote affordable homeownership programs.

State Local Housing Trust Fund Grant awards are provided to municipalities that have established local housing trust funds. These grants awards are not allocated to a specific project, but are provided to the municipality administering a local housing trust fund which then selects projects that meet the grant's eligibility criteria.

30 percent of grant funds must be used on projects restricted for Extremely Low Income households¹ and no more than 20 percent of grant funds may be used for projects affordable to Moderate Income households. These income eligibility criteria are consistent with the San Francisco Housing Trust Fund income guidelines, which limit household income to 120 percent of Area Median Income. Grant funds must be spent within 36 months of receiving the award from the State.

1036 Mission St. Project

According to Mr. Benjamin McCloskey, Deputy Director of MOHCD, the proposed \$2,000,000 grant award will be used as a source of financing for the construction of an affordable housing project at 1036 Mission St. (Project). The Project will consist of 88 units of housing for Extremely Low- and Very Low-Income individuals and families.² Forty-three of the units will be restricted to Extremely Low-Income households that must be formerly homeless referred to the Project by the Department of Public Health. Forty-four units will be restricted to Very Low-Income households. One unit will be a property manager's unit. Rent paid by tenants for the units will be capped at 30 percent of income.

Mr. McCloskey states that MOHCD staff chose to use the \$2,000,000 grant award to finance the 1036 Mission Street Project because its focus on Extremely Low and Very Low-Income populations makes it an ideal fit for the grant's criteria. Additionally, because the grant requires that all funds are allocated within three years, MOHCD needed a project that could be completed within three years.

FISCAL IMPACT

The 1036 Mission Street Project will be developed by the non-profit Tenderloin Neighborhood Development Corporation and funded by a combination of developer, Federal, State and City funding, totaling \$49,385,241, as shown in Table 1 below. Of the \$49,385,241 in funding sources, \$8,149,277 in City funding is being allocated to the Project.

¹ According to the U.S. Department of Housing and Urban Development (HUD), Extremely Low-Income households earn less than 30 percent of the Area Median Income, equal to approximately \$22,773 of the 2015 San Francisco median income of \$75,910.

² According to HUD, Very Low-Income households earn less than 50 percent of Area Median Income, equal to approximately \$37,955 of the 2015 San Francisco median income of \$75,910.

Table 1: Sources of Funds for 1036 Mission St. Project

Funding Source	Amount
<i>Developer Contributions</i>	<i>\$2,360,815</i>
Federal Funding	
Federal Low-Income Housing Tax Credits	\$20,088,000
Federal HOME program	5,787,149
<i>Federal Funding Subtotal</i>	<i>\$25,875,149</i>
California State Funding	
Multi-Family Housing Program Grant	\$7,000,000
Transit Oriented Development Grant	3,000,000
Local Housing Trust Fund Grant (subject of proposed resolution)	2,000,000
Affordable Housing Program Grant	1,000,000
<i>California State Funding Subtotal</i>	<i>\$13,000,000</i>
San Francisco City Funding	
Inclusionary Housing Fees	\$1,936,426
California Pacific Medical Center Development Agreement Fees	2,000,000
Jobs Housing Linkage Fees	2,212,851
Low-Moderate Income Housing Asset Fund	2,000,000
<i>City Funding Subtotal</i>	<i>\$8,149,277</i>
Total Project Funding	\$49,385,241

Estimated project expenditures of \$49,385,241 are shown in Table 2 below.

Table 2: Estimated Cost for 1036 Mission St. Project

Budget Category	Amount
Construction (75%)	\$36,900,012
Planning, Permitting, Design, Engineering, Other (19%)	9,249,830
Reserves (5%)	666,359
Developer Costs (1%)	2,569,040
Total Costs	\$49,385,241

RECOMMENDATION

Approve the proposed resolution.

Mayor's Office of Housing and Community Development
City and County of San Francisco



Edwin M. Lee
Mayor

Olson Lee
Director

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Benjamin McCloskey, Deputy Director Mayor's Office of Housing and Community Development
DATE: March 18, 2015
SUBJECT: Accept and Expend Resolution for California Department of Housing and Community Development Local Housing Trust Fund Matching Grant

GRANT TITLE: Local Housing Trust Fund Matching Grant

Attached please find the original and 4 copies of each of the following:

- Proposed resolution; original signed by Department, Mayor, Controller
- Grant information form
- Grant budget
- Grant application
- Grant award letter from funding agency
- Other (Explain):

Departmental representative to receive a copy of the adopted resolution:

Name: Benjamin McCloskey
Phone: 701-5575
Interoffice Mail Address: Benjamin.McCloskey@sfgov.org
Certified copy required Yes No

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

File Number: _____
(Provided by Clerk of Board of Supervisors)

Grant Resolution Information Form
(Effective July 2011)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: **California HCD Local Housing Trust Fund Program Grant**
2. Department: **Mayor's Office of Housing and Community Development**
3. Contact Person: **Benjamin McCloskey** Telephone: **(415) 701-5575**
4. Grant Approval Status (check one):
 Approved by funding agency Not yet approved
5. Amount of Grant Funding Approved or Applied for: **\$2,000,000.00**
6. a. Matching Funds Required: **\$2,000,000.00**
b. Source(s) of matching funds (if applicable): **San Francisco Housing Trust Fund**
7. a. Grant Source Agency: **California Department of Housing and Community Development (HCD)**
b. Grant Pass-Through Agency (if applicable): **N/A**
8. Proposed Grant Project Summary: **Rehabilitation of Affordable Housing**
9. Grant Project Schedule, as allowed in approval documents, or as proposed:
Start-Date: **TBD, depending on HCD Award/Allocation Schedule**
End-Date: **Funds must be committed within 36 months of HCD's allocation.**
10. a. Amount budgeted for contractual services: **\$0**
b. Will contractual services be put out to bid? **N/A**
c. If so, will contract services help to further the goals of the Department's Local Business Enterprise (LBE) requirements? **N/A**
d. Is this likely to be a one-time or ongoing request for contracting out? **N/A**
11. a. Does the budget include indirect costs?
 Yes No
b. 1. If yes, how much? **N/A**
b. 2. How was the amount calculated? **N/A**
c. 1. If no, why are indirect costs not included? **N/A**
 Not allowed by granting agency To maximize use of grant funds on direct services
 Other (please explain):
c. 2. If no indirect costs are included, what would have been the indirect costs? **None.**

12. Any other significant grant requirements or comments:
San Francisco Housing Trust Fund must remain in place for 5 years. Funds awarded for affordable housing preservation must be disbursed to sub-awardees in the form of a loan. Funds repaid from sub-

awardees to the City of San Francisco may be re-used for affordable housing creation and preservation. Grant Code: MOLHTF

****Disability Access Checklist** (Department must forward a copy of all completed Grant Information Forms to the Mayor's Office of Disability)**

13. This Grant is intended for activities at (check all that apply):

- | | | |
|--|--|---|
| <input type="checkbox"/> Existing Site(s) | <input checked="" type="checkbox"/> Existing Structure(s) | <input checked="" type="checkbox"/> Existing Program(s) or Service(s) |
| <input type="checkbox"/> Rehabilitated Site(s) | <input checked="" type="checkbox"/> Rehabilitated Structure(s) | <input type="checkbox"/> New Program(s) or Service(s) |
| <input type="checkbox"/> New Site(s) | <input type="checkbox"/> New Structure(s) | |

14. The Departmental ADA Coordinator or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local disability rights laws and regulations and will allow the full inclusion of persons with disabilities. These requirements include, but are not limited to:

1. Having staff trained in how to provide reasonable modifications in policies, practices and procedures;
2. Having auxiliary aids and services available in a timely manner in order to ensure communication access;
3. Ensuring that any service areas and related facilities open to the public are architecturally accessible and have been inspected and approved by the DPW Access Compliance Officer or the Mayor's Office on Disability Compliance Officers.

If such access would be technically infeasible, this is described in the comments section below:

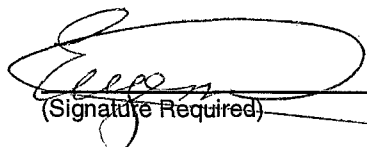
Comments:

Departmental ADA Coordinator or Mayor's Office of Disability Reviewer:

Eugene Flannery
(Name)

Environmental Compliance Manager
(Title)

Date Reviewed: 4-3-15

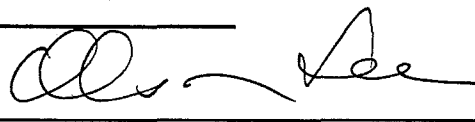

(Signature Required)

Department Head or Designee Approval of Grant Information Form:

Olson Lee
(Name)

Director
(Title)

Date Reviewed: 04/06/15


(Signature Required)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE**

2020 West El Camino Avenue, Suite 400
Sacramento, CA 95833
(916) 263-6115
FAX (916) 263-3393
www.hcd.ca.gov



October 28, 2014

Mr. Edwin M. Lee
Mayor of the City and County of San Francisco
c/o Mayor's Office of Housing and Community Development
1 South Van Ness Avenue 5th Floor
San Francisco, CA 94103

**RE: Award Announcement – Mayor's Office of Housing and Community
Development - Contract No. 14-LHTFOTC-9952**

Dear Mr. Lee:

The Department of Housing and Community Development (Department) is pleased to announce that the Mayor's Office of Housing and Community Development has been awarded a Local Housing Trust Fund Program (LHTFP) matching grant in the amount of \$2,000,000. This letter constitutes notice of the award of LHTFP funds for augmenting the local housing trust fund serving the City and County of San Francisco. Department staff is preparing a detailed standard agreement that will state the specific conditions of the LHTFP award.

This commitment is conditioned on compliance with the requirements of all applicable statutes and guidelines of LHTFP, as well as any project agreements stipulated in the standard agreement, which will be forwarded to the awardee. Please note that the Department does not have authority to disburse any funds until all required agreements are fully executed.

The Department is committed to expanding housing and homeownership opportunities for all Californians. We will continue working aggressively in cooperation with local agencies and community housing development organizations to achieve those goals.

Congratulations on your successful application. If you have any questions regarding the matching grant and its conditions, please contact Steven Marshall, LHTFP Manager at (916) 263-6115 or at steven.marshall@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Laura A. Whittall-Scherfee".

Laura A. Whittall-Scherfee
Deputy Director

California HCD Local Housing Trust Fund Program Grant Budget

Sources

2014 HCD LHTF Grant Amount	\$2,000,000.00
Matching Source -- General Fund Revenue: San Francisco HTF	\$2,000,000.00

Uses

% Grant funds to be expended on projects serving Extremely Low Income Households (up to 30% AMI)	48.86%
% Grant funds to be expended on projects serving Low Income Households (up to 50% AMI)	51.14%
Total	100%

Print Form

Introduction Form

By a Member of the Board of Supervisors or the Mayor

Time stamp
or meeting date

I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee. (An Ordinance, Resolution, Motion, or Charter Amendment)
- 2. Request for next printed agenda Without Reference to Committee.
- 3. Request for hearing on a subject matter at Committee.
- 4. Request for letter beginning "Supervisor [] inquires"
- 5. City Attorney request.
- 6. Call File No. [] from Committee.
- 7. Budget Analyst request (attach written motion).
- 8. Substitute Legislation File No. []
- 9. Reactivate File No. []
- 10. Question(s) submitted for Mayoral Appearance before the BOS on []

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- Small Business Commission Youth Commission Ethics Commission
- Planning Commission Building Inspection Commission

Note: For the Imperative Agenda (a resolution not on the printed agenda), use a Imperative Form.

Sponsor(s):

Breed

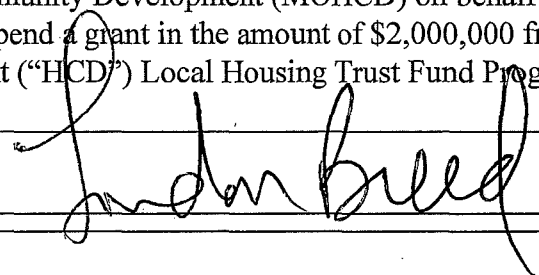
Subject:

Accept and Expnd – California HCD Local Housing Trust Fund Grant – up to \$2,000,000

The text is listed below or attached:

Resolution authorizing the Mayor's Office of Housing and Community Development (MOHCD) on behalf of the City and County of San Francisco to retroactively accept and expend a grant in the amount of \$2,000,000 from the California Department of Housing and Community Development ("HCD") Local Housing Trust Fund Program ("LHTFP").

Signature of Sponsoring Supervisor: _____



For Clerk's Use Only:

