

BOARD of SUPERVISORS



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## MEMORANDUM

GOVERNMENT AUDIT AND OVERSIGHT COMMITTEE

SAN FRANCISCO BOARD OF SUPERVISORS

TO: Supervisor Gordon Mar, Chair  
Government Audit and Oversight Committee

FROM: John Carroll, Assistant Clerk

DATE: June 21, 2019

SUBJECT: **COMMITTEE REPORT, BOARD MEETING**  
Tuesday, June 25, 2019

The following file should be presented as a COMMITTEE REPORT at the regular Board meeting, Tuesday, June 25, 2019. This ordinance was acted upon at the regular Government Audit and Oversight Committee meeting on Thursday, June 20, 2019, at 10:00 a.m., by the votes indicated.

**Item No. 51                      File No. 190573**

**Ordinance amending the Administrative Code to establish the Cooperative Living Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities for Mental Health Program to finance the acquisition of residential properties to be operated as communal housing for people with chronic mental illness and/or substance use disorders; requiring the Mayor's Office of Housing and Community Development and the Department of Public Health ("DPH") to establish policies and procedures to issue loans from the Fund; and authorizing DPH to place eligible clients in properties financed by the Fund, and to provide oversight and monitoring of such properties.**

AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

Vote: Supervisor Gordon Mar - Aye  
Supervisor Vallie Brown - Aye  
Supervisor Aaron Peskin - Aye

RECOMMENDED AS AMENDED AS A COMMITTEE REPORT

Vote: Supervisor Gordon Mar - Aye  
Supervisor Vallie Brown - Aye  
Supervisor Aaron Peskin - Aye

Cc: Board of Supervisors  
Angela Calvillo, Clerk of the Board  
Alisa Somera, Legislative Deputy  
Jon Givner, Deputy City Attorney

File No. 190573

Committee Item No. 13

Board Item No. 51

# COMMITTEE/BOARD OF SUPERVISORS

## AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: June 20, 2019

Board of Supervisors Meeting:

Date: June 25, 2019

### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Resolution                                   |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ordinance - VERSION 2                        |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Legislative Digest - VERSION 2               |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Youth Commission Report                      |
| <input 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 type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
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### OTHER

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| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <u>Referral FYI - May 28, 2019</u> |

Prepared by: John Carroll

Date: June 14, 2019

Prepared by: John Carroll

Date: June 21, 2019

1 [Administrative Code - Cooperative Living Opportunities for Mental Health Loan Fund and  
2 Program]

3 **Ordinance amending the Administrative Code to establish the Cooperative Living**  
4 **Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities**  
5 **for Mental Health Program to finance the acquisition of residential properties to be**  
6 **operated as communal housing for people with chronic mental illness and/or**  
7 **substance use disorders; requiring the Mayor's Office of Housing and Community**  
8 **Development and the Department of Public Health ("DPH") to establish policies and**  
9 **procedures to issue loans from the Fund; and authorizing DPH to place eligible clients**  
10 **in properties financed by the Fund, and to provide oversight and monitoring of such**  
11 **properties.**

12 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
13 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
14 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
15 **Board amendment additions** are in double-underlined Arial font.  
16 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
17 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
18 subsections or parts of tables.

19 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. Article XIII of Chapter 10 of the Administrative Code is hereby amended by  
21 adding Section 10.100-49.5, to read as follows:

22 **SEC. 10.100-49.5. COOPERATIVE LIVING OPPORTUNITIES FOR MENTAL HEALTH**  
23 **LOAN FUND.**

24 **(a) Establishment of Fund. The Cooperative Living Opportunities for Mental Health Loan**  
25 **Fund (the "Fund") is established as a category eight fund to receive any monies appropriated or**

1 donated for the purpose of expanding opportunities for people with chronic mental illness and/or  
2 substance use disorders to live in communal, non-institutional, neighborhood-based, household settings  
3 with 24-7 on call individual and household case management services (“Cooperative Living”).

4 (b) Use of Fund. The Fund shall be used exclusively for the purpose of providing long-term  
5 loans to nonprofit organizations to acquire, rehabilitate, and maintain residential housing under the  
6 Cooperative Living Opportunities for Mental Health Program (“Program”), as set forth in Chapter  
7 117 of the Administrative Code.

8 (c) Exceptions to Fund Category. The Director of the Mayor’s Office on Housing and  
9 Community Development (“MOHCD”) shall approve all expenditures from the Fund.

10 (d) Administration of Fund. MOHCD shall administer a loan program under the Fund, and  
11 in such capacity shall: (1) service loan agreements; (2) receive payments for, and maintain current  
12 accounts of, principal, interest, and fees relating to the loan agreements, and redeposit them into the  
13 Fund; and, (3) allocate funds for administration associated with the operation of the Fund, such funds  
14 being limited to interest earnings generated by loans, collection of fees, and the proceeds of  
15 investments of unexpended cash balances from the fund. MOHCD shall report annually to the  
16 Board of Supervisors on the current status of the Fund, the amounts approved for disbursement, and  
17 the number and types of new Cooperative Living units established during the preceding fiscal  
18 year and maintained.

19  
20 Section 2. The Administrative Code is hereby amended by adding Chapter 117,  
21 consisting of Sections 117.1, 117.2, 117.3, and 117.4, to read as follows:  
22

23 **CHAPTER 117: COOPERATIVE LIVING OPPORTUNITIES**  
24 **FOR MENTAL HEALTH PROGRAM**  
25

1           SEC 117.1. DEFINITIONS.

2           For purposes of this Chapter 117, the following terms shall have the following meanings:

3           "Board" means the Board of Supervisors.

4           "Borrower" means a recipient of a Loan.

5           "City" means the City and County of San Francisco.

6           "Cooperative Living" means communal, non-institutional, neighborhood-based, household  
7 settings with 24-7 on call individual and household case management services for Eligible Persons.

8           "Contractor" means a nonprofit organization that enters into a contract or grant  
9 agreement with the Department of Public Health to provide services to Eligible Persons in  
10 housing operated under the Cooperative Living Opportunities for Mental Health Program.

11           "Declaration of Restrictions" means an agreement to be executed by the Borrower and  
12 recorded against Property as a condition to the receipt of a Loan that restricts the use of the Property.

13           "DPH" means the Department of Public Health.

14           "DPH Director" means the Director of Health, or the Director's designee.

15           "Eligible Person" means a person with chronic mental illness and/or a substance use disorder  
16 who has been assessed and determined by DPH to be able to live independently and safely in  
17 Cooperative Living and to be able to participate in maintaining a cooperative household, as  
18 determined by DPH, who is exiting or has exited a transitional residential treatment program  
19 or an acute diversion unit.

20           "Fund" means the Cooperative Living Opportunities for Mental Health Loan Fund  
21 administered by MOHCD under Administrative Code Chapter 10.100-49.5.

22           "Loan" means a loan of funds made under the Program, including the modification,  
23 refinancing, or restructuring of a loan, with a term of 10 years or longer.

24           "MOHCD" means the Mayor's Office of Housing and Community Development, or any  
25 successor agency.

1 "MOHCD Director" means the Director of MOHCD, or the MOHCD Director's designee.

2 "Program" means the Cooperative Living Opportunities for Mental Health Program for the  
3 acquisition and rehabilitation operation of single-family homes, multi-family residential buildings,  
4 and/or residential units for Cooperative Living.

5 "Program Regulations" means policies, procedures, rules, guidelines, manuals or regulations  
6 published by the Directors and designed to implement the Program.

7 "Property" means any real property used and restricted for Cooperative Living and used to  
8 secure a Loan.

9  
10 **SEC. 117.1. ESTABLISHMENT OF THE PROGRAM.**

11 (a) MOHCD and DPH shall establish and operate a Cooperative Living Opportunities for  
12 Mental Health Program designed to provide financing in the form of long-term loans to and contracts  
13 with nonprofit organizations for the purpose of acquiring, retaining, and operating an economical and  
14 stable stock of multi-family buildings and/or single-family homes to create cooperative living  
15 opportunities for people with chronic mental illness and/or substance abuse disorders.

16 (b) DPH shall determine client eligibility and authorize client placement in Cooperative Living  
17 units. Subject to the requirements of Article 21 of the Administrative Code, or any competitive  
18 procurement requirements applicable to grant agreements, DPH shall enter into new contracts  
19 or grants, or expand existing contracts or grants, with nonprofit housing providers provide  
20 funding to support the operation of Cooperative Living opportunities, and associated services, through  
21 state programs, City funding, and/or other sources, as available.

22 (c) MOHCD shall provide loan administration and portfolio asset management for the  
23 Program.

1                    **SEC. 117.2. ELIGIBLE SITES, PROGRAM MANAGEMENT, AND REGULATIONS.**

2                    **(a) Eligible Sites.** *MOHCD shall make Loans to qualified nonprofit organizations for the*  
3 *purpose of acquiring residential units or buildings as Cooperative Living consistent with the Program*  
4 *Regulations. Eligible properties for acquisition may include any single-family home, multifamily*  
5 *residential building, or other residential unit suitable for Cooperative Living; provided, however, that*  
6 *such property shall not be occupied by renters or be the subject of evictions under Administrative Code*  
7 *37.9(a)(8) or 37.9(a)(10), except for acquisition of units currently master leased by nonprofit*  
8 *organizations where the acquisition would preserve current occupancy by Eligible Persons. MOHCD*  
9 *and DPH shall establish minimum requirements for site eligibility to ensure that sites are suitable*  
10 *for operation as Cooperative Living and financially feasible, including, but not limited to: (1)*  
11 *minimum number of units or bedrooms per site, (2) bathroom ratio per Eligible Person; (3)*  
12 *conformity with Planning Code requirements applicable to the site; (4) readiness for*  
13 *occupancy after a specific period of time if rehabilitation is needed, and (5) minimum*  
14 *standards for any rehabilitation.*

15                    **(b) Program Management.** *The MOHCD Director shall be responsible for the operation and*  
16 *management of the loans provided under the Program. The MOHCD Director may appoint agents and*  
17 *consultants to assist with the administration of loans under the Program, provided that any such*  
18 *appointment is consistent with the civil service provisions of the Charter.*

19                    **(c) Program Regulations.** *The MOHCD Director and DPH Director shall jointly publish*  
20 *from time to time Program Regulations as appropriate to implement the Program, consistent with*  
21 *applicable law and this Chapter 117. The MOHCD Director and DPH Director shall publish all*  
22 *Program Regulations on MOHCD's DPH's website and in such additional places as the DPH Director*  
23 *deems appropriate, and shall provide copies or electronic links on request. The Program Regulations*  
24 *shall address matters such as Program and Fund administration, public and competitive processes to*  
25 *apply for Loans, compliance with applicable laws and regulations, affordability restrictions for the*

1 longest possible term, eligible uses of Funds, underwriting criteria, transaction processing,  
2 documentation, compliance monitoring, and enforcement. At a minimum, the Program Regulations  
3 shall include, but are not limited to: (1) experienced property management to provide operating and  
4 maintenance, rent collection, lease enforcement, financial management and reporting; (2) a harm  
5 reduction policy specifying that participation in substance abuse treatment is not a requirement  
6 of placement or residence in the housing; (3) procedures for lease violation and termination; and  
7 (4) limits on rent, which shall not exceed 30% of an Eligible Person's income.

8  
9 **SEC. 117.3. LOAN TERMS.**

10 (a) **Loan Term and Repayment.** The MOHCD Director shall prepare Loan documents  
11 consistent with the Program Regulations. So long as the applicable Property continues to be used for  
12 Cooperative Living, the Loan documents may allow payment from net cash flow, defer some or all  
13 payments during the term, and allow for debt forgiveness at the end of the term, all as determined by  
14 the MOHCD Director.

15 (b) **Security for Loans.** The MOHCD Director may require Loans made under this Chapter  
16 117 to be secured by a deed of trust and other security instruments for the benefit of the City consistent  
17 with Program Regulations. The MOHCD Director may record and subordinate deeds of trust and  
18 other security instruments as needed or appropriate to achieve and preserve Cooperative Living.

19 (c) **Declaration of Restrictions.** Any Loan shall be subject to a Declaration of Restrictions  
20 with the longest possible term as determined by the MOHCD Director, including, but not limited to  
21 terms of 55 years or longer or for the life of the applicable building or unit. MOHCD shall not  
22 subordinate a Declaration of Restrictions to any third party financing instrument, except to the extent  
23 required by federal or state funding sources or financing for the acquisition of Cooperative Living.

24 (d) **Combining Loans.** Subject to any applicable requirements of a funding source, MOHCD  
25 may issue one or more Loans, in any combination, that the MOHCD Director deems appropriate to

1 fund acquisitions for Cooperative Living. A Borrower shall comply with the requirements of each  
2 applicable funding source, which shall be included in the Loan documents.

3 (e) Purchase Option. To ensure long-term affordability, MOHCD may require Borrowers to  
4 execute and record against the Property an agreement that provides the City an option to purchase the  
5 Property at a restricted value.

6 (f) Compliance with Transaction Documents and Applicable Laws. Each Loan agreement  
7 shall require Borrowers to comply with applicable laws and regulations, including federal, state, and  
8 City regulations and Program Regulations. In addition, MOHCD shall work with the Controller, the  
9 City Attorney, and non-City funding sources to monitor compliance with all Loan agreements, Program  
10 Regulations, and applicable laws.

11  
12 **SEC. 117.4. ADMINISTRATION OF LOANS AND GRANTS.**

13 (a) Agreements. MOHCD shall prepare standard form Loan agreements, which will be  
14 subject to negotiation as deemed appropriate by the MOHCD Director.

15 (b) Funding Disbursement. MOHCD shall be responsible for approving the disbursement of  
16 Loan proceeds and monitoring the performance of Borrowers under this Chapter 117 and enforcing the  
17 applicable agreements. MOHCD shall establish commercially reasonable protocols to oversee the use  
18 and expenditure of Loan proceeds.

19 (c) Loan Servicing. MOHCD shall collect revenues due and owing under Loans, maintain  
20 records of all such revenues, and maintain annual statements of such accounts. Loan repayments shall  
21 be deposited into the applicable Fund in accordance with Program Regulations, and the Director  
22 shall work with the Controller to apply revenues toward repayment of bonds as and when  
23 required.

1           (d) Fees for Services. MOHCD may charge reasonable fees, including Loan origination and  
2 monitoring fees, and such other necessary fees of consultants and agents retained to administer the  
3 Program. MOHCD shall include a statement of the fees in the Program Regulations for the Program.

4           (e) Refinance and Loan Workouts. To preserve and maintain any Cooperative Housing, the  
5 Director is authorized to refinance, restructure, modify, or extend the term of any Loan and any related  
6 agreements, provided that a new Declaration of Restrictions is recorded against the Property.

7           (f) Monitoring and Enforcement.

8                   (1) DPH shall monitor Contractor compliance with Program Regulations related  
9 to delivery of services and enrollment of tenants who meet eligibility criteria. DPH shall  
10 establish annual reporting requirements for Contractors and shall report annually to the Board  
11 of Supervisors on the number and types of Cooperative Living units established and  
12 maintained under the Program. DPH may take such actions as may be reasonably necessary  
13 to enforce the terms of any contracts or grants entered into with Contractors for the delivery of  
14 services to Eligible Persons as part of the Program.

15                   (2) MOHCD may take such actions as may be reasonably necessary to enforce  
16 Loan requirements and collect on any security, including the foreclosure of any deed of trust,  
17 possession of rents and other revenues, or the demand and collection under any guaranty or  
18 other security instrument.

19           MOHCD shall monitor compliance with Loan agreements, Declarations of Restrictions,  
20 and any other related documents. DPH shall monitor compliance with Program Regulations  
21 related to Eligible Persons. A Borrower shall submit to MOHCD and DPH an annual  
22 monitoring report that includes, but is not limited to, an evaluation of the outcomes of the  
23 Borrower's tenants, including but not limited to the tenants' length of residency in a Program  
24 site and the rate of tenant hospitalization. MOHCD or DPH, as applicable, may take such  
25 actions as are reasonably necessary to enforce such agreements and documents and collect

1 on any security, including the foreclosure of any deed of trust, possession of rents and other  
2 revenues, or the demand and collection under any guaranty or other security instrument.

3 (3) MOHCD may also take action to protect its security or its interest in a Property,  
4 including curing a default under a senior loan or acquiring property at a tax sale, foreclosure, through  
5 a deed in lieu of foreclosure, or through a judicial process. The Board authorizes and delegates to the  
6 MOHCD Director, following consultation by the MOHCD Director with the DPH Director, the  
7 Director of Property, and the City Attorney, the right to accept a deed or other security or interest in  
8 property as part of any remedy or as may be needed to preserve any Cooperative Housing.

9  
10 Section 3. Effective Date. This ordinance shall become effective 30 days after  
11 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
12 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
13 of Supervisors overrides the Mayor's veto of the ordinance.

14  
15 APPROVED AS TO FORM:  
16 DENNIS J. HERRERA, City Attorney

17  
18 By:

  
19 KEITH NAGAYAMA  
Deputy City Attorney

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**REVISED LEGISLATIVE DIGEST**  
*(June 20, 2019 - AMENDED IN COMMITTEE)*

[Administrative Code - Cooperative Living Opportunities for Mental Health Loan Fund and Program]

**Ordinance amending the Administrative Code to establish the Cooperative Living Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities for Mental Health Program to finance the acquisition of residential properties to be operated as communal housing for people with chronic mental illness and/or substance use disorders; requiring the Mayor’s Office of Housing and Community Development and the Department of Public Health (“DPH”) to establish policies and procedures to issue loans from the Fund; and authorizing DPH to place eligible clients in properties financed by the Fund, and to provide oversight and monitoring of such properties.**

Existing Law

The City and County of San Francisco (the “City”) provides an extensive array of services to help individuals with chronic mental illness and/or substance use disorders, including a program for the master leasing of residential property to house such individuals with chronic mental illness and/or a substance use disorders. There is currently no legal requirement that the City fund or create a program for nonprofit organizations to acquire housing units for a cooperative living model to serve individuals with chronic mental illness and/or substance use disorders.

Amendments to Current Law

This ordinance would require the Department of Public Health (“DPH”) and the Mayor’s Office of Housing and Community Development (“MOHCD”) to collaborate and develop a Cooperative Living Opportunities for Mental Health Program (the “Program”) for the purpose of enabling qualified nonprofit organizations to acquire residential property that can provide communal, non-institutional, neighborhood-based, household settings with 24-7 on call individual and household case management services (“Cooperative Living”). Housing units providing Cooperative Living would be available to individuals with chronic mental illness and/or a substance use disorders, as determined by DPH, who are exiting or have exited a transitional residential treatment program or an acute diversion unit. Under the Program, (1) MOHCD would administer a loan program for qualified nonprofit organizations to acquire residential property suitable for Cooperative Living and oversee asset management, and (2) DPH would facilitate placement of individual in housing units for Cooperative Living, provide funding for services and operations, and establish outcomes. DPH and MOHCD would develop rules and/regulations for the Program and receipt of a loan by a qualified nonprofit

organization. Nonprofit organizations receiving loans would provide annual reports to DPH and MOHCD regarding tenant outcomes and compliance with loan terms.

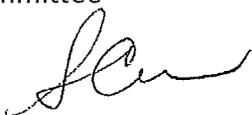
In addition, this ordinance would establish the Cooperative Living Opportunities for Mental Health Loan Fund (the "Fund") that would provide funding for the loans provided under the Program. The Fund would be a category eight fund, and expenditures of the Fund would be approved by the Director of MOHCD.

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**CITY AND COUNTY OF SAN FRANCISCO**  
**BOARD OF SUPERVISORS**  
**BUDGET AND LEGISLATIVE ANALYST**

1390 Market Street, Suite 1150, San Francisco, CA 94102 (415) 552-9292  
 FAX (415) 252-0461

June 18, 2019

**TO:** Government Audit and Oversight Committee  
**FROM:** Budget and Legislative Analyst   
**SUBJECT:** June 20, 2019 Government Audit and Oversight Committee Meeting

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<p><b>Item 13</b> <b>File 19-0573</b></p>	<p><b>Department:</b> Department of Public Health (DPH)</p>
<p><b>EXECUTIVE SUMMARY</b></p>	
<p style="text-align: center;"><b>Legislative Objectives</b></p> <p>The proposed ordinance amends the Administrative Code to (1) establish the Cooperative Living Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities for Mental Health Program to finance the acquisition of residential properties to be operated as communal housing for people with chronic mental illness and/or substance use disorders; (2) require the Mayor’s Office of Housing and Community Development (MOHCD) and DPH to establish policies and procedures to issue loans from the Fund; and (3) authorize DPH to place eligible clients in properties financed by the Fund, and to provide oversight and monitoring of such properties.</p> <p style="text-align: center;"><b>Key Points</b></p> <ul style="list-style-type: none"> <li>• Cooperative living involves communal, non-institutional, neighborhood-based, household settings with 24-7 on call individual and household case management services for persons with chronic mental illness and/or a substance use disorder who is exiting or has exited a transitional residential treatment program or an acute diversion unit.</li> </ul> <p style="text-align: center;"><b>Fiscal Impact</b></p> <ul style="list-style-type: none"> <li>• The size of the fund, its sources of funding, and its associated portfolio are not yet known, so the costs for staff resources or consulting services that would be required to administer the fund cannot be estimated at this time.</li> <li>• Funding availability, whether through City funding or other sources, is not known at this time. Future General Fund support would be subject to Board of Supervisors appropriation approval.</li> </ul> <p style="text-align: center;"><b>Recommendation</b></p> <ul style="list-style-type: none"> <li>• Approval of the proposed ordinance is a policy decision for the Board of Supervisors.</li> </ul>	

**MANDATE STATEMENT**

City Charter Section 9.105 states that amendments to the Annual Appropriations Ordinance, after the Controller certifies the availability of funds, are subject to Board of Supervisors approval by ordinance.

**BACKGROUND**

Cooperative living involves communal, non-institutional, neighborhood-based, household settings with 24-7 on call individual and household case management services for persons with chronic mental illness and/or a substance use disorder who is exiting or has exited a transitional residential treatment program or an acute diversion unit.

**DETAILS OF PROPOSED LEGISLATION**

The proposed ordinance amends the Administrative Code to (1) establish the Cooperative Living Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities for Mental Health Program to finance the acquisition of residential properties to be operated as communal housing for people with chronic mental illness and/or substance use disorders; (2) require the Mayor's Office of Housing and Community Development (MOHCD) and DPH to establish policies and procedures to issue loans from the Fund; and (3) authorize DPH to place eligible clients in properties financed by the Fund, and to provide oversight and monitoring of such properties.

**FISCAL IMPACT****Mayor's Office of Housing and Community Development**

The Cooperative Living Opportunities for Mental Health Loan Fund would be used for providing long-term loans to nonprofit organizations to acquire and maintain residential housing under the Cooperative Living Opportunities for Mental Health Program. The fund would be administered by MOHCD, which would be responsible for loan and grant administration and portfolio asset management. Under the proposed ordinance, the MOHCD Director may appoint agents and consultants to assist with the administration of loans under the cooperative living program. MOHCD would also be responsible for reporting annually to the Board of Supervisors on the current status of the fund, the amounts approved for disbursement, and the number and types of cooperative living units established and maintained.

The size of the fund, its sources of funding, and its associated portfolio are not yet known, so the costs for MOHCD staff resources or consulting services that would be required to administer the fund cannot be estimated at this time.

**Department of Public Health**

Under the proposed ordinance, DPH would be responsible for providing funding to support the operation of cooperative living opportunities, and associated services, through state programs, City funding, and/or other sources, as available, as well as monitoring compliance with program

regulations related to eligible persons. Funding availability, whether through City funding or other sources, is not known at this time. Future General Fund support would be subject to Board of Supervisors appropriation approval.

Since the caseload of the proposed program is not known at this time, the number and types of full-time-equivalent (FTE) employees are not known and the cost of adding positions for establishment of the proposed fund and program cannot be estimated at this time.

**RECOMMENDATION**

Approval of the proposed ordinance is a policy decision for the Board of Supervisors.

President, District 7  
BOARD of SUPERVISORS



Bo. 11, Aides, COB,  
Depts, Rules Clerk, GAO clerk,  
Dep City Atty  
City Hall

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San Francisco, CA 94102-4689

Tel. No. 554-6516  
Fax No. 554-7674  
TDD/TTY No. 544-6546

Norman Yee

**PRESIDENTIAL ACTION**

Date: 6/11/2019

To: Angela Calvillo, Clerk of the Board of Supervisors

Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title. \_\_\_\_\_

Transferring (Board Rule No 3.3)

File No. 190573 Ronen  
(Primary Sponsor)

Title. Administrative Code - Cooperative Living Opportunities for Mental Health Loan Fund and Program

From: Rules \_\_\_\_\_ Committee

To: Government Audit & Oversight \_\_\_\_\_ Committee

Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor \_\_\_\_\_

Replacing Supervisor \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

*Norman Yee*  
\_\_\_\_\_  
Norman Yee, President  
Board of Supervisors

2019 JUN 12 PM 2:16  
BOARD OF SUPERVISORS  
SAN FRANCISCO

BOARD of SUPERVISORS



City Hall  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco 94102-4689  
Tel. No. 554-5184  
Fax No. 554-5163  
TDD/TTY No. 554-5227

## MEMORANDUM

TO: Ben Rosenfield, City Controller, Office of the Controller  
Kate Hartley, Director, Mayor's Office of Housing and Community  
Development (MOHCD)  
Helynna Brooke, Mental Health Board  
Dr. Grant Colfax, Director, Department of Public Health

FROM: Victor Young, Assistant Clerk *Victor Young*  
Rules Committee

DATE: May 28, 2019

SUBJECT: LEGISLATION INTRODUCED

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The Board of Supervisors' Rules Committee received the following proposed legislation on May 21, 2019:

**File No. 190573**

**Ordinance amending the Administrative Code to establish the Cooperative Living Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities for Mental Health Program to finance the acquisition of residential properties to be operated as communal housing for people with chronic mental illness and/or substance use disorders; requiring the Mayor's Office of Housing and Community Development and the Department of Public Health ("DPH") to establish policies and procedures to issue loans from the Fund; and authorizing DPH to place eligible clients in properties financed by the Fund, and to provide oversight and monitoring of such properties.**

If you have comments or reports to be included with the file, please forward them to me at the Board of Supervisors, City Hall, Room 244, 1 Dr. Carlton B. Goodlett Place, San Francisco, CA 94102 or by email at: [victor.young@sfgov.org](mailto:victor.young@sfgov.org).

c: Todd Rydstrom, Office of the Controller  
Eugene Flannery, MOHCD  
Amy Chan, MOHCD  
Greg Wagner, Department of Public Health  
Naveena Bobba, Department of Public Health  
Sneha Patil, Department of Public Health

# Introduction Form

By a Member of the Board of Supervisors or Mayor

BOARD OF SUPERVISORS  
SAN FRANCISCO

2019 OCT 21 PM 2:29  
Time stamp  
or meeting date  
*AK*

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 [ ] inquiries"
- 5. City Attorney Request.
- 6. Call File No. [ ] from Committee.
- 7. Budget Analyst request (attached written motion).
- 8. Substitute Legislation File No. [ ]
- 9. Reactivate File No. [ ]
- 10. Topic 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 the Imperative Form.**

Sponsor(s):

Ronen; Haney

Subject:

[Administrative Code - Cooperative Living Opportunities for Mental Health Loan Fund and Program]

The text is listed:

Ordinance amending the Administrative Code to establish the Cooperative Living Opportunities for Mental Health Loan Fund and the Cooperative Living Opportunities for Mental Health Program to finance the acquisition of residential properties to be operated as communal housing for people with chronic mental illness and/or substance use disorders; requiring the Mayor's Office of Housing and Community Development and the Department of Public Health ("DPH") to establish policies and procedures to issue loans from the Fund; and authorizing DPH to place eligible clients in properties financed by the Fund, and to provide oversight and monitoring of such properties.

Signature of Sponsoring Supervisor:

*Will Ronen*