

File No. 201063

Committee Item No. 9

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget & Finance Committee

Date September 30, 2020

Board of Supervisors Meeting

Date _____

Cmte Board

- | | | |
|-------------------------------------|--------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/> | Motion |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Resolution |
| <input type="checkbox"/> | <input type="checkbox"/> | Ordinance |
| <input type="checkbox"/> | <input type="checkbox"/> | Legislative Digest |
| <input checked="" 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 checked="" 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 checked="" type="checkbox"/> | <input type="checkbox"/> | Contract/Agreement |
| <input type="checkbox"/> | <input type="checkbox"/> | Form 126 – Ethics Commission |
| <input type="checkbox"/> | <input type="checkbox"/> | Award Letter |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | Application |
| <input type="checkbox"/> | <input type="checkbox"/> | Public Correspondence |

OTHER (Use back side if additional space is needed)

- | | | |
|-------------------------------------|--------------------------|---|
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Notice of Funding Availability</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Program Guidelines</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Board of Supervisors Resolution No. 364-20</u> |
| <input checked="" type="checkbox"/> | <input type="checkbox"/> | <u>Planning Department CEQA Categorical Exemption Determination</u> |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |
| <input type="checkbox"/> | <input type="checkbox"/> | _____ |

Completed by: Linda Wong

Date September 25, 2020

Completed by: Linda Wong

Date _____

1 [Standard Agreement - California Department of Housing and Community Development -
2 Homekey Grant - Hotel Granada - Not to Exceed \$45,000,000]

3 **Resolution authorizing the Department of Homelessness and Supportive Housing**
4 **(HSH) to execute a Standard Agreement for up to \$45,000,000 of Homekey grant funds**
5 **from the California Department of Housing and Community Development to Episcopal**
6 **Community Services for the acquisition of the Hotel Granada at 1000 Sutter Street for**
7 **Permanent Supportive Housing, for a term to be determined; approving and authorizing**
8 **HSH to commit up to \$23,000,000 in permanent funds and additional operational**
9 **subsidies over five years to satisfy local match requirements; and affirming the**
10 **Planning Department’s determination under the California Environmental Quality Act.**

11
12 WHEREAS, The California Department of Housing and Community Development
13 (“Department”) issued a Notice of Funding Availability (“NOFA”) dated July 16, 2020, for the
14 Homekey Program (“Homekey” or “Homekey Program”) pursuant to Health and Safety Code,
15 Section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.); and

16 WHEREAS, The Department is authorized to administer Homekey funds pursuant to
17 the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of
18 Division 31 of the Health and Safety Code); and

19 WHEREAS, On August 11, 2020, the Board adopted a Resolution on file with the Clerk
20 of the Board of Supervisors in File No. 200817 authorizing the Department of Homelessness
21 and Supportive Housing (“HSH”) to apply for Homekey grant funds in an amount not to
22 exceed \$45,000,000 from the California Department of Housing and Community Development
23 on behalf of the City and County of San Francisco (“City”); and

24 WHEREAS, HSH, together with Episcopal Community Services, a nonprofit corporation
25 (“ECS”), as its co-applicant, submitted two applications for Homekey funds (the

1 “Applications”), one of which is to enable ECS to purchase and renovate the Granada Hotel at
2 1000 Sutter Street for Permanent Supportive Housing (the “Granada Project”); and

3 WHEREAS, A copy of the Application for the Homekey funds for the Granada Project is
4 on file with the Clerk of the Board of Supervisors in File No. 201063 (“Granada Project
5 Application”); and

6 WHEREAS, If the Granada Project Application is approved, the Department will issue
7 an award to the City in an amount not to exceed \$45,000,000, subject to the terms and
8 conditions of the Department’s STD 213, Standard Agreement (“Standard Agreement”), a
9 copy of which is on file with the Clerk of the Board of Supervisors in File No. 201063; and

10 WHEREAS, The Granada Hotel is an 232-unit Single Room Occupancy building with
11 vacant units and existing tenants, including low-income senior residents, who are at-risk of
12 potential displacement due to unrestricted rents, and the Granada Project will both protect
13 existing tenants at risk of homelessness and create new units of Permanent Supportive
14 Housing for people experiencing chronic homelessness; and

15 WHEREAS, Permanent Supportive Housing is the most effective evidence-based
16 solution to ending chronic homelessness and also prevents new incidents of homelessness
17 among highly vulnerable people with long experiences of homelessness; and

18 WHEREAS, As of July 2020, San Francisco has approximately 8,000 units of
19 Permanent Supportive Housing that provide permanent homes and services to approximately
20 10,000 San Franciscans, and has the goal of acquiring 1500 units of such housing over the
21 next two years as part of the Mayor’s Homelessness Recovery Plan; and

22 WHEREAS, Additional permanent subsidized housing furthers the City’s commitment
23 to dismantle systematic racial inequities that disproportionately affect communities of color;
24 and

1 WHEREAS, This Granada Project will also provide more units for occupancy by
2 vulnerable individuals experiencing homelessness currently sheltering in place in temporary
3 placements under public health guidance related to COVID-19; and

4 WHEREAS, If the Department approves the Granada Project Application, receipt of
5 these Homekey funds for the Granada Project, in an amount not to exceed \$45,000,000,
6 requires a local match from the City in the amount of \$23,000,000, over five years, which will
7 be provided to Episcopal Community Services under an Agreement with the City for the
8 financing of the Granada Project; and

9 WHEREAS, The Granada Project will be restricted as Permanent Supportive Housing,
10 and will not be subordinated to any third-party financing instrument; and

11 WHEREAS, The City and ECS have agreed to enter into a purchase option agreement
12 providing the City with an option and right of first refusal to acquire the Granada Project upon
13 any proposed transfer of the Property, among other certain events; and

14 WHEREAS, To satisfy the requirements of the Homekey Standard Agreement, ECS
15 must purchase the Hotel Granada no later than December 30, 2020, and the City and ECS
16 must satisfy the state's occupancy requirements within 90 days following acquisition; and

17 WHEREAS, The Planning Department has determined that the Granada Project is
18 statutorily exempt from the California Environmental Quality Act under AB 83 (2020),
19 California Health and Safety Code, Section 506715.1.2; said determination is on file with
20 the Clerk of the Board of Supervisors in File No. 201063 and is incorporated herein by
21 reference; now, therefore, be it

22 RESOLVED, This Board affirms the Planning Department's determination that actions
23 contemplated by this Resolution are statutorily exempt from CEQA; and, be it

24 FURTHER RESOLVED, If the Granada Project Application is approved, the Director or
25 Deputy Director of HSH is hereby authorized, in consultation with the City Attorney, to enter

1 into, execute and deliver a Standard Agreement in a total amount not to exceed \$45,000,000
2 any and all other documents required or deemed necessary or appropriate to secure the
3 Homekey funds from the Department and to participate in the Homekey Program, and all
4 amendments thereto (collectively, the “Homekey Documents”); and, be it

5 FURTHER RESOLVED, If the Granada Application is approved, HSH will ensure that
6 all such funds are used in a manner consistent and in compliance with all applicable state and
7 federal statutes, rules, regulations, and laws, including without limitation all rules and laws
8 regarding the Homekey Program, as well as any and all contracts HSH may have with the
9 Department; and, be it

10 FURTHER RESOLVED, If the Granada Application is approved, HSH is hereby
11 authorized and directed to ensure that any funds awarded for capital expenditures are spent
12 by December 30, 2020, and that any funds awarded for capitalized operating subsidies are
13 spent by June 30, 2022; and, be it

14 FURTHER RESOLVED, The City acknowledges and agrees that it shall be subject to
15 the terms and conditions specified in the Standard Agreement, and that the NOFA and
16 Granada Project Application will be incorporated in the Standard Agreement by reference and
17 made a part thereof; any and all activities, expenditures, information and timelines
18 represented in the Application are enforceable through the Standard Agreement; funds are to
19 be used for the allowable expenditures and activities identified in the Standard Agreement;
20 and, be it

21 FURTHER RESOLVED, The Director or Deputy Director of HSH is authorized to enter
22 into any additions, amendments, or other modifications to the Standard Agreement and the
23 Homekey Documents that they determine, following consultation with the City Attorney, are in
24 the best interests of the City and that do not materially increase the obligations or liabilities of
25 the City or materially decrease the benefits to the City; and, be it

1 FURTHER RESOLVED, That all actions authorized and directed by this Resolution and
2 heretofore taken are ratified, approved and confirmed by this Board of Supervisors; and, be it

3 FURTHER RESOLVED, That if the Application for the other project is approved, the
4 City will return to this Board of Supervisors to seek any required approvals in order to pursue
5 that project; and, be it

6 FURTHER RESOLVED, That within thirty (30) days of the execution of the Standard
7 Agreement by all parties, HSH shall provide the Standard Agreement to the Clerk of the Board
8 for inclusion into the official file.

9
10
11
12 RECOMMENDED:

13
14 /s/ _____

15 Interim Director, Abigail Stewart-Kahn
16 Department of Homelessness and Supportive Housing

<p>Item 9 Files 20-1063</p>	<p>Department: Department of Homelessness and Supportive Housing</p>
<p>EXECUTIVE SUMMARY</p>	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would (1) authorize the Department of Homelessness and Supportive Housing (HSH) to execute a Standard Agreement with the California Department of Housing and Community Development for up to \$45,000,000 of Homekey grant funds for the acquisition of The Granada located at 1000 Sutter Street for Permanent Supportive Housing and (2) approve and authorize HSH to commit up to \$23,000,000 in permanent funds and additional operating subsidies over five years to satisfy local match requirements. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Department of Homelessness and Supportive Housing, along with co-applicant Episcopal Community Services, will receive \$44.8 million from the California Department of Housing and Community Development’s Homekey Program to purchase, renovate and operate The Granada in order to provide supportive housing for formerly homeless adults and existing tenants • 152 units in The Granada are vacant and will be filled by individuals referred through San Francisco’s Coordinated Entry System, including clients transitioning out of Shelter-In-Place hotels. The Department does not expect any of the 80 existing tenants to be displaced. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The total acquisition and rehabilitation for the Hotel Granada Project is \$59.8 million, which includes \$39.3 million funded by the Homekey Program grant funds and \$20.5 million in gap loans provided by the Mayor’s Office of Housing and Community Development, subject to Board of Supervisors approval. • The proposed Standard Agreement requires the City to provide operating subsidies for at least five-years, which would cost approximately \$2.9 million annually. The Homekey grant would cover the first two years of subsidies and the Department intends to fund ongoing operating subsidies with 2018 Proposition C funding. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

The Homekey Program

On July 16, 2020, the California Department of Housing and Community Development (HCD) announced the availability of approximately \$600 million of Homekey Program grant funding through a Notice of Funding Availability (NOFA). The focus of the Homekey Program is to sustain and expand housing for persons experiencing homelessness and impacted by COVID-19. Homekey also encourages eligible applicants to utilize funding to ameliorate the disproportionate racial impacts of homelessness and COVID-19. In August 2020, the Board of Supervisors approved the Department of Homelessness and Supportive Housing's (HSH) application for Homekey grant funding (File 20-0817). One of the City's two applications was approved so far and will provide funding to enable the co-applicant, Episcopal Community Services (ECS), to purchase and renovate The Granada provide supportive housing for formerly homeless adults and serve all existing tenants, many of them low-income seniors who otherwise would be at risk of homelessness.

Project and Vendor Selection

Episcopal Community Services (ECS), a supportive housing service provider, was selected by the Department of Homelessness & Supportive Housing to serve as the co-applicant with the City for State funding. The City had a two-part process for selecting the co-applicant and The Granada. Prior to the release of the Homekey Program NOFA, the City had issued RFQ #HSH2020-130 on June 4, 2020 to solicit bids to provide services at Shelter-In-Place sites. This RFQ also established that in the event the City has the opportunity to convert these sites into more permanent settings or secure additional permanent sites, applicants may have the opportunity to qualify to provide ongoing services such as property management or support services. ECS was selected as one of the providers under this initial RFQ to run a Shelter-In-Place site. Upon release of the Homekey Program NOFA, HSH issued RFI #HSH2020-100 to identify properties that are available for acquisition and could be used as a Permanent Supportive Housing site. It was under RFI #HSH2020-100 that The Granada owner responded with ECS. According to the Department, ECS was the only qualified RFI respondent with running a Shelter-In-Place site and experience with affordable housing acquisition and development.

The Granada

The Granada is located at 1000 Sutter Street. The property includes 232 Single Residence Occupancy (SRO) units and will be operated as Permanent Supportive Housing. The building is currently owned by 655-685 4th St LP, and Pantoll Holdings LLC. According to the Department of Homelessness & Supportive Housing, 80 of the 232 units are currently occupied by low-income

individuals, who are primarily reliant on rental subsidies. ECS will income-certify existing tenants' status as at-risk of homelessness but the Department does not expect any existing tenants to be displaced. According to the Department, 152 units are vacant and will be filled by individuals referred through San Francisco's Coordinated Entry System, including housing referral status clients transitioning out of Shelter-In-Place hotels.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would (1) authorize the Department of Homelessness and Supportive Housing (HSH) to execute a Standard Agreement with the California Department of Housing and Community Development for up to \$45,000,000 of Homekey grant funds for the acquisition of The Granada at 1000 Sutter Street for Permanent Supportive Housing, and (2) approve and authorize HSH to commit up to \$23,000,000 in permanent funds and additional operating subsidies over five years to satisfy local match requirements. The proposed resolution also affirms the Planning Department's determination that the project is exempt from California Environmental Quality Act review.

The Department of Homelessness and Supportive Housing was notified of award of \$44,840,003 in California Department of Housing and Community Development grant funds on September 21, 2020. According to the award, \$39,272,003 of the funds is allocated for housing acquisition and rehabilitation, and \$5,568,000 is allocated to subsidize housing operations for up to 24 months. The award of funds requires the Board of Supervisors to approve the Standard Agreement, which commits the City to identify funds for the remaining portion of the acquisition cost and to provide at least five years of operating subsidies for the Project.

Standard Agreement

The proposed Standard Agreement has a five-year term, and requires funds to be spent on interim or permanent supportive housing consistent with the application for Homekey grant funds.

Expedited Timeline

Because the State's Homekey Program is supported by the Coronavirus Relief Act (for acquisition costs) and the State General Fund (for operating subsidy costs), the Standard Agreement requires that Coronavirus Relief Act funds be spent by December 30, 2020, otherwise the U.S. Department of Treasury will recoup those monies that have not been used. The deadline for expending State General Funds is June 30, 2022.

According to the Homekey grant application, ECS will close the acquisition of The Granada by November 13, 2020. According to the City's Homekey grant application, ECS has ninety days after closing to reach fifty percent occupancy in the building. According to the Department, minor rehabilitation work will begin in November and be completed in time to reach 50 percent occupancy of the building in ninety days.

Ensuring Affordability

The proposed Standard Agreement requires ongoing affordability of the Project for at least 55 years. According to the Department, a gap loan from the Mayor's Office of Housing & Community

Development (MOHCD) to fund acquisition costs will require a Declaration of Restrictions that limits tenant incomes, rents, and rent increases as well as a Deed of Trust to secure the property in favor of the City. In addition, the proposed resolution states that the City and ECS have agreed to an Option to Purchase Agreement, which would allow the City right of first refusal if ECS sells the Project.

FISCAL IMPACT

Homekey Program Grant

The total Homekey Program grant award is \$44,840,003, which includes \$39,272,003 allocated to acquisition of The Granada, and \$5,568,000 for two years of operating subsidy.

Acquisition and Rehabilitation

Acquisition of The Granada is \$46,856,760, funded by Homekey Program and City funds, as shown in Table 1 below. The total budget to acquire and rehabilitate The Granada is \$59.8 million.

Table 1: Acquisition & Rehabilitation Budget

Source	Amount
Homekey Program Funding	\$39,272,003
City Loan	7,584,757
Subtotal, Acquisition Sources	46,856,760
San Francisco Housing Accelerator Fund	12,959,250
Total Sources	\$59,816,010

Uses	Amount
Acquisition	\$46,856,760
Rehabilitation	6,540,000
Architectural Fees	457,800
Construction Interest & Fees	920,000
Reserves	1,638,000
Contingency	1,226,250
Other Soft Costs	1,177,200
Developer Costs	1,000,000
Total Uses	59,816,010

Source: Department of Homelessness & Supportive Housing

The Mayor's Office of Housing and Community Development (MOHCD) will loan the project \$7,584,757 at the close of escrow in November 2020.

Housing Accelerator Fund

The Housing Accelerator Fund provided a bridge loan to the project of \$12,959,250. MOHCD will provide a permanent gap loan to ECS to repay the Housing Accelerator Fund bridge loan within one year, which will be subject to Board of Supervisors approval.

Local Match

The proposed resolution approves the Department to commit the required funding match for Homekey Program grant up to \$23 million for acquisition and rehabilitation. The City's match includes \$7,584,757 for acquisition and \$12,959,250 for the permanent gap loan, totaling \$20,544,007. According to Ms. Gigi Whitley, Deputy Director for Administration and Finance at the Department of Homelessness & Supportive Housing, these matching funds, which will be used to fund the future gap loan through MOHCD, have been included in the Department's FY 2020-21 – FY 2021-22 budget.

Operating Subsidy

The Department of Homelessness and Supportive Housing estimates the annual operating subsidy to The Granada to be approximately \$2.8 million to \$2.9 million. The Homekey Program grant includes \$5.6 million which would largely cover the operating subsidy for the first two years of the Project.

In addition, the proposed Standard Agreement requires the City to provide operating subsidies for at least five years. According to the Department of Homelessness & Supportive Housing, the estimated five-year operating subsidy is \$14.6 million, or approximately \$2.9 million per year, which the Department intends to fund with 2018 Proposition C funds. The Homekey award will offset the first two years of operating costs for Project. However, according to Ms. Whitley, in order to maintain the affordability of the Granada units, the City will need to subsidize housing operations and services to retain the site as Permanent Supportive Housing over the long-term.

RECOMMENDATION

Approve the proposed resolution.


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

2020 W. El Camino Avenue, Suite 670, 95833
P.O. Box 952054
Sacramento, CA 94252-2054
(916) 263-2771
www.hcd.ca.gov



July 16, 2020

MEMORANDUM FOR: All Potential Applicants

FROM: Jennifer Seeger, Acting Deputy Director
Division of Financial Assistance 

SUBJECT: **NOTICE OF FUNDING AVAILABILITY
HOMEKEY PROGRAM**

The California Department of Housing and Community Development (Department) is pleased to announce the availability of approximately \$600 million of Homekey Program (Homekey) grant funding through this Notice of Funding Availability (NOFA). Building on the success of [Project Roomkey](#), Homekey is a statewide effort to rapidly sustain and expand housing for persons experiencing homelessness and impacted by COVID-19.

Of the \$600 million in Homekey funding, \$550 million is derived from the state's direct allocation of the federal Coronavirus Relief Fund (CRF) and \$50 million is state General Fund. The \$50 million in state General Fund money is intended to supplement the acquisition of, and provide initial operating subsidies for, Homekey sites to promote Project feasibility. Accordingly, the Department will use these moneys to fund 24-month operating subsidies. **Projects receiving an award from the state's direct allocation of the federal CRF must expend the funds by December 30, 2020.** The portion of a Project's award associated with state General Fund must be expended by June 30, 2022. Depending on the funding award, the successful applicant must close escrow by the expenditure deadline.

Due to the Homekey expenditure deadline, and the potential for program oversubscription, eligible applicants are encouraged to submit their completed application as soon as possible. The Department will begin accepting applications on an over-the-counter basis on or about July 22, 2020. Review will be prioritized based on tiered criteria and date of submission. Applicants must submit a complete online application available at <https://www.hcd.ca.gov/grants-funding/active-funding/homekey.shtml>.

On July 24, 2020, the Department will hold a webinar to review the Homekey NOFA and application process. To register, please go to the Department's [Homekey webpage](#). To receive information on the workshop and other updates, please subscribe to the Department's Homelessness Prevention Programs listserv at http://www.hcd.ca.gov/HCD_SSI/subscribe-form.html.

If you have any questions, please submit them to Homekey@hcd.ca.gov.

Homekey Program

2020 Notice of Funding Availability



State of California

Governor Gavin Newsom

**Lourdes M. Castro Ramirez, Secretary
Business, Consumer Services and Housing Agency**

**Gustavo Velasquez, Director
Department of Housing and Community Development**

2020 West El Camino Avenue, Sacramento, CA 95833 Telephone: (916) 263-2771
Website: <https://www.hcd.ca.gov/grants-funding/active-funding/homekey.shtml>

Homekey Program Email: Homekey@hcd.ca.gov

July 16, 2020

Contents

<u>Article I – Program Overview</u>	1
<u>Section 100. Notice of Funding Availability (NOFA)</u>	1
<u>Section 101. Purpose and Program Objectives</u>	1
<u>Section 102. Authorizing Legislation and Applicable Law</u>	2
<u>Section 103. Program Timeline</u>	3
<u>Article II. Application Submission, Review, and Award Process</u>	3
<u>Section 200. Application Process Overview</u>	3
<u>Section 201. Pre-Application Consultation and Technical Assistance</u>	4
<u>Section 202. Geographic Distribution and Project Prioritization</u>	5
<u>Section 203. Maximum Grant Amounts</u>	7
<u>Section 204. Application Scoring Criteria</u>	9
<u>Section 205. Application Submission</u>	11
<u>Section 206. Application Award Process</u>	11
<u>Section 207. Appeals</u>	12
<u>Article III Program requirements</u>	12
<u>Section 300. Eligible Applicants</u>	12
<u>Section 301. Eligible Uses</u>	12
<u>Section 302. Eligible Projects</u>	13
<u>Section 303. Match</u>	13
<u>Section 304. General Program Requirements</u>	14
<u>Section 305. Permanent Housing Requirements</u>	16
<u>Section 306. Interim Housing Requirements</u>	18
<u>Section 307. Other Requirements</u>	19
<u>Section 308. 24-month Operating Subsidy</u>	20
<u>Section 309. Article XXXIV</u>	20
<u>Section 310. Housing First</u>	20
<u>Section 311. Accessibility and Non-Discrimination</u>	20
<u>Section 312 State Prevailing Wage</u>	21
<u>Article IV Program Operations</u>	21
<u>Section 401. Program Oversight</u>	21
<u>Section 402. Reporting</u>	21
<u>Section 403. Disbursement of Grant Funds</u>	22
<u>Section 404. Legal Documents</u>	22
<u>Section 405. Sales, Transfers, and Encumbrances</u>	23
<u>Section 406. Defaults and Grant Cancellations</u>	23
<u>Article V. Definitions</u>	24
<u>Article VI Insurance Requirements</u>	26
<u>Section 600. Insurance Requirements</u>	26

HOMEKEY PROGRAM

NOTICE OF FUNDING AVAILABILITY

Article I – Program Overview

Section 100. Notice of Funding Availability (NOFA)

The California Department of Housing and Community Development (Department) is announcing the availability of approximately \$600 million in Homekey funding to rapidly sustain and expand the inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19. The COVID-19 pandemic has exacerbated existing community needs and inequalities. In many communities, homelessness was already experienced disproportionately by race and other protected classes and persons experiencing homelessness are at increased risk of infection and death due to COVID-19. The Centers for Disease Control and Prevention is also reporting that evidence points to disproportionate impacts by race and ethnicity for COVID-19 hospitalization and death. As of June 12, age-adjusted hospitalization rates are highest among non-Hispanic American Indian or Alaska Native (5 times white persons) and non-Hispanic Black persons (5 times white persons), followed by Hispanic or Latino persons (4 times white persons).

Homekey is an opportunity for local public agencies to purchase motels and a broad range of other housing types in order to increase their community's capacity to respond to homelessness and the current COVID-19 pandemic. While Homekey builds off the success of Project Roomkey, applications are not limited to Project Roomkey sites.

Of the \$600 million in Homekey grant funds, \$550 million is derived from the state's direct allocation of the federal Coronavirus Aid Relief Funds (CRF) and \$50 million is derived from the state's General Fund to supplement the acquisition of and to provide initial operating subsidies for, Homekey sites.

Each Homekey allocation has the following expenditure deadlines:

- **The \$550 million in CRF must be expended by December 30, 2020.** The Department recognizes this expenditure deadline is challenging; however, the deadline is a requirement of federal CRF funding. The Department will provide ongoing support to assist Grantees in meeting the expenditure deadline and has already developed an accelerated application and award process.

NOTE: For Projects that involve an acquisition and are receiving CRF awards, Grantees must expend the funds by the expenditure deadline and the Project escrow must be closed by December 30, 2020.

- **The \$50 million in state General Funds must be expended by June 30, 2022.**

Section 101. Purpose and Program Objectives

The purpose of the Homekey program is to provide grant funding to Eligible Applicants and facilitate a partnership with the state to quickly acquire or rehabilitate or master lease a

variety of housing types. Once developed, these projects will provide interim or permanent housing options for persons experiencing homelessness and who are also at risk of COVID-19. For this NOFA, people experiencing homelessness or who are at risk of experiencing homelessness are considered inherently “impacted by COVID-19,” as they are most likely to have a lower life expectancy, be at a higher risk of infectious and chronic illness, and suffer from substance abuse and poor health. The Target Population may also have the same underlying medical conditions that result in increased risk for severe illness from COVID-19. Additionally, Homekey recognizes the disproportionate racial impacts of homelessness and COVID-19 and encourages Eligible Applicants to examine disproportionate impact in their own communities and to develop strategies to address these impacts.

Section 102. Authorizing Legislation and Applicable Law

Assembly Bill No. 83 (2019-2020 Reg. Sess.) created the statutory basis for Homekey by adding section 50675.1.1 to the Health and Safety Code and exempted certain Homekey Projects from the California Environmental Quality Act (CEQA) by adding section 50675.1.2 to the Health and Safety Code.

Health and Safety Code section 50675.1.1, subdivision (d) states, “The Department of Housing and Community Development may adopt guidelines for the expenditure of the funds appropriated to the Department [for Homekey]. The guidelines shall not be subject to the requirements of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code.”

The Multifamily Housing Program (MHP) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code), and as subsequently amended, is hereby incorporated by reference. In accordance with Health and Safety Code section 50675.1.1, subdivision (c), in the event of a conflict between this NOFA and the Multifamily Housing Program, the provisions of this NOFA are controlling.

The MHP Final Guidelines (MHP Guidelines), effective June 19, 2019, and as subsequently amended, are hereby incorporated by reference. In the event of a conflict between any of the MHP Guidelines and this NOFA, the provisions of this NOFA are controlling.

This NOFA establishes the terms, conditions, forms, procedures, and other mechanisms that the Department deems necessary to exercise its powers and to perform its duties pursuant to MHP in relation to Homekey.

The Department reserves the limited right to amend this NOFA after the close of the application period. Such right does not extend to material provisions of the application submission, review, and award process (e.g., scoring and tiering criteria). Post-NOFA amendments will take immediate effect and will govern the Standard Agreement process. After Standard Agreements have been executed, the Department will only amend this NOFA as necessary to provide clarification or to avoid a conflict of law.

The matters set forth herein are regulatory mandates and are adopted as regulations that have the dignity of statutes (*Ramirez v. Yosemite Water Company, Inc.* (1999) 20 Cal.4th 785, 799 [85 Cal.Rptr.2d 844]).

Section 103. Program Timeline

Homekey funds will be initially available to Eligible Applicants on an over-the-counter basis. Applications will be accepted from the release of this NOFA until September 29, 2020. The Department is also reserving a priority application period to allow for geographic equity in the disbursement of funds. The following table summarizes the Homekey program anticipated timeline.

Table 1: Anticipated timeline for Homekey applications

NOFA release	July 16, 2020
Stakeholder Call	July 16, 2020
Stakeholder Webinar	July 24, 2020
Pre-application consultations and the priority application period	July 16 – August 13, 2020
Final application due date	September 29, 2020
Award announcements	Rolling (Starting August 2020)
Final awards issued	October 2020
Standard agreements mailed	Upon submittal of required information and documentation
The Department redeploys unutilized funds	November 2020
CRF expenditure deadline	December 30, 2020
Grantee Expenditure and Program Report	Feb 1, 2021
State General Funds expenditure deadline	June 30, 2022
State General Funds expenditure report due dates	<ul style="list-style-type: none">▪ January 31, 2021▪ July 31, 2021▪ January 31, 2022,▪ July 31, 2022

The Department reserves the right to make adjustments to the projected timeline at any time.

Article II. Application Submission, Review, and Award Process

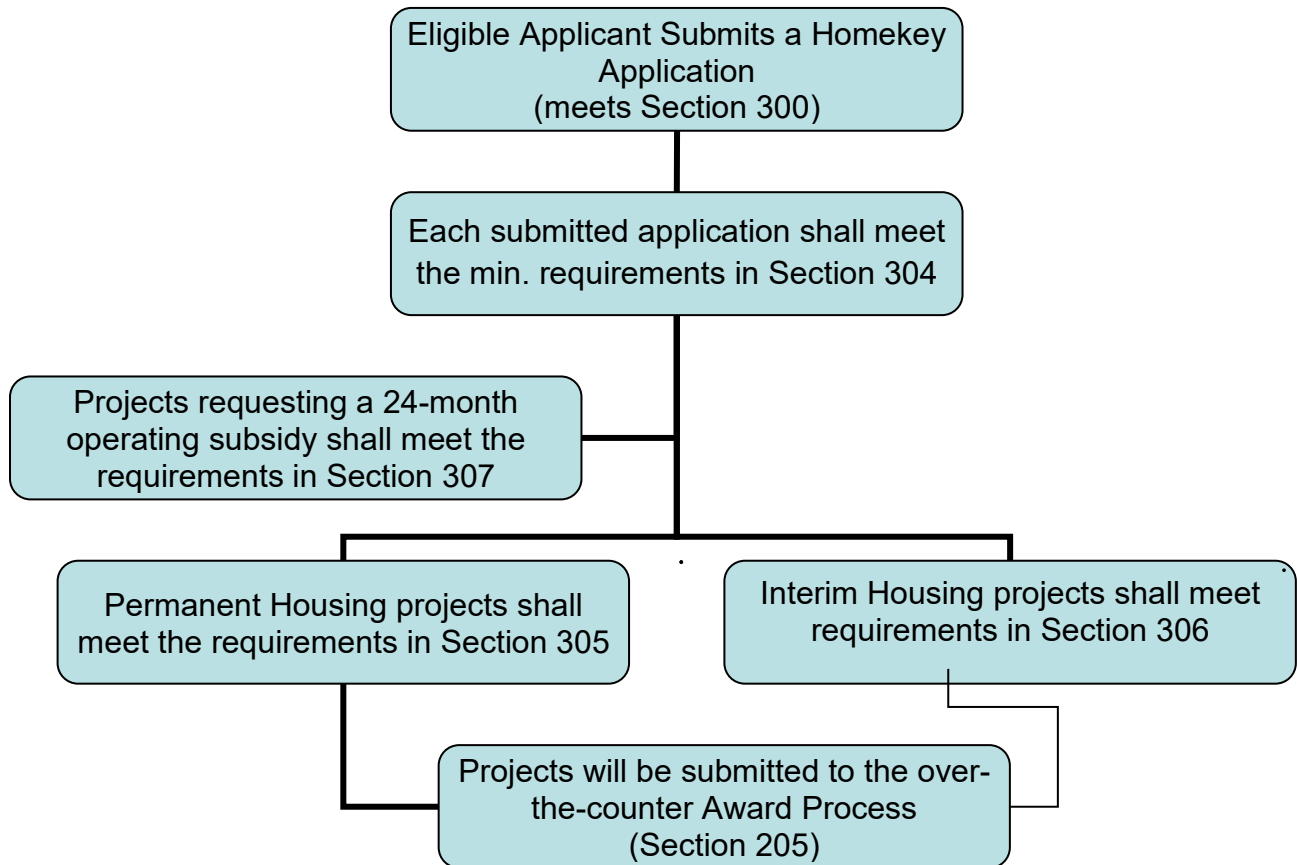
Section 200. Application Process Overview

The Homekey application is available electronically on the [Homekey webpage](#). **The Department anticipates releasing the Homekey application on or about July 22, 2020.**

- i. Applications for this NOFA will be received and reviewed on a rolling, over-the-counter basis until the CRF and the state General Fund moneys are committed.
- ii. Applications will be prioritized as described in Section 202.
- iii. The Department will evaluate applications for compliance with the minimum program requirements set forth in Section 304 and depending on the proposed Project Applicants should review requirements in Sections 304, 305, and 306. See the Homekey Application Process Flowchart at the end of this Section.

- iv. After each Applicant has been certified to meet the minimum program requirements, to be considered for a funding award, each Project must receive a minimum overall score of 110 points, as outlined in Section 204.
- v. The Department reserves the right to do the following:
 - a. Score an application as submitted even if information is missing from the application; and/or
 - b. Request clarification of unclear or ambiguous statements made in an application or request additional clarifying documentation or information.

Chart 1: Homekey Application Process Flowchart



Section 201. Pre-Application Consultation and Technical Assistance

The Department requires all Applicants to engage in a pre-application consultation with the Department and/or the Department of General Services (DGS) prior to submitting an application. The consultation will allow the prospective Applicant to discuss the proposed Project, along with other applicable programmatic considerations, including those related to site acquisition, CEQA, land use and land entitlements, and long-term financing approaches. Application consultations will be available upon the release of this NOFA and may be requested by emailing Homekey@hcd.ca.gov.

Section 202. Geographic Distribution and Project Prioritization

COVID-19 impacts people who are experiencing or who are at risk of homelessness throughout California. As such, the Department would like to ensure jurisdictions throughout the state have an equitable opportunity to apply for Homekey funds to protect the health and safety of their most vulnerable residents.

To this end, the Department has divided the state into eight regions, as outlined in Table 2, below. The regions are largely aligned with the various Councils of Government (COGs). As detailed in Table 2, 3, and 4 below, each region has funding reserved on a time-limited basis during the priority application period. Each region's share of the Homekey allocation is calculated based on its proportionate share of the persons experiencing homelessness of both the sheltered and unsheltered 2019 Homeless Point-in-Time counts and extremely low-income (ELI) renter households that are paying more than 50 percent of their income for rent.

Table 2: Homekey Counties by Region

Counties by Geographic Distribution			
Los Angeles County	San Joaquin Valley	Central Coast	Balance of State (Cont.)
Bay Area	Fresno	Monterey	Mendocino
Alameda	Kern	San Benito	Modoc
Contra Costa	Kings	San Luis Obispo	Mono
Marin	Madera	Santa Barbara	Nevada
Napa	Merced	Santa Cruz	Plumas
San Francisco	San Joaquin	Balance of State	Shasta
San Mateo	Stanislaus	Alpine	Sierra
Santa Clara	Tulare	Butte	Siskiyou
Solano	San Diego County	Calaveras	Tehama
Sonoma	Sacramento Area	Colusa	Trinity
Southern California	Amador	Del Norte	Tuolumne
Imperial	El Dorado	Glenn	
Orange	Placer	Humboldt	
Riverside	Sacramento	Inyo	
San Bernardino	Sutter	Lake	
Ventura	Yolo	Lassen	
	Yuba	Mariposa	

Table 3: Estimated Homekey Allocations by Region

Geographic Regions	PIT Count	Severely Rent-burdened ELI	CRF Allocation	GF Allocation
Los Angeles County	58,936	415,970	\$161,572,217	\$14,688,383
SF Bay Area	35,028	213,910	\$91,134,470	\$8,284,952
Southern California (w/o LA)	15,360	200,095	\$55,577,540	\$5,052,504
San Joaquin Valley	10,271	105,370	\$32,987,450	\$2,998,859
Central Coast	8,439	38,395	\$20,025,927	\$1,820,539
Sacramento Area	8,381	73,780	\$25,125,077	\$2,284,098
San Diego County	8,102	94,480	\$27,690,283	\$2,517,298
Balance of State	7,254	32,140	\$17,087,036	\$1,553,367

Two percent (2%) of the \$550 million in Homekey funds is for Department administrative costs. Twenty percent (20%) of the remaining \$550 million in Homekey funds is being held back by the Department to ensure there is adequate flexibility to issue awards expediently.

Table 4: Estimated Homekey Allocations

Funding Categories	CRF	General Fund
Total Homekey Allocation	\$550,000,000	\$50,000,000
Administrative at 2%	\$11,000,000	\$1,000,000
Discretionary Set Aside at 20%	\$107,800,000	\$9,800,000
Total Geographic Regional Allocation	\$431,200,000	\$39,200,000

Eligible Applicants who apply within the 30-day priority application period will be grouped into one of the eight geographic regions. The Department will further sort the applications into one of two tiers.

Tier One:

1. Tier One applications will be those Projects that: (1) can be occupied within 90 days from the date of acquisition; and (2) are permanent housing or will result in permanent housing as indicated on the application; or
2. Tier One projects include Projects that can be occupied within 90 days and used for Interim Housing, provided the project is expected to be developed into permanent housing at a later date **OR** Interim Housing with a coordinated exit strategy adopted by the Continuum of Care to support transitions into other permanent housing. Interim Housing projects shall submit a letter of support from the local Continuum of Care that demonstrates the coordinated exit strategy of the Target Population.

Tier Two:

Tier Two projects are all other Projects and uses, including housing that will be used for interim only and with no expectation of development into permanent housing.

For Projects received within the priority application period, the Department will award Tier One projects meeting the program requirements on a rolling basis, up to the regional cap, on a first-come, first-served basis. Tier Two projects meeting the program requirements will be waitlisted and awarded funding if funds are available, after the priority application period, according to the date stamp. Applications that were received after the priority application period, and that met the specified program requirements, will be awarded according to date stamp, as funds are available.

The Department can reimburse eligible Homekey expenditures that occurred prior to the release of this NOFA. Applicants are encouraged to discuss their options at the required pre-application consultation described in Section 201.

The following table summarizes the Homekey application prioritization process and timeline.

Table 5: Anticipated Homekey Application Prioritization Timeline

	Priority Application Review Period July 16 - August 13	Review Period 2 August 14 - September 29	September 30 – December 30, 2020
Applications	Sorted by: a. Regions b. Within Regions, by Tier One or Two c. Within Tiers, by a date stamp	Sorted by date stamp only (not by region or tier) Note: These applications will be put on a waitlist, and not sorted by Region or Tier.	No applications submitted during this period will be accepted.
Awards	Pre-application consultations and application review period. The Department will begin awarding Tier One projects meeting threshold within each region on a rolling basis, up to cap for the region.	For applications received through August 13, the Department will continue awarding Tier One projects meeting the Homekey program requirements on a rolling basis, up to the cap for the region. If these Tier One projects are undersubscribed, the Department will award qualified Tier Two projects. If the Tier Two projects are oversubscribed, the Department will award according to date stamp. If Tier Two projects are undersubscribed, The Department will proceed with awards in the following order: a. Any waitlisted applications from other regions received up to August 13, by tier and date stamp. b. Any waitlisted applications received on August 14 or later, by date stamp. For any tiebreaker needed (e.g., applications received on the same date), the Department will use ability to spend quickly, followed by PIT count, then leverage.	

Section 203. Maximum Grant Amounts

For acquisition projects, Homekey will generally fund up to \$100,000 per door, as supported by an appraisal. "Door" refers to the number of units at the time of the acquisition, which may differ from the number of units after a future conversion. For those projects that undergo a future conversion, the number of units may need to be reduced to accommodate kitchenettes and other amenities.

The Department recognizes that some acquisitions may have a higher per-door appraised value in certain high-cost areas. Some properties may also have a higher per-door value because they need less upfront work and already have the necessary amenities to support permanent housing solutions—for example, units with kitchenettes.

To support these efforts, the Department will accept requests from Tier One projects up to \$200,000 per door. However, for this \$200,000 per door maximum, the following applies:

- i. The Department will contribute the first \$100,000 per door of the Homekey proposed Project. This contribution does not require a local match.

- ii. The Eligible Applicant will be required to contribute an identical match of \$50,000 or a 1:1 local match to receive an additional \$50,000 contribution from the Homekey program.
- iii. The Eligible Applicants will be required to contribute \$100,000 or a 2:1 local match to receive an additional \$50,000 contribution from the Homekey program.

Table 6: State contributions to projects

Homekey	Eligible Applicant Contribution	Total Per Door
FIRST \$ 100,000	No Match Required	\$100,000
NEXT \$ 50,000 (TIER ONE PROJECTS)	1:1, Up to \$50,000	\$200,000
NEXT \$ 50,000 (TIER ONE PROJECTS)	2:1, Up to \$100,000	\$350,000

Eligible Applicants can request the highest state contribution of Homekey funds if they meet the following criteria:

- i. The proposed Project meets the Tier One category specified in Section 202.
- ii. The proposed Project is close to permanent occupancy, or there is a clear demonstration of occupying the units with tenants from the Target Population within 90 days of acquisition, e.g., higher purchase price with minimal rehabilitation needed.
- iii. The Department may consider additional criteria unique to the proposed Project that reduce the overall cost of a project when future rehabilitation needs are considered, support catalytic investments in disadvantaged communities without causing displacement, and affirmatively further fair housing.

Section 204. Application Scoring Criteria

Applications meeting the minimum program requirements outlined in Article III will require a **minimum score of 110 points to be eligible for funding**. Scores will be based on the following:

Table 7: Homekey Application Scoring Criteria

Homekey Application Scoring Categories and Max Point Scores	Evaluation Criteria
<p>1. Ability to expend funds by December 30, 2020. (Up to 50 points)</p>	<p>a. Identification of the site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, an exclusive negotiating agreement, ground lease, etc.). (Up to 20 points)</p> <p>b. A proposed development vision that identifies the financial and regulatory mechanisms to be used to maintain the ongoing affordability of the Project. (Up to 20 points)</p> <p>c. An overview of the planned and timeline for any required entitlements, permits, environmental clearances. (Up to 10 points)</p>
<p>2. Demonstration of the development team’s experience and capacity to acquire and operate the Project. (Up to 40 points)</p>	<p>a. Demonstration of the development's team experience to acquire and/or rehabilitate and operate the project. (Up to 10 points)</p> <p>b. A map of how the development team is connected and a description of how the team will work together, e.g., MOU, etc. (Up to 10 points)</p> <p>c. Development, ownership, or operation of a project similar in scope and size to the proposed Project. (Up to 10 points)</p> <p>d. The extent to which the Project can demonstrate the range of on-site and off-site supportive services that will be provided to the target population, e.g., mental health services, substance use disorder services, primary health, employment, and other tenancy support services. (Up to 10 points)</p>
<p>3. A demonstration of how the Project will address racial equity, other systemic inequities, state and federal accessibility requirements, and serve members of the Target Population. (Up to 25 points)</p>	<p>a. Eligible Applicant shall provide non-discrimination statement per Section 311, which references the Fair Employment and Housing Act. The Fair Employment and Housing Act is supported by accompanying regulations, 2 CCR Section 12005 et seq, covering tenant screening and affirmative marketing requirements. Eligible Applicant will also include a description of how the Project will address racial equity and inequities for the target population, including any local disproportionate impact of COVID-19 and homelessness by race and other protected classes. The description should include supporting evidence of the strategies’ effectiveness if available. (Up to 15 points)</p> <p>b. The extent to which the Project exceeds the state and federal accessibility requirements set forth Section 311, specifically providing a minimum of 10 percent of units with features accessible to persons with mobility disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC provisions, and a minimum of 4 percent of units with features accessible to persons with hearing or vision disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC Chapter 11B provisions. (Up to 5 points)</p>

Homekey Application Scoring Categories and Max Point Scores	Evaluation Criteria
	<p>c. The Applicant or development team has three or more years of experience serving persons of the target population. (Up to 5 points)</p>
<p>4. The extent to which the Eligible Applicant can demonstrate the Project's community impact and site selection. (This category is worth 45 points)</p>	<p>a. The extent to which the Eligible Applicant can demonstrate the Project's impact on the community as demonstrated by a reduction of at least 5 percent of the local 2019 Point-in-Time Count. (Up to 10 points)</p> <p>b. The proposed Project is a Tier One project and requires no rehabilitation, or the rehabilitation and the occupancy can be completed within 30 days after acquisition. (Up to 10 points)</p> <p>c. The Project is expected to acquire and maintain 100 or more units for the target population. (Up to 5 points)</p> <p>d. For any Project below \$350,000 per door, if the Eligible Applicant contributes more than a minimum match outlined in Table 5, above, the application will receive one (1) extra point for every additional 5% per door contributed to the Project. For example, for an acquisition that costs \$100,000 per door, the Applicant will receive 1 extra point for every \$5,000 per door in match contributed. (Up to 10 points)</p> <p>e. Site Selection (Up to 10 points) The project site is located within 1/3 mile of a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop. Commuter rail station, ferry terminal, bus station, or public bus stop OR the project includes an alternative transportation service for residents (e.g., van or dial-a-ride service), if costs of obtaining and maintaining the van and its service are included in the budget and the operating schedule is either on demand by tenants or a regular schedule is provided (4 points)</p> <p>The project site is in proximity to essential services:</p> <ul style="list-style-type: none"> i. Grocery store – within 1/2 mile of a full-scale grocery store/supermarket of at least 25,000 gross interior square feet where staples, fresh meat, and fresh produce are sold (1 mile for projects in rural areas); (2 points) ii. Health facility – within 1/2 mile (1 mile for projects in rural areas) of a qualifying medical clinic with a physician, physician's assistant, or nurse practitioner on-site for a minimum of 40 hours each week, or hospital (not merely a private doctor's office). A qualifying medical clinic must accept Medi-Cal payments, or Medicare payments, or Health Care for the Homeless, or have an equally comprehensive subsidy program for low-income patients; (1 point) iii. Library – within 1/2 mile of a book-lending public library (1 mile for projects in rural areas); (1 point) iv. Pharmacy: within 1/2 mile of a pharmacy (1 mile for projects in rural areas). (2 points)

In the event of program oversubscription, where Applicants have the same score and the same date stamp, the following tiebreaker system will be applied to determine the Project funding:

- i. The Department will take into consideration the highest score for each project received in the expenditure category (e.g. immediate ability to expend funds by December 30, 2020).
- ii. If a funding determination cannot be made from (i) above, the Department will provide the grant funding to the project with the highest 2019 Homeless Point-in-Time count.
- iii. If the funding determination cannot be made from (i) or (ii) above, the Department will provide funding to project that leverages the most non-Homekey funds (government, private, or philanthropic).
- iv. The Department may consider additional criteria, including but not limited to the cost-effectiveness; community impact; affirmative furtherance of fair housing; innovative housing type; tenant stability; and proximity to transit, services and amenities.

Section 205. Application Submission

The Department will be accepting over-the-counter applications beginning on or about **July 22, 2020**. Instructions for submittal of an application can be found on the website. The Department will set aside a priority application period to immediately begin reviewing and awarding qualified Projects from **July 16, 2020 to August 13, 2020**. All other applications received after the priority application period must be received by the Department no later than 5:00 p.m. PDT on **September 29, 2020**.

Applicants must submit the Homekey application and required attachments provided by the Department. The Department will not accept modified application forms. It is the Applicant's responsibility to ensure that the submitted application is accurate. Department staff may request additional clarifying information.

The application is a public record, which is available for public review pursuant to the California Public Records Act (CPRA) (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). After final Homekey awards have been issued, the Department may disclose any materials provided by the Applicant to any person making a request under the CPRA. The Department cautions Applicants to use discretion in providing information not specifically requested, including but not limited to, bank account numbers, personal phone numbers, and home addresses. By providing this information to the Department, the Applicant is waiving any claim of confidentiality and consents to the disclosure of submitted material upon request.

Section 206. Application Award Process

The Department will send both an award letter and a Standard Agreement to the successful Applicant. When the Standard Agreement is signed and returned by the Applicant, the Applicant will simultaneously submit a request for funds. Funds will be disbursed after the Department has received a request for funds and a fully executed Standard Agreement.

The Department is committed to disbursing Homekey funds in a timely manner. To avoid any expenditure delays, funds may be issued directly to the Applicant that is listed on the application, to the designated payee identified by successful co-Applicants, or to an escrow company that has been approved by the Department. For the latter option, the Applicant shall identify the name and address of the escrow company, the name of the escrow officer, the escrow number, and any other information requested by the Department.

Section 207. Appeals

Federal CRF money is the primary source of funding for the Homekey program, and it is subject to a short expenditure deadline. Section 601(f)(2) of the Social Security Act, as added by section 5001(a) of the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act, provides that the U.S. Department of the Treasury will recoup CRF money that have not been used to cover expenses incurred by December 30, 2020. In view of this abbreviated timeframe for award and expenditure, as well as the specific needs and objectives of the Homekey program, the Department, in accordance with its authority under Health and Safety Code section 50675.7, subdivision (d), will not accept appeals of its award determinations. The Department encourages aggrieved Applicants to resubmit their applications within the specified timeframe.

Article III Program Requirements

Section 300. Eligible Applicants

- i. Cities, counties, or any other Local Public Entity as that term is defined by Health and Safety Code section 50079; or
- ii. Cities, counties, or any other Local Public Entity as that term is defined by Health and Safety Code section 50079, in partnership with nonprofit or for-profit corporations.

Cities, counties, or other Local Public Entities, including housing authorities or federally recognized tribal governments within California, may apply independently as a Development Sponsor. Alternatively, a Local Public Entity may apply jointly with a for-profit or nonprofit corporation.

Section 301. Eligible Uses

Awarded funds must be used to provide housing for individuals and families experiencing homelessness or at risk of experiencing homelessness and who are impacted by the COVID-19 pandemic. With respect to the list of eligible uses below, an Eligible Applicant may choose to target Project Roomkey properties, or other, non-Project Roomkey properties. The list of eligible uses for the CRF \$550 million allocation and the \$50 million state General Fund allocation is as follows:

- i. Acquisition or rehabilitation of motels, hotels, or hostels.
- ii. Master leasing of properties.

- iii. Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.
- iv. Conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel.
- v. The purchase of affordability covenants and restrictions for units.
- vi. Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.
- vii. Capitalized operating subsidies for units purchased, converted, or altered with funds provided pursuant to Health and Safety Code section 50675.1.1.*

**Projects seeking capitalized operating subsidies for units purchased, converted, or altered will be awarded with funds from the \$50 million state General Fund allocation. The \$550 million in Homekey derived from the CRF is not permitted to be used for this purpose.*

Section 302. Eligible Projects

- i. Nonresidential structures with a certificate of occupancy as a motel, hotel, or hostel.
- ii. Adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses.
- iii. Multifamily rental housing projects with five or more housing units.
- iv. Shared housing or scattered site housing is permitted as long as the housing has common ownership, financing, and property management, and each household signs a lease. For example, A single-family home is one unit, a duplex is two units, a triplex is three units, et cetera.

The above list of eligible projects is not exhaustive. The Department welcomes and will consider a variety of other forms of housing as eligible projects. Interested Applicants should discuss other projects types with the Department during the pre-application consultation.

Section 303. Match

Eligible Applicants are required to demonstrate a five-year commitment to provide operating funds for the proposed project. The first two years of operating funds may include an award from the \$50 million in state General Fund. Matching contributions may be obtained from any source, including any federal source as well as state, local, and private sources. Eligible Applicants will have an opportunity to discuss the match requirements and potential match sources during the pre-application consultation described in Section 201.

Additionally, the following requirements apply to match contributions:

- i. The Eligible Applicant must ensure the laws governing any funds to be used as matching contributions do not prohibit those funds from being used to match Homekey funds; and
- ii. If the state General Funds are used to satisfy the matching requirements of another program, then funding from that program may not be used to fulfill the matching requirements of the Homekey program.

Section 304. General Program Requirements

To be eligible to receive funding, projects must meet the following requirements as they relate to the Eligible Applicant and the project types:

- i. Applications must be submitted independently by a single County, City, Public Housing Authority, or federally recognized tribal government as the Development Sponsor. Alternatively, applications must be submitted by a single County, City, Public Housing Authority, federally recognized tribal government and jointly with another entity as the Development Sponsor.
- ii. Projects must serve persons qualifying as members of the Target Population.
- iii. Developer experience
 - a. If the Eligible Applicant is acquiring, rehabilitating, and operating an eligible project type as outlined in Section 305 below, the Eligible Applicant shall demonstrate the following minimum experience requirements:
 - 1) Development, ownership, or operation of a project similar in scope and size to the proposed Project, or at least two affordable rental housing projects in the last ten years, with at least one of those projects containing at least one unit housing a tenant who qualifies as a member of the Target Population.
 - 2) The property manager shall have three or more years of experience serving persons of the Target Population. If a property manager is not yet selected for the proposed Project, the selected property manager shall have three or more years of experience serving persons of the Target Population, **OR** the Grantee shall certify that this requirement will be reflected in any future solicitation or Memorandum of Understanding.
 - b. If the Eligible Applicant is acquiring, rehabilitating, and operating an Interim Housing project, the Eligible Applicant shall demonstrate the following minimum experience requirements:
 - 1) Development or ownership of an Interim Housing project in the last ten years for members who qualify as the Target Population.
 - 2) The Eligible Applicant has successfully operated an emergency shelter or Transitional Housing or other Interim Housing for at least three years or more for members of the Target Population.

- 3) Demonstrated experience in linking Interim Housing program participants to permanent housing to ensure long-term housing stability.
 - 4) Experience administering a Housing First program including principles of harm reduction and low barriers to entry.
- c. The Eligible Applicant applying for the Homekey funding is the entity that the Department relies upon for experience and capacity, and will control the Project during acquisition, development, and occupancy. In a project with multiple layers of ownership, the Development Sponsor cannot have more than two corporate entities between itself and the borrowing entity.
- iv. Evidence of strong organizational and financial capacity to develop the project, including but not limited to:
 - a. The urgency to acquire a site to provide affordable housing to the Target Population;
 - b. A development plan to meet the expenditure period;
 - c. If the project will leverage other funding sources.
 - v. Assisted units and other units of the Project must meet all applicable state and local requirements pertaining to rental housing, manufactured housing, including but not limited to requirements for minimum square footage, and requirements related to maintaining the project in a safe and sanitary condition.
 - vi. The Department encourages Eligible Applicants to consider the CEQA exemption set forth at Health and Safety Code section 50675.1.2, the provision for land use consistency and conformity at Health and Safety Code section 50675.1.1, subdivision (g), as well as the additional streamlining pathways described in the appended CEQA guidance.
 - vii. The Department will require Eligible Applicants to submit the following documents:
 - a. Overview of project vision;
 - b. Description of project team, including partnerships with any other entities;
 - c. Demonstration of the development's team experience to acquire and/or rehabilitate and operate the project;
 - d. Identification of the site suitable for development and evidence of site control or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, exclusive negotiating agreement, ground lease, etc.);
 - e. A proposed development vision that identifies the financial and regulatory mechanisms to be used to maintain the ongoing affordability of the project;

- f. A summary of the committed and intended sources, and uses, of the project awarded with Homekey funds;
- g. A proposed timeline for the entire project, including major milestones, any required entitlements, permits, environmental clearances, board or governing body approvals, etc., and completion of the project;
- h. A proposed financing plan for any eventual development of the project;
- i. Preliminary commitment for title insurance. If no title report is available, the Applicant shall identify any known encumbrances on the property;
- j. Environmental site assessment (i.e., Phase 1 Environmental Assessment), or evidence that the assessment is in process and timeline to complete;
- k. Appraisal or evidence that the appraisal is in process and timeline to complete;
- l. Physical Needs Assessment or evidence that the physical needs assessment is in process and timeline to complete. This assessment must include consideration of accessibility requirements (Section 311);
- m. Non-Discrimination Statement and descriptions of tenant selection and/or coordinated entry system practices that meet non-discrimination requirements (Section 311);
- n. Documented ability to obtain the insurance coverages outlined in Article VI of this NOFA; and
- o. Authorizing Resolution (AR) approved by the Applicant's governing body.

The Department reserves the right to request clarification of unclear or ambiguous statements made in an application and other supporting documents.

Section 305. Permanent Housing Requirements

Permanent housing projects will be evaluated on the following requirements:

- i. The Sponsor shall have control of the property, and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property shall be subject to the Department's approval. Site control may be evidenced by one of the following:
 - a. Fee title;
 - b. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all program requirements;
 - c. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency;

- d. A sales contract, or other enforceable agreement for the acquisition of the property;
 - e. A letter of intent, executed by a sufficiently authorized signatory of the Eligible Applicant, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Eligible Applicant shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be acknowledged by the party selling or otherwise conveying an interest in the subject property to the Eligible Applicant. If this form of evidence is relied upon at the time of application, the Department may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow; or
 - f. Other forms of site control that give the Department assurance (equivalent to items a. through e. above) that the Applicant will be able to complete the project in a timely manner and in accordance with all the program's objectives and requirements.
- ii. The Eligible Applicant's plan to extend a local covenant restricting the use and Target Population for 55 years.
 - iii. A plan to cover operations and service costs with specific funding sources (government/philanthropic/private) for the proposed Project for five years and must demonstrate a path to ultimate use of the site for ten years.
 - iv. To the extent possible, the project shall provide a description of the services that will be available at the housing site including but not limited to case management, behavioral health services, physical health services, assistance obtaining benefits and essential documentation, and education and employment services. Please describe the on-site staffing plan proposed to deliver these services. Also describe the approach to securing off-site services including primary care and other needed physical health and behavioral health services as well as other tenancy supports.
 - v. One-for-one replacement of assisted housing
 - a. If the acquired housing or site is to be redeveloped/repositioned as part of the locality's overall goal to address the needs of the Target Population and the community, the Applicant shall provide as part of the application a commitment to ensure one-for-one replacement of units.
 - b. If the target site is going to be demolished before it is occupied as part of the Project being proposed by the Applicant, no one-for-one replacement commitment needs to be provided. The unit mix will be evaluated based on the project proposal.
 - c. The application shall include a site map indicating the original target housing location and all proposed housing location(s). If all proposed housing will be located within the neighborhood, no additional documentation is necessary. If replacement housing is proposed outside the target neighborhood, the application must also include a justification explaining why it is necessary to locate this

replacement housing outside the target neighborhood (i.e., offsite) and how doing so supports and enables the Target Population to maintain housing.

- vi. If the development of any Project results in the displacement of tenants, regardless of whether the tenant meets the definition of the Target Population, the Applicant must describe the assistance and benefits to be provided in compliance with local, state, and federal law.

Section 306. Interim Housing Requirements

Interim Housing projects with no plan for conversion to permanent housing will be evaluated on the following requirements:

- i. The Sponsor shall have control of the property, and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property shall be subject to the Department's approval. Site control may be evidenced by one of the following:
 - a. Fee title;
 - b. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all program requirements;
 - c. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency;
 - d. A sales contract, or other enforceable agreement for the acquisition of the property;
 - e. A letter of intent, executed by a sufficiently authorized signatory of the Applicant, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Applicant shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be acknowledged by the party selling or otherwise conveying an interest in the subject property to the Applicant. If this form of evidence is relied upon at the time of application, the Department may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow; or
 - f. Other forms of site control that give the Department assurance (equivalent to a-e above) that the Applicant will be able to complete the project in a timely manner and in accordance with all the program's objectives and requirements.
- ii. A plan to cover operations and service costs with specific funding sources (government/philanthropic/private) for the proposed Project for five years and must demonstrate a path to the ultimate use of the site for ten years.
- iii. To the extent possible, the project shall provide a description of the services that will be available at the housing site including but not limited to case management, behavioral health services, physical health services, assistance obtaining benefits

and essential documentation, and education and employment services. Please describe the on-site staffing plan proposed to deliver these services. Also describe the approach to securing off-site services including primary care and other needed physical health and behavioral health services as well as other tenancy supports.

Section 307. Other Requirements

- i. The purchase of existing residential units, or affordability covenants and restrictions require the units to be restricted to individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation, for no fewer than 20 years. Additionally, the Sponsor shall provide a plan to cover operations and service costs with specific funding sources (government/philanthropic) for the proposed Project for five years and must demonstrate a path to the ultimate use of the site for ten years.
- ii. Master leasing projects will be evaluated on the following requirements:
 - a. The Sponsor shall have adequate site control of the property, and such control shall not be contingent on the approval of any other party. Site control may be evidenced by one of the following:
 - 1) Fee title;
 - 2) A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with all program requirements;
 - 3) An executed disposition and development agreement, or irrevocable offer of dedication to a public agency;
 - 4) A sales contract, or other enforceable agreement for the acquisition of the property;
 - 5) A letter of intent, executed by a sufficiently authorized signatory of the Eligible Applicant, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Eligible Applicant shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be acknowledged by the party selling or otherwise conveying an interest in the subject property to the Eligible Applicant. If this form of evidence is relied upon at the time of application, the Department may impose additional milestones, in the Standard Agreement, regarding increased evidence of eventual site control closer to the likely close of escrow.
 - 6) Other forms of site control that give the Department assurance (equivalent to 1-5 above) that the Applicant will be able to complete the project in a timely manner and in accordance with all the program's objectives and requirements.
 - b. The Sponsor shall provide a plan to cover operations and service costs with specific funding sources (government/philanthropic) for the proposed Project for five years.

- c. To the extent possible, the Eligible Applicant shall demonstrate the range of on-site and off-site supportive services to participants, e.g., mental health services; substance use disorder services; and primary health, employment, and other tenancy support services.

Section 308. 24-Month Operating Subsidy

- i. The total amount for each project requesting the 24-month operating subsidy shall not exceed \$1,000 per month per unit to address project operating deficits attributable to the Assisted Units.
- ii. The 24-month operating subsidy must be expended by June 30, 2022.

Section 309. Article XXXIV

Per Health and Safety Code section 37001, subdivision (h), Article XXXIV, section 1 of the California Constitution ("Article XXXIV") is not applicable to development involving the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of lodging facilities or dwelling units using moneys received from the CRF established by the federal CARES Act (Public Law 116-136).

Section 310. Housing First

Upon occupancy, the Eligible Applicant shall certify to employ the core components of Housing First (set forth in the Welfare and Institutions Code Section 8255) in the property management and tenant selection practices.

Section 311. Accessibility and Non-Discrimination

All developments shall adhere to the accessibility requirements set forth in California Building Code Chapter 11A and 11B and the Americans with Disabilities Act, Title II. In addition, developments shall adhere to either the Uniform Federal Accessibility Standards (UFAS) standards, 24 C.F.R. Part 8, or HUD's modified version of the 2010 ADA Standards for Accessible Design (Alternative 2010 ADAS), HUD-2014-0042-0001, 79 F.R. 29671 (5/27/14) (commonly referred to as "the Alternative Standards" or "HUD Deeming Memo"). Accessible units shall, to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout the project and be available in a sufficient range of sizes and amenities consistent with 24 CFR Section 8.26.

All Sponsors shall adopt a written non-discrimination policy requiring that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to this NOFA.

All recipients shall comply with the requirements contained in the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 C.F.R. Part 100, 24 C.F.R. Part 8, and 28 C.F.R. Part 35, in all of the Sponsor's activities.

Section 312 State Prevailing Wage

Applicant's contemplated use of Homekey funds may be subject to California's prevailing wage law (Lab. Code, § 1720 et seq.). Applicants are urged to seek professional legal advice about the law's requirements. Prior to disbursing the Homekey funds, the Department will require a certification of compliance with California's prevailing wage law. The certification must verify that prevailing wages have been or will be paid (if such payment is required by law), and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by the general contractor(s) and the Sponsor.

Article IV Program Operations

Section 401. Program Oversight

As requested by the Department, Grantees will be required to provide progress reports of the development plan and any updates to the timeline of the completion of the project. The development plan should include the project's completion milestones and any updates or substantial changes.

Section 402. Reporting

Grantees shall submit the following data:

- i. The amount of funds expended for the project.
- ii. The location of any properties for which the funds are used.
- iii. The number of useable housing units produced, or planned to be produced, using the funds.
- iv. The number of individuals housed, or likely to be housed, using the funds.
- v. The number of units, and the location of those units, for which operating subsidies have been, or are planned to be, capitalized using the funds.
- vi. Any lessons learned from the use of the funds.
- vii. The proposed development vision that identifies the financial and regulatory mechanisms to be used to maintain the long-term affordability of the project.
- viii. The progress and status in securing any required entitlements, permits, environmental clearances.
- ix. The proposed timeline for the completion of the project.

If a project received an award for a 24-month operating subsidy, Grantees shall submit the use of the expenditures bi-annually 30 days after the reporting periods of January 1 to June 30 and July 1 to December 31. The first report will be due to the Department on January 31, 2021, and the final bi-annual report is due on July 31, 2022.

The Grantee that receives funds under the Homekey Program is responsible for ensuring that the expenditure of those funds is consistent with the requirements of the Program and for eligible activities described in Section 302. The Department shall monitor the expenditures to ensure that those expenditures comply with this NOFA.

The Department may request the repayment of funds or pursue any other remedies available to it by law for failure to comply with program requirements. After the contract has expired, any funds not expended for eligible uses shall revert and must be remitted to the Department. The deadline for expenditures under the contract is June 31, 2022.

The requested data shall be submitted in electronic format on a form provided by the Department.

Section 403. Disbursement of Grant Funds

The Department will disburse funds to cover Homekey-critical expenditures that were incurred during the period of March 1, 2020 through December 30, 2020. Homekey program funds shall be disbursed to the Sponsor after the Department has received a request for funds from the Sponsor and a Standard Agreement between the Sponsor and the Department is fully executed. The Standard Agreement will set forth the general conditions of disbursement, any conditions precedent to disbursements (e.g., documentation requirements for pre-Standard Agreement expenditures), and the Department's remedies upon an event of default. The Standard Agreement will also identify the payee. Where Co-Sponsors wish to receive the grant award outside of escrow, they must identify, and memorialize in the Standard Agreement, which Sponsor will serve as the designated payee for all award amounts.

Section 404. Legal documents

Upon the award of Homekey funds to a Project, the Department shall enter into one or more agreements with the Sponsor(s), including a Standard Agreement, which shall commit funds from the Homekey program, subject to specified conditions. The agreement or agreements shall include, but not be limited to, the following provisions:

- i. A description of the approved project and the permitted uses of funds;
- ii. The amount and terms of the program grant;
- iii. The use, occupancy, and rent restrictions, if any, to be imposed on the project through a use restriction (e.g., covenant, regulatory agreement) recorded against the property of the project;
- iv. Performance milestones, and other progress metrics, governing the completion of the project, along with the remedies available to the Department in the event of a failure to meet such milestones or metrics;

- v. Provisions governing the manner, timing, and conditions of the disbursement of the program grant;
- vi. Special conditions imposed as part of the Department's approval of the project;
- vii. Terms and conditions required by federal and state law;
- viii. Requirements for reporting to the Department;
- ix. Remedies available to the Department in the event of a violation, breach, or default of the agreement; and
- x. Provisions regarding Sponsor liability. Specifically, the Sponsor will remain liable to the Department for the performance of all program requirements regardless of any Department-approved transfer or assignment of interest. Likewise, each co-Sponsor will remain jointly and severally liable to the Department for the performance of all program requirements regardless of any Department-approved transfer or assignment of interest, and notwithstanding the co-Sponsors' identification of a designated payee.

The agreement will also include such other provisions as are necessary to ensure adherence to the objectives and requirements of the program.

Section 405. Sales, Transfers, and Encumbrances

An Applicant(s) shall not sell, assign, transfer, or convey the awarded project, or any interest therein or portion thereof, without the express prior written approval of the Department.

Section 406. Defaults and Grant Cancellations

Funding commitments may be canceled by the Department under any of the following conditions:

- i. The objectives and requirements of the Homekey program cannot be met and the implementation of the project cannot proceed in a timely fashion in accordance with the timeframes established in the regulatory agreement/contract.
- ii. In the event of a breach or violation by the Grantee, the Department may give written notice to the Development Sponsor to cure the breach or violation. If the breach or violation is not cured to the satisfaction of the Department within a reasonable time period, the Department, at its option, may declare a default under

the relevant document and may seek legal remedies for the default including the following:

- a. The Department may seek, in a court of competent jurisdiction, an order for specific performance of the defaulted obligation or the appointment of a receiver to complete the project in accordance with Homekey program requirements; and
- b. The Department may seek such other remedies as may be available under the relevant agreement or any law.

Article V. Definitions

Below are the definitions for purposes of the Homekey program:

- i. "Applicant" or "Eligible Applicant" means a city, county, or other "local public entity," as that term is defined at the Health and Safety Code section 50079, applying to be a Development Sponsor either on its own or with another entity (such as a for-profit or nonprofit corporation, or another local public entity).
- ii. "Area Median Income" or "AMI" means the most recent applicable county median family income published by the California Tax Credit Allocation Committee (TCAC) or the Department.
- iii. "Assisted Unit" means a residential housing unit that is subject to rent, occupancy or other restrictions associated with a Homekey site.
- iv. "At Risk of Homelessness" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.
- v. "City" means a city or city and county that is legally incorporated to provide local government services to its population. A city can be organized either under the general laws of this state or under a charter adopted by the local voters.
- vi. "Chronic Homelessness" means a person who is chronically homeless, as defined in 578.3 of Title 24 of the Code of Federal Regulations.
- vii. "Continuum of Care" means the same as defined by the United States Department of Housing and Urban Development at Section 578.3 of Title 24 of the Code of Federal Regulations.
- viii. "Department" means the Department of Housing and Community Development.
- ix. "Development Sponsor" or "Sponsor", as defined in Section 50675.2 of the Health and Safety Code and subdivision (c) of Section 50669 of the Health and Safety Code, means any individual, joint venture, partnership, limited partnership, trust, corporation, cooperative, local public entity, duly constituted governing body of an Indian reservation or rancheria, or other legal entity, or any combination thereof, certified by the Department as qualified to own, manage, and rehabilitate a rental housing development. A Development Sponsor may be organized for profit, limited profit or be nonprofit, and includes a limited partnership in which the Development Sponsor or an affiliate of the Development Sponsor is a general partner.
- x. "Environment Assessment – Phase 1" is a report that demonstrates whether the property is free from severe adverse environmental conditions.
- xi. "Grantee" means an Eligible Applicant that has been awarded funds under the program.
- xii. "Homeless" has the same meaning as defined in Section 578.3 of Title 24 of the Code of Federal Regulations.

- xiii. "Housing First" has the same meaning as in Welfare and Institutions Code Section 8255, including all of the core components listed therein.
- xiv. "HUD" means the U.S. Department of Housing and Urban Development.
- xv. "Interim Housing" Transitional Housing" or "Congregate Shelter" means any facility whose primary purpose is to provide a temporary shelter for the Homeless in general or for specific populations of the Homeless, and which does not require occupants to sign leases or occupancy agreements.
- xvi. "Local Public Entity" means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. "Local public entity" also includes two or more local public entities acting jointly.
- xvii. "NOFA" means a Notice of Funding Availability.
- xviii. "Permanent Supportive Housing" has the same meaning as "supportive housing," as defined in Section 50675.14 of the Health and Safety Code, except that "Permanent Supportive Housing" shall include associated facilities if used to provide services to housing residents.
- xix. "Permanent Housing" means a housing unit where the landlord does not limit length of stay in the housing unit, the landlord does not restrict the movements of the tenant, and the tenant has a lease and is subject to the rights and responsibilities of tenancy.
- xx. "Project" means a multifamily structure or set of structures providing housing with common financing, ownership, and management.
- xxi. "Program Award" means the portion of program funds available for a Grantee to expend toward eligible program uses.
- xxii. "Point-in-Time Count" means a count of sheltered and unsheltered Homeless persons on a single night conducted by Continuums of Care as prescribed by HUD.
- xxiii. "Rural Area" means an area defined in Health and Safety Code section 50199.21.
- xxiv. "Target Population" means members of the target population identified in Health and Safety Code section 50675.1.1(a) are individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation and who are impacted by the COVID-19 pandemic.
- xxv. "Unit" means a residential unit that is used as a primary residence by its occupants, including individual units within the Project.

Article VI Insurance Requirements
Section 600. Insurance Requirements

i. Commercial general liability

Local public entities shall maintain general liability on an occurrence form with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury and property damage liability. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal and advertising injury, and liability assumed under an insured agreement. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the local public entity's limit of liability.

The policy must name the State of California and the Department of Housing and Community Development, as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.

If available in the open market at a reasonable cost, the policy shall also include an endorsement for physical abuse and child/sexual molestation coverage. Coverage shall include actual or threatened physical abuse, mental injury, sexual molestation, negligent hiring, employment, supervision, investigation, reporting to proper authorities, and retention of any person for whom the local public entity is responsible. This insurance shall apply separately to each insured against which claim is made, or suit is brought subject to the local public entity's limit of liability. Coverage shall include the cost of defense and the cost of defense shall be provided outside the coverage limit.

If available in the open market at a reasonable cost, the policy shall also include an endorsement for assault and battery.

ii. Automobile liability

Local public entity shall maintain motor vehicle liability with limits not less than \$1,000,000 combined single limit per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired, and non-owned motor vehicles. **The policy must name the State of California and the Department of Housing and Community Development, as well as the respective appointees, officers, agents, and employees of each, as additional insureds, but only with respect to work performed under the contract.**

If local public entity will not have any commercially owned vehicles used during the life of the Standard Agreement, by signing the Standard Agreement, the local public entity certifies that the local public entity and any employees, subcontractors or servants possess valid automobile coverage in accordance with California Vehicle Code sections 16450 to 16457, inclusive. The Department reserves the right to request proof at any time.

iii. Workers' Compensation and Employer's Liability

Local public entity shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of the contract. In addition, employer's liability limits of \$1,000,000 are required. By signing the Standard Agreement, local public entity acknowledges compliance with these regulations. **A Waiver of Subrogation or Right to Recover endorsement in favor of the State of California and the Department of Housing and Community Development must be attached to the certificate.**

iv. Builder's risk/installation floater

If there is installation or construction of property/materials on or within the facility at any time during the life of the Standard Agreement, the local public entity shall maintain in force, at its own expense, Builders Risk/Installation Floater covering the local government entity's labor, materials, and equipment to be used for completion of the Work performed under this contract against all risks of direct physical loss, excluding earthquake and flood, for an amount not less than the full amount of the property and/or materials being installed and/or constructed on or within the facility. The Eligible Applicant agrees as a provision of the contract to waive all rights of recovery against the state.

v. Property insurance

The local public entity shall maintain fire, lightning and extended coverage insurance on the facility which shall be in a form of a commercial property policy, in an amount equal to one hundred percent (100%) of the then current replacement cost of the facility, excluding the replacement cost of the unimproved real property constituting the site. The extended coverage endorsement shall, as nearly as practicable, include but not be limited to loss or damage by an explosion, windstorm, riot, aircraft, vehicle damage, smoke, vandalism, and malicious mischief and such other hazards as are normally covered by such endorsement.

vi. Self-insured

If the local public entity is self-insured in whole or in part as to any of the above-described types and levels of coverage, the local government entity shall provide the Department with a written acknowledgment of this fact at the time of the execution of this Permit. If, at any time after the execution of the Standard Agreement, local public entity abandons its self-insured status, the local public entity shall immediately notify the Department of this fact and shall comply with all of the terms and conditions of this Section pertaining to insurance requirements.



California Department of Housing and Community Development

Homekey

Contact


Application, General Program, and
Standard Agreements Questions

Homekey@hcd.ca.gov

Program Details

- Background Information
- Assistance Type
- Eligible Applicants
- Eligible Uses/Projects
- Anticipated Program Timeline
- Funds Available
- Program Guidelines
- Get Funding - Current Notice of Funding Availability (NOFA)
- Program Forms - Including resolution templates
- Awards
- Management Memos
- Training and Technical Assistance - Includes FAQs, guidance on streamlining and other measures

Background Information

Building on the success of Project Roomkey , Homekey is the next phase in the state's response to protecting Californians experiencing homelessness who are at high risk for serious illness and are impacted by COVID-19.

Administered by the California Department of Housing and Community Development (HCD), \$600 million in grant funding will be made available to local public entities, including cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California to purchase and rehabilitate housing, including hotels, motels, vacant apartment buildings, and other buildings and convert them into interim or permanent, long-term housing.

Of the \$600 million in Homekey grant funds, \$550 million is derived from the State's direct allocation of the federal Coronavirus Aid Relief Funds (CRF), and \$50 million is derived from the State's General Fund.

[Back to Top](#)

Each Homekey allocation has the following expenditure deadlines:

- The \$550 million in CRF must be expended by **December 30, 2020**. The Department recognizes this expenditure deadline is challenging; however, the deadline is a requirement of federal CRF funding. The Department will provide ongoing support to assist Grantees in meeting the expenditure deadline, and has already developed an accelerated application and award process.

NOTE: For Projects that involve an acquisition- and are receiving CRF awards, Grantees must expend the funds by the expenditure deadline and the Project escrow must be closed by **December 30, 2020**.

- The \$50 million in State General Funds must be expended by **June 30, 2022**.

[Back to top](#)

Assistance Type

Under the Homekey program, local entities will partner with the state to acquire and rehabilitate a variety of housing types, including (but not limited to) hotels, motels, vacant apartment buildings, and residential care facilities in order to serve people experiencing homelessness or who are also at risk of serious illness from COVID-19.

[Back to top](#)

Eligible Applicants

Local entities including housing authorities and federally recognized tribal governments within California.

Cities, counties, or other local public entities, including housing authorities or federally recognized tribal governments within California, may apply independently as a Development Sponsor or jointly with a non-profit or a for-profit corporation.

Geographic Distribution: Because COVID-19 impacts people experiencing or at risk of homelessness throughout California, HCD is working to ensure jurisdictions throughout the state have an equitable opportunity to apply for Homekey funds. To this end, HCD has divided the state into eight regions, with each region having funding reserved on a time-limited basis during the “priority application” period.

- See details about “Geographic Distribution and Project Prioritization” in the Notice of Funding Availability

Note: Although Homekey builds off the success of Project Roomkey, applications are **not** limited to Project Roomkey sites.

[Back to top](#)

Eligible Uses / Projects

Awarded funds must be used to provide housing for individuals and families experiencing homelessness or at risk of experiencing homelessness and who are impacted by the COVID-19 pandemic. With respect to the list of eligible uses below, an Eligible Applicant may choose to target Project Roomkey properties, or other, non-Project Roomkey properties.

[Back to Top](#)

- See complete list of eligible uses/example eligible projects in the Notice of Funding Availability.

[Back to top](#)

Anticipated Program Timeline

For all applicants

- July 16, 2020 - Notice of Funding Availability (NOFA) releases
- July 16, 2020 - August 13, 2020 — Applicant pre-application consultations with HCD, *To request a pre-application consultation, email Homekey@hcd.ca.gov*
- July 22, 2020 - Online application available
- July 22, 2020 - August 13, 2020 — “Priority Application” period.
- July 24, 2020 - Webinar (2:00-4:00 p.m.): Register to attend [🔗](#)
- August 13, 2020 - “Priority Applications” due
- August/September 2020 - Awards made on a rolling basis through fall 2020
- September 29, 2020 - All applications due
- Late November 2020 - HCD redeploys unawarded funds or funds from projects that did not meet milestones

For grantees

- December 30, 2020 - Expenditure deadline for projects that involve an acquisition and received a Homekey award from the \$550 million in federal Coronavirus Relief Funds.
- January 31, 2021 - Deadline for first expenditure report for projects awarded funding from the \$50 million in State General Fund dollars.
- February 1, 2021 - Deadline for “Grantee Expenditure and Program Report” for projects awarded funding from \$550 million in federal Coronavirus Relief Funds.
- July 31, 2021 - Deadline for second expenditure report for projects awarded funding from the \$50 million in State General Fund dollars.
- January 31, 2022 - Deadline for third expenditure report for projects awarded funding from the \$50 million in State General Fund dollars.
- June 30, 2022 - Expenditure deadline for projects that received a Homekey award from the \$50 million in State General Fund dollars.
- July 31, 2022 - Deadline for fourth expenditure report for projects awarded funding from the \$50 million in State General Fund dollars.

[Back to top](#)

Funds Available

Homekey Grant funds: \$600 million

- \$550 million will be provided by California’s direct allocation of the federal Coronavirus Aid Relief Funds.
 - **Funds must be expended AND project escrow must close by December 30, 2020.**
HCD recognizes this expenditure deadline is challenging; however, the deadline is a requirement of federal CRF funding. HCD has already developed an accelerated application and award process and will provide ongoing support to assist grantees in meeting the expenditure deadline. [Back to Top](#)

- \$50 million will be provided by California's General Fund to supplement the acquisition and provide initial operating funds. **Funds must be expended by June 30, 2022.**

[Back to top](#)

Program Guidelines

For CEQA and other streamlining allowances, see Training and Technical Assistance.

[Back to top](#)

Get Funding - Current Notice of Funding Availability (NOFA)

Important! Before you apply:

Prior to submitting an application, all applicants are required to engage in a pre-application consultation with HCD and/or the California Department of General Services (DGS). The pre-application consultation will allow the applicant and the department to discuss the applicant's proposed project, along with other applicable programmatic considerations, including those related to property acquisition, the California Environmental Quality Act (CEQA), land use and land entitlements, and long-term financing approaches.

- **To request your pre-application consultation**, email Homekey@hcd.ca.gov.

Applications for this NOFA will be received and reviewed on a rolling, over-the-counter basis until the Coronavirus Relief Fund and the State General Fund moneys are committed.

- [Notice of Funding Availability \(PDF\)](#)
- [Apply online - Homekey Application](#)

[Back to top](#)

Program Forms

Resolution Templates

- [Local Public Entity as Applicant \(DOC\)](#)
- [Local Public Entity as Co-Applicant \(DOC\)](#)
- [Corporation as Co-Applicant \(DOC\)](#)

[Back to top](#)

Awards

Awards will be announced as soon as possible (August or September 2020) and continue on a rolling basis through fall 2020.

[Back to top](#)

[Back to Top](#)

Training and Technical Assistance

Please note: Additional training and technical assistance resources will be posted soon.

The Coronavirus Relief Funds released through Homekey include a rapid expenditure deadline of December 30, 2020. As a result, the State commits to providing Technical Assistance to eligible applicants pursuing these investments. Homekey's Technical Assistance includes a range of services from HCD, DGS and other state Departments:

- Webinar (YouTube) – Held July 24, 2020 / Slide deck (PDF)
- Pre-application consultation – **Required *before* application can be submitted to HCD** (see below)
 - Contact Homekey@hcd.ca.gov to request a pre-application consultation.
 - Homekey Complementary Funding Matrix (XLS) – details on federal, state, local and philanthropic sources
 - CEQA Streamlining Question and Answer (PDF)
 - Frequently Asked Questions - **Coming soon**

If eligible applicants have other requests for Technical Assistance, please contact Homekey@hcd.ca.gov

Pre-Application Consultation

Section 201 of the NOFA describes the requirement for a pre-application consultation between eligible applicants and the state. The pre-application consultation will assist the Department in understanding more about the applicant's proposed project (to assist in an expedited review of the application once submitted) and is intended to provide the applicant with Technical Assistance and support from the state. The pre-application consultation will include discussion of the eligible applicant's:

- Status and consideration of activities and opportunities for Homekey
- Need, if any, for guidance or advising from the state to support proposed activities

To schedule a pre-application consultation, email Homekey@hcd.ca.gov.

After the pre-application consultation, the state team remains available to support eligible applicants as they work towards grant milestones and completion of their project. To the extent practical and feasible, Technical Assistance will be tailored to meet the needs of the applicants and could include the following topics and activities:

NOFA or Application Requirements (Services provided include)

- General requirements, documentation (General NOFA and application overview)
- Funding Considerations (Strategic advising and braiding funds)
- Data, research and analysis (Site, neighborhood and risk data, or related maps)
- Land Use Conformity / Entitlements / Planning connections (Housing Elements or APR) / CEQA (Strategic advising)
- Fair Housing and Equity (Data, analysis and integration of equity strategies)
- Real property services (The Department of General Services' Real Estate Services Division (RESD) provides centralized services to state departments including real estate due diligence, property acquisitions and sales, environmental reviews, hazardous materials surveys and remediation, design, construction project management, and inspections. RESD can provide counsel, advice, or similar services for local governments in support of their own acquisitions, upon request.)
- Wage and Labor Requirements (Skilled and Trained Workforce Requirements, Apprenticeship Programs, Local Prevailing Wage Requirements)

[Back to Top](#)

- Continuum of Care (COC) Support (Coordinated entry and other Technical Assistance to COC)

[Back to top](#)

CAMPAIGNS

[Register to Vote](#)

[Save Our Water](#)

[Flex Alert](#)

[Real ID](#)



[Back to Top](#)

Pre-screening

Pre-screening

Have you undertaken a pre-application consultation for the Homekey program? *

Yes

Will the project serve the target population? *

Target population is individuals and families who are experiencing homelessness or who are at risk of homelessness defined in Section 578.3 of Title 24 of the Code of Federal Regulation and who are impacted by the COVID-19 pandemic.

Yes

Do you have a path for environmental approval? *

The applicant is able to provide the proof of CEQA compliance or a timeline for acquiring CEQA compliance.

Yes

Is the applicant a city, county, or other local public entity, such as a public housing authority or federally recognized tribal governments within California? *

Yes

True

Application

Application

Application Title *

Please, type the title of your project.

City and County of San Francisco - Granada Hotel

Is the applicant: *

Co-applicant/Partnership

How many co-applicants? *

1

Primary Applicant

NOTE: Name of Applicant must match the name that appears on the Applicant's Authorizing Resolution and Payee Data Record or Government TIN Form.

Select Organization Type *

City

Select your City *

San Francisco

Primary Address

Provide the organization address, not the project address

Address Lookup Tool (optional)

Only CA addresses are eligible for this application

Street Name *

Enter the primary address for the Applicant.

440 Turk St

Address Line 2

City *

San Francisco

State *

CA

County *

San Francisco County

Zip *

94102

Mailing Address

Same as Primary Address

Checked

Government TIN Form / Payee Data Record

Select the document you will provide *

Find the forms in the "Files" tab displayed in this site next to the "Submit" tab.

STD 204 Payee Data Record

Payee Data Record Form, STD 204 With the Application Package *
(Single File)

CCSF Payee-Data-Record-STD-204.pdf

Description of file

Payee Data Record Form for City and County of San Francisco

Authorizing Resolution

Is the applicant submitting a Authorizing Resolution form? *

Find the form in the "Files" tab located in the previous "Overview" page.

No

I commit to submit Authorized Resolution before execution of Standard Agreement

Checked

Co-applicant # 1

NOTE: Name of Applicant must match the name that appears on the Applicant's Authorizing Resolution and Payee Data Record or Government TIN Form.

Select the Type of Co-applicant

Non-Profit Corporation

Entity Name *

Episcopal Community Services

Primary Address

Provide the organization address, not the project address

Address Lookup Tool (optional)

Only CA addresses are eligible for this application

Street Name *

Enter the primary address for the Applicant.

165 8th St

Address Line 2

City *

San Francisco

State *

CA

Zip *

94103

Mailing Address

Same as Primary Address

Checked

Government TIN Form / Payee Data Record

Select the document you will provide *

Find the forms in the "Files" tab displayed in this site next to the "Submit" tab.

STD 204 Payee Data Record

Payee Data Record Form, STD 204 With the Application Package *

(Single File)

ECS Payee-Data-Record-STD-204.pdf

Description of file

Payee Data Record Form for Episcopal Community Services

Authorizing Resolution

Is the applicant submitting a Authorizing Resolution form? *

Find the form in the "Files" tab located in the previous "Overview" page.

No

I commit to submit Authorized Resolution before execution of Standard Agreement

Checked

Contacts

Contacts for San Francisco (Primary Applicant)

Primary Contact

First Name *

Gigi

Last Name *

Whitley

Title *

Deputy Director for Administration and Finance, Dept. of Homelessness and Supportive Housing

Email Address *

gigi.whitley@sfgov.org

Phone Number *

.

Authorized Representative

First Name *

Abigail

Last Name *

Stewart-Kahn

Title *

Interim Director, Dept. of Homelessness and Supportive Housing

Email Address *

abigail.stewart-kahn@sfgov.org

Phone Number *

.

Alternate Contact

I want to provide an alternate contact

Not Checked

Contacts for Episcopal Community Services (Co-applicant #1)

Primary Contact

First Name *

Liz

Last Name *

Pocock

Title *

Senior Director of Housing Development and Asset Management

Email Address *

lpocock@ecs-sf.org

Phone Number *

Authorized Representative

First Name *

Beth

Last Name *

Stokes

Title *

Executive Director

Email Address *

bstokes@ecs-sf.org

Phone Number *

Alternate Contact

I want to provide an alternate contact

Not Checked

Legislative Contacts

Legislative Contacts

State Assembly Member

Select the CA State Assembly Member *

17 David Chiu

District Number

17

State Senate Member

Select the CA State Senator *

11 Scott Wiener

District Number

11

U.S. House Representative for California

Select the US House Representative for California *

12th Pelosi, Nancy

District Number

12th

U.S. Senators for California

Dianne Feinstein, Kamala D. Harris.

Projects

Geographical Location

The geographical location is automatically determined based on the primary Applicant address.

Geographical Location

SF Bay Area (including Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma)

Project Type

Please select project type(s) below according to requirements of eligible projects outlined in the NOFA. The below list of eligible Projects is not exhaustive. The Department will consider a variety of other forms of housing as eligible Projects. Interested applicants should discuss other projects types with the Department during the pre-application consultation. *

Nonresidential structures with a certificate of occupancy as a motel, hotel, or hostel

Project Benefit Type(s) and number of beneficiaries of this activity

Indicate project benefit type(s) *

Permanent Housing (see NOFA section-305 for requirements)

Submit a supporting document demonstrating how you meet permanent housing requirements. *
(Single File)

Granada - Permanent Housing (Section 305)_all.pdf

Description of file

Letter of Intent for Property; Commitment Letters

Demonstrate Statement of Need, Proposed Outcome, and Beneficiaries of the activity *

The narrative must include: a detailed description of the activity, why it is needed, who will benefit, number of beneficiaries, activity location, how will the activity will be implemented, and when it will be complete.

The Applicants' acquisition of the Project will provide 232 units of permanent supportive housing for people experiencing homelessness and vulnerable for COVID-19. The San Francisco 2019 PIT count identified 8,035 homeless people, a 17% increase since 2017. About 5,180 were unsheltered; 57% were over the age of 41; 69% had at least one disabling health condition; and 65% had been homelessness over one year. About 37% of PIT survey respondents identified as Black, compared to 5.6% in the SF population.

The SF Department of Public Health and CDC have issued health advisories, identifying homeless people among those at increased risk for COVID-19 and requiring additional support to prevent COVID infection and transmission within the community. To mitigate the spread of COVID-19 among its homeless population, the City has booked 2,600 hotel rooms on temporary basis. The City has an emergency need to secure new permanent housing to ensure no one exits to the street. The Applicants' proposal meets this need by completing the acquisition by 12/30/20 and leasing up within 90 days.

Will the project be occupied within 90 days from the date of acquisition or lease? *

Yes

Provide escrow information

Not Checked

Sites

Site and Readiness

How many sites are part of your project? *

1

Does the applicant have Evidence of Site Control? *
Select one of the applied choices.

Yes

Submit supporting document to identify the site is suitable for development and evidence of site control *
(Single File)

Granada_LOI_08062020.pdf

Description of file

Letter of Intent between Co-applicant and Property Owner

Sites Address(es)

Site Address 1

Used for *

1 - Permanent housing or will result in permanent housing as indicated on the application

Address Lookup Tool (optional)
Only CA addresses are eligible for this application

Address *

1000 Sutter St

Address Line 2

City *

San Francisco

State *

CA

Zip *

94109

Select all applicable activities: *

Acquisition or rehabilitation of motels, hotels, or hostels , Capitalized operating subsidies for units purchased, converted, or altered with funds provided pursuant to Health and Safety Code section 50675.1.1. Projects seeking 24 month operating subsidies for units purchased, converted, or altered will be awarded with funds from the \$50 million state General Fund allocation. The \$550 million in Homekey derived from the CRF is not permitted to be used for this purpose.

If needed, please add a brief note below

Add activity description here including the scope of work, tasks, and project deliverables. *

ECS will use bridge financing to acquire a 232-unit existing building at 1000 Sutter Street, San Francisco, in order to permanently house people who are homeless and at-risk of homelessness and also impacted by COVID-19. ECS will provide minor rehab to the building, including accessibility improvements and the creation of programmatic space to better serve residents. The City of San Francisco, as lead applicant, will provide long-term residual receipts funding for the acquisition. The City also commits to providing at least 20 years of operating and services subsidies.

For the life of the project, ECS will provide the supportive services residents need to stabilize their residencies and improve health and wellness. Service delivery will begin immediately upon ECS's acquisition of the building in November 2020, as 80 of the 232 units are occupied by households at risk of homelessness. Minor rehab work will also begin in November and be completed in time to allow occupancy of the building in 90 days as a Tier One project.

Project Evaluation

Project Evaluation

This evaluation applies to the applicant and/or the development team.

1. Does the applicant have experience in acquiring and managing affordable housing? *

Yes

Submit Supporting Documents – File Attachment *

ECS Development, Rehabilitation, Ownership, and Operation of Similar Projects in Scope.pdf

Description of file

Description of Co-Applicant's experience

2. Does the applicant have committed and intended sources for Homekey? *

Yes

2.1. Does the applicant intend to use Homekey resources for development related expenses? *

Yes

Select the category below. *

These expenses should be expended by December 30, 2020.

\$151K to \$200K per door

3. Does the applicant have the corresponding capital match? *

The first \$100K per door of capital requires no match; the next \$50K per door of capital requires a 1:1 match; the final \$50K per door of capital requires 2:1 match.

Yes

4. Does the applicant intend to apply for the 24 month operating subsidy? *

These dollars need to be expended by June 30, 2022.

Yes

5. Does the applicant have the remainder of the required contribution to demonstrate a five-year match in operating costs? *

Yes

6. Ability to expend funds by December 30, 2020. (Up to 50 points)

A - Identification of a site suitable for development and evidence of site control, or a plan and timeline for obtaining site control along with other supporting evidence (e.g., letter of intent, an exclusive negotiating agreement, ground lease, etc.).

The applicant has submitted (Up to 20 points)
Evidence of site control

B - A proposed development vision that identifies the financial and for regulatory mechanisms to be used to maintain the ongoing affordability of the Project.

Does the applicant have a proposed development vision identifying the financial and regulatory mechanisms to be used to maintain the ongoing affordability of the project? (Up to 20 points) *

Yes

Execution of Proposed Development Vision *

Less than 12 months

Upload the Descriptive Proposed Development Vision *
(Single File)

Granada - Development Plan.pdf

Description of File

Development plan to ensure affordability of Project

C - An overview of the plan and timeline for any required entitlements, permits, environmental clearances.

Does the applicant have an overview of the timeline and plan for any required entitlements, permits, environmental clearances? (Up to 10 points) *

Yes

Submit the Project Timeline Template – File Attachment *
(Single File)

Granada - Timeline.xlsx

Description of File

Timeline for Project - Granada

7. Demonstration of the development team’s experience and capacity to acquire and operate the Project. (Up to 40 points)

Demonstration of the development's team experience to acquire and/or rehabilitate and operate the Project.

A. Provide a description of the development team’s experience to acquire and/or rehabilitate and operate the Project. (Up to 10 points)

Yes

File Attachment *
(Multiple Files)

ECS Development, Rehabilitation, Ownership, and Operation of Similar Projects in Scope.pdf

Description of File

Description of Co-Applicant's experience

B. Does the applicant have a plan/flowchart for its development team's connection or partner relationship with another entity? (Up to 10 points) *

Yes

Submit documents demonstrating the organizational chart of how the development team is connected and a description of how the team will work together, e.g., MOU, etc. *
(Multiple Files)

Granada - Flowchart and Teamwork Description.pdf

Description of File

Flowchart and Teamwork description

Development, ownership, or operation of a project similar in scope and size to the proposed Project.

C. Does the applicant have experience with development, ownership, or operation of a Project similar in scope and size to the proposed Project, or at least two affordable rental housing Projects in the last ten years, with at least one of those Projects containing at least one unit housing a tenant who qualifies as a member of the Target Population. (Up to 10 points) *

Yes

Submit Evidence - File Attachment *
(Single File)

ECS Development, Rehabilitation, Ownership, and Operation of Similar Projects in Scope.pdf

Description of File

Description of Co-Applicant's experience

D. Do you have documents supporting the extent to which the Project can demonstrate the range of on-site and off-site supportive services that will be provided to the Target Population, e.g., mental health services, substance use disorder services, primary health, employment, and other tenancy support services? (Up to 10 points) *

Yes

Submit Documents - File Attachment *

In demonstrating how the project will provide supportive services, please describe the on-site staffing plan proposed to deliver these services. Also describe the approach to securing off-site services including primary care and other needed physical health and behavioral health services as well as other tenancy supports. (Multiple Files)

ECS Support Services.pdf

Description of File

Description of services to be provided by Co-Applicant, ECS

8. A demonstration of how the Project will address racial equity, other systemic inequities, state and federal accessibility requirements, and serve members of the Target Population. (Up to 25 points)

A - Eligible Applicant shall provide non-discrimination statement per Section 311, which references the Fair Employment and Housing Act. The Fair Employment and Housing Act is supported by accompanying regulations, 2 CCR Section 12005 et seq, covering tenant screening and affirmative marketing requirements. Eligible applicant will also include a description of how the Project will address racial equity and inequities for the Target Population, including any local disproportionate impact of COVID-19 and homelessness by race and other protected classes. The description should include supporting evidence of the strategies' effectiveness if available.

Can the applicant demonstrate how the proposed project will address racial equity, including any local disproportionate impact of COVID-19 and homelessness by race and other protected classes? (Up to 15 points) *

Yes

Eligible Applicant shall provide non-discrimination statement per Section 311, which references the Fair Employment and Housing Act.

Submit Supporting Document - File Attachment *
(Single File)

Granada - Non-Discrimination Statement and Racial Equity.pdf

Description of File

Description of Non-Discrimination Policy and Racial Equity Impact

B - The extent to which the Project exceeds the state and federal accessibility requirements set forth Section 311, specifically providing a minimum of 10 percent of units with features accessible to persons with mobility disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC provisions, and a minimum of 4 percent of units with features accessible to persons with hearing or vision disabilities, as defined in 24 C.F.R. Section 8.22 and the parallel ADAAG 2010 and CBC Chapter 11B provisions.

Does the project exceed the state and federally accessibility requirements set forth Section 311? (Up to 5 points) *

No

C - The Applicant or Development team has three or more years of experience serving persons of the Target Population.

Does the applicant or Development team have three or more years of experience serving persons of the target population? (Up to 5 points) *

Yes

Submit Supporting Document – File Attachment *
(Single File)

ECS Background Serving Homeless Population.pdf

Description of File

Description of service experience of Co-Applicant, ECS

9. The extent to which the Eligible Applicant can demonstrate the Project's community impact and site selection. (Up to 45 points.)

A - The extent to which the Eligible Applicant can demonstrate the Project's impact on the community as demonstrated by a reduction of at least 5 percent of the local 2019 Point in Time Count.

Can the applicant demonstrate the Project's impact on the community via a reduction of at least 5 percent of the local 2019 Point in Time Count? (Up to 10 points) *

Yes

Submit Supporting Document – File Attachment *
Please, clearly highlight/mark the reduction of the submitted documentation (Single File)

Granada - PIT Count.pdf

Description of File

Description of Project's impact on PIT Count

B - The proposed Project is a Tier One Project and requires no rehabilitation, or the rehabilitation and the occupancy can be completed within 30 days after acquisition.

Is Project a Tier One Project and requires no rehabilitation, or the rehabilitation and occupancy can be completed within 30 days after acquisition? (Up to 10 points) *

No

C - The Project is expected to acquire and maintain 100 or more units for the Target Population.

Is Project expected to acquire and maintain 100 or more units for the Target Population? (Up to 5 points) *

Yes

Number of Units

232

D - For any project below \$350,000 per door, if the Eligible Applicant contributes more than a minimum match outlined in Table 5 in the NOFA, the application will receive one (1) extra point for every additional 5% per door contributed to the Project. For example, for an acquisition that costs \$100,000 per door, the applicant will receive 1 extra point for every \$5,000 per door in match contributed.

Will the applicant contribute more than a minimum match outlined in Table 5 in the NOFA? (Up to 10 points) *

No

E - Site Selection (Up to 10 points)

Is Project Site located within 1/3 mile of public transit, such as a bus rapid transit station, light rail station, commuter rail station, ferry terminal, bus station, or public bus stop? (Up to 4 points) *

Yes

Submit Supporting Document – File Attachment *
(Single File)

Granada - Site Location.pdf

Description of File

Is Project Site located in proximity (within 1/2 mile for urban area and 1 mile for rural area) to essential services, such as grocery store, health facility, pharmacy, and library? (Up to 6 points) *

Yes

Submit Supporting Document – File Attachment *
(Single File)

Granada - Site Location.pdf

Description of File

Environmental Requirements

Environmental Requirements

For Environmental Review documents, please review the link <https://www.hcd.ca.gov/grants-funding/active-funding/homekey/docs/QA-Homekey-CEQA-Exemption-Final.pdf> located on HCD's website - Homekey page.

For further information regarding CEQA guidelines, please review the link below:

- CEQA - Statute & Guidelines
- CEQA - Supplemental Documents

Select your option

Upload your timeline for CEQA compliance

Upload your timeline for CEQA compliance *
(*Single File*)

Granada - CEQA Timeline.pdf

Description of file

Description of pathway and timeline for CEQA

Budget Worksheet

Budget Worksheet

Upload the completed HCD provided budget template *
(*Excel template*)

Granada - Homekey Budget.xlsx

Description of file

Budget for Project

Duplication of Benefit

Duplication of Benefit

A Duplication of Benefit (DOB) occurs when a program beneficiary receives assistance from multiple funding sources totaling an amount that exceeds the need for a particular funding need. The duplication is the amount of assistance provided in excess of the need. It is the Department's responsibility to ensure that each Homekey activity provides assistance only to the extent that the recipient's project's funding need(s) has not been met by another funding source. Section 312 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (Stafford Act) prohibits federal agencies from providing assistance to any "person, business concern, or other entity" for any loss for which the entity has already received financial assistance from another source (See: 42 USC § 5155(a)). The Federal Register Notice, published on November 16, 2011 (Docket No. FR-5582-N-01), requires adequate policies and procedures in place to prevent a DOB and provide for the recapture of funds, if necessary. Once selected, applicant will be required to report on Duplication of Benefit metrics such as types of funding sources received, amounts received, expected persons served and actual persons served. Please check here to confirm you have read the above and agree to monitor applicant for DOB. *

Agree

Additional Information

Additional Information

Upload the Following Documents Demonstrating:

Appraisal

I will provide this document by

Select date *

09/18/2020

Physical Needs Assessment

I will provide this document by

Select date *

09/18/2020

Title Insurance

I will provide this document by

Select date *

09/08/2020

Documentation of Ability to Obtain the Insurance Coverages Specified in Article VI of the NOFA *

I will provide this document by

Select date *

11/01/2020

I want to provide miscellaneous supporting documentation

Checked

Miscellaneous supporting documentation (photos, maps, renderings, newspaper articles, etc.) *
(Multiple Files)

Granada MISC Files.pdf

Description of file

Supporting documentation with index for Project

To receive payment for expenditures that have been incurred since March 1, 2020, or that will be incurred prior to Standard Agreement approval, the Applicant must provide the following information and documentation:

1. A line-item description of the work performed, materials supplied, and/or costs incurred;
2. The total amount incurred and outstanding for each line item;
3. Copies of outstanding invoices for (or other documentary evidence of) each line-item expenditure);
4. An explanation of why each line item is Homekey-critical; and
5. A certification, signed by the Applicant(s), that each line item has not already been funded by another funding source

Applicant Compliance Certification

Applicant Compliance Certification

Submit an Applicant Compliance Certification *

Please complete and upload the Applicant Compliance Certification Form. Find the form in the "Files" tab located in the previous "Overview" page. (Single File)

Applicant Name Verification Form_Combined.pdf

Description of file

Compliance Certificates and Name Verification Forms

Print and Submit

You must print your application.

If you do not print your application you cannot update your application. Failure to print means that a new application has to be submitted.

You can print your application by clicking the PRINTER icon located on the top right corner of this window. Once the new tab opens you can use the PRINT function of your browser.

HOMEKEY

SUPPLEMENTAL MATERIALS FOR THE 1000 SUTTER STREET
APPLICATION ON BEHALF OF ECS

SUBMITTED TO HCD ON AUGUST 7, 2020

**EPISCOPAL COMMUNITY SERVICES OF SAN FRANCISCO
Our Work in San Francisco Since 1983**

Episcopal Community Services of San Francisco (ECS) helps homeless and very low-income people every day and every night obtain the housing, jobs, shelter, and essential services each person needs to prevent and end homelessness.

Since 1983, ECS has created innovative models for addressing homelessness that honor the innate dignity and worth of all people. Today ECS is San Francisco's largest non-profit providing a continuum of services to help people to end homelessness in their lives. These services and programs assist over 13,000 extremely vulnerable and low-income people, most especially seniors and adults with disabilities and health challenges, and include the following:

- Twice daily meals for homeless adults in our shelters & Navigation Centers, and daily lunch for seniors and adults with disabilities attending our Senior Center.
- Healthy Aging Programs including a Senior Center, shelter-based behavioral health services for adults, and wellness services for extremely low-income seniors, and other single adults experiencing homelessness. We are designing an evidence-based Healthy Aging program for unhoused seniors and recently housed seniors who receive wraparound services in our permanent supportive housing program.
- Pathways to housing, which includes our citywide Coordinated Entry program assessing and assisting homeless single adults in locating housing; two year-round shelters, several seasonal shelters, and two Navigation Centers with full wraparound services.
- Permanent supportive housing, which provides 1,047 units with wraparound services for formerly homeless families and single adults. ECS is designing an additional 100 units for homeless seniors as part of a new supportive housing development, the City's largest such site.
- Workforce development and adult education programs.



**Episcopal Community Services (ECS)
Development and/or Rehabilitation, Ownership, and Operation of Similar Projects in Scope**

Under Construction:

1064-1068 Mission Street

Year Completed: on schedule for Fall 2021

Total Number of Units: 256

Population Served: supportive housing for formerly homeless, single adults and seniors

Primary Sources of Development Funds: Low-Income Housing Tax Credits, No Place Like Home funds, and City and County of San Francisco. ECS is the managing general partner, and will be operator, asset manager, and support services provider of the property. Property management is provided by Caritas Management Corporation.

ECS, in partnership with Mercy Housing, has been selected to develop San Francisco's largest-ever supportive housing development for formerly homeless people. The 7th and Mission site will be the location of a new supportive rental housing development for formerly homeless adults and seniors (age 55+). The approximately 256 studio apartments will be comprised of two buildings located on the current parking lot located at 1064-68 Mission Street. The site is adjacent to the James R. Browning Court House and is on land that is being provided by the federal government, which has stipulated that the site be used exclusively for supportive housing and services addressing the needs of formerly homeless persons. The Mayor's Office of Housing and Community Development (MOHCD) selection panel recommended the ECS/Mercy team to exclusively negotiate a ground lease for the site based on a detailed proposal submitted in response to a competitive Request for Qualifications. The housing element of the development will be fully covered by public funding services, a bond backed construction loan and tax credit equity. Construction is set to begin in January 2020 with a goal of 100% occupancy in spring 2022.

The development will be a national model, bringing together multiple best-practice elements to help San Francisco's most vulnerable, chronically homeless neighbors achieve housing stability, improve health outcomes, and lead stronger, more independent lives. In addition to housing and on-site case management, this community will be the new permanent home for the Department of Public Health's (DPH) Homeless Services Center, which includes dental services and a specialized Street Medicine program. The City's Department of Homelessness and Supportive Housing's (HSH) Homeless Outreach Team (HOT) will also be headquartered here.

ECS AFFILIATE PROPERTIES:

Canon Kip Community House

Year Completed: 1994

Total Number of Units: 104

Population Served: supportive housing for formerly homeless, single adults. Over 75% of the residents have a diagnosed disability. Over 80% of the residents are at or below 15% AMI. In addition, 80 units are set-aside through the Shelter Plus Care Program and 19 units were recently awarded project based VASH.

Primary Sources of Development Funds: Low-Income Housing Tax Credits, State of California Department of Housing and Community Development RHCP and MHP, City and County of San Francisco HOME.

ECS is the sponsor, developer, current limited partner, asset manager, and support services provider of the property. Property management is provided by Caritas Management Corporation.

Canon Kip Community House was the city's first new-construction supportive housing building for homeless men and women. While built with best practices in supportive housing at the time, the property was in need of extensive rehabilitation and a plan for long-term financial stability. To that end, the project finished a tax credit resyndication project of approximately \$24,000,000, including a substantial construction project (+\$10,500,000). The occupied rehab commenced in December 2016, completed construction in August of 2018. For this project, ECS and Mercy Housing have worked closely since early 2013, with ECS as lead developer and owner and Mercy as development consultant.

The property is also home to the ECS Senior Center serving very low-income and homeless seniors and younger people with disabilities as well as ECS's CHEFS program.

Canon Barcus Community House

Year Completed: 2002

Total Number of Units: 48

Population Served: supportive housing for formerly homeless families. There are over 100 children living on-site. In addition, 32 units are covered under San Francisco Housing Authority Project-Based Section 8 Program and 15 units are set-aside through the Shelter Plus Care Program, with five of those designated as HOPWA units restricted to households who have at least one member with HIV/AIDS.

Primary Sources of Development Funds: Low-Income Housing Tax Credits, City and County of San Francisco.

ECS is the sponsor, developer, current limited partner, asset manager, and support services provider of the property. Property management is provided by Caritas Management Corporation.

ECS completed its second new-construction supportive housing facility in 2002. Canon Barcus Community House is comprised of one- to four-bedroom units. The building includes a recently remodeled community room/kitchen, a new playground and tot lot, an after-school program (through the YMCA), a teen program, a therapy room, extensive support services offices, including conference room, and the Adult Education Center offering adult education and family literacy.

Canon Barcus Community House reached its 15-year compliance period and assumed the role of limited partner on January 1, 2017.

Bishop Swing Community House

Year Completed: 2009

Total Number of Units: 135

Population Served: supportive housing for formerly homeless, single adults. 63 units are designated MHP Supportive Housing Units. 54 units are designated MHP Special Needs Population Units. 17 units are set-aside through the Shelter Plus Care Program. The project receives operating subsidy through the city's Local Operating Subsidy Program (LOSP). The original LOSP contract was for nine years and was extended for an additional year with no extra funding required. ECS was awarded 42 project-based vouchers through the San Francisco Housing Authority. This new HAP contract and rental subsidy will reduce the City's LOSP payment by millions of dollars over the 20-year contract period. In 2019, the project received a new, 15-year LOSP contract.

Primary Sources of Development Funds: Low-Income Housing Tax Credits, State of California Department of Housing and Community Development MHP, City and County of San Francisco HOME.

ECS is the sponsor, developer, current limited partner, asset manager, and support services provider of the property. Property management is provided by Caritas Management Corporation.

ECS's third and newest new-construction project, Bishop Swing Community House is a five-story, 135-unit permanent supportive housing project and contains a community room, a community kitchen, a computer lab, extensive support services offices, including conference room, a community garden and two outdoor courtyards

ECS MASTER LEASED SITES:

The Alder

Master lease commenced: 2006

Total Number of Units: 116

The Henry

Master lease commenced: 2015

Total Number of Units: 121

The Crosby

Master lease commenced: 2006

Total Number of Units: 124

The Hillsdale

Master lease commenced: 2005

Total Number of Units: 75

The Elm

Master lease commenced: 2004

Total Number of Units: 80

The Mentone

Master lease commenced: 2004

Total Number of Units: 68

Population Served for all Master leased Properties: supportive housing for formerly homeless, single adults.

Starting in 2004, ECS master leased and rehabbed six residential hotels – The Alder, The Crosby (formerly The Coast), The Elm, The Henry, The Hillsdale, and The Mentone – as part of San Francisco's Housing First Program for chronically homeless adults through the Department of Homelessness and Supportive Housing (HSH). This program provides permanent, supportive housing with ECS providing on-site support services at each property. As master lease holder, ECS is responsible for selection and supervision of the third-party property management company, Caritas Management Corporation. ECS works directly with the six individual property owners, property management, support services staff, and HSH to ensure program compliance, adherence to budget and contract management, coordination of necessary capital repairs and improvements, and facilitation of support services, including case management, behavioral health, rent assistance, and housing retention.

The Auburn

Master lease commenced: 2017

Total Number of Units: 70

ECS and DISH (Delivering Innovations in Supportive Housing) entered into a partnership at The Auburn, which will provide permanent supportive housing for formerly homeless veterans through project-based and housing choice VASH. ECS is the master lease holder and support services provider. DISH is the property management agent. ECS applied for and was awarded 29 project-based VASH vouchers through a San Francisco Housing Authority RFP. We expect the population to include veterans who have experienced, chronic homelessness as well as presenting with substantial challenges around mental illness, trauma, substance use, and physical disabilities. ECS and DISH will be working closely with HSH and the Veterans' Administration to provide quality management of The Auburn.



Episcopal Community Services (ECS) Support Services Provider

ECS is one of the City's largest nonprofit providers of essential services to homeless and very low-income San Franciscans. Serving for over 33 years, our contributions to end homelessness in San Francisco are offered through a continuum of programming: Housing; Shelters; and Education, Employment and Senior Services. We have firsthand, deep experience in serving people living on the streets and in shelters – with multiple and complex diagnoses, many of whom are chronically homeless facing the plethora of issues that challenge accessing and maintaining housing. In FY '19, ECS served 13,356 people. More than 3/4 were currently homeless (79%); almost all earned less than \$15,000 a year (80%); a third were 55 years or older. The vast majority of all clients experienced one or more health conditions including chronic physical illness, physical disabilities, chronic substance use, and severe mental health conditions. That experience informs our services approach in supportive housing, and throughout our programs -- services and housing are delivered using a Housing First, tenant-centered, Harm Reduction model, employing a trauma-informed approach and motivational techniques.

ECS's Education, Employment and Senior Services Department consists of the Adult Education Center with specially designed services to meet the needs of San Francisco's poorest residents who have traditionally not accessed or succeeded in mainstream education, training, and employment systems through comprehensive basic education, literacy, GED and technology classes; the Conquering Homelessness through Employment in Food Services (CHEFS) 5-month culinary training and employment placement program; a Supportive Housing Employment Specialist who provides job readiness, placement and retention services to tenants in our housing; and the Canon Kip Senior Center that offers seniors so much of what is needed to continue to live in their own homes -- a breadth of socialization activities, case management, housing placement and retention services, and health education and nutrition services, including a hot lunch.

Description of On-Site Services Provided

ECS will provide extensive, on-site supportive services such as those described below at 1000 Sutter to ensure residents receive the support needed to stabilize and retain housing while working toward their individual goals. All residents at 1000 Sutter will have formerly experienced homelessness, many for years and with dual and triple diagnoses. The goal of all on-site services is to meet people where they are, using a harm reduction approach with the retention of housing as a primary goal.

Intensive Case Management. Ongoing, consistent *tenant engagement* is the foundation that the services team relies upon in order to build trust, rapport, and healthy communication. In addition to the initial, early outreach at commencement of tenancy, every resident at every site is contacted through outreach at least once per month to assess individual needs. Staff contacts and offers on-site services and referrals to other appropriate agencies to all residents who are delinquent in rent, have experienced a loss in benefits or income, or whose behavior indicates a substance abuse, mental health or other problem that puts their housing or health in jeopardy. Residents also receive regular outreach regarding groups, building events, and activities. Engagement barriers are addressed as part of care coordination conferences. ECS staff offer an *array of ongoing services* including advocacy and conflict resolution; assistance with basic needs (nutritious food, clothing, cleanliness and transportation); counseling; end of life counseling and, in consultation with SAMC staff, referral to care, such as hospice; care coordination to on-site and off-site medical/mental health care and substance use treatment, to legal services, including for financial or medical directives and estate planning and to various other resources needed; and assistance applying for/accessing income and in-kind benefit programs and entitlements, including those administered locally and by the Social Security Administration.

Clinical Assessments include needs assessment interviews conducted prior to move-in; intake interviews upon move in to assess service needs, strengths, potential challenges, physical and behavioral health, substance use, social support, housing history, and other useful indicators; and ongoing assessments conducted as tenant lives change, at least annually.

Individualized Health and Wellness Plans are created in collaboration between Case Manager and tenant, identifying tenant goals and Case Manager's role in achieving them. Built around tenant preferences and strengths, client driven Health and Wellness Plans provide opportunities for tenants to gain control over their lives. Guided by a Harm Reduction approach, staff assist tenants in reaching desired outcomes. This approach results in more realistic goals being set, elicits more tenant motivation and assists in engaging with residents who do not want to participate in services. Upon move-in, each tenant is encouraged to create a Health and Wellness Plan. Staff coordinates with off-site case management providers to assist in goal-setting and development of ongoing Health and Wellness Plans. Each plan is updated at least once every six months or new plans will be created as new goals arise.

Eviction Prevention and Housing Retention are primary goals while staff work to stabilize tenants who, once housed, may still face challenges posed by the entrenched life circumstances that led to homelessness. To ensure housing is maintained, at-risk tenants (those showing financial instability, behavioral or housekeeping issues) are provided services through ECS or referral for treatment of chronic medical, mental health, and substance use issues; referred by Case Managers to the RADco program of the Eviction Defense Council; or assisting in obtaining IHSS care or a one-time unit clean-up of unsafe conditions. Financial stability is further supported by linking tenants to money management services, with the cost subsidized by ECS in some of our properties. Every effort is made by property management and support services to avoid involving a tenant in a legal process, whether for non-payment or behavioral issues. Property management and support services staff meet for weekly team meetings to discuss all current tenant issues and strategize outreach efforts. Discussion continues at the monthly operations meeting, which is attended by on-site property management and support services staff as well as ECS's Director of Housing Services, Director of Housing Development and Asset Management, and senior property management leaders. No tenant is referred for a legal process without the agreement of the property manager and the support services manager. At that time, both property management and support services will have demonstrated through their written housing retention policies that legal action is the appropriate next step for a tenant. Housing retention or a successful exit from the property by every tenant is the shared goal of ECS and property management and every effort is made to avoid an eviction.

Transitions to Higher Levels of Care – Case Managers work to partner and coordinate care with long-term care facilities, hospitals and residential substance use treatment facilities to provide more intensive services if tenant needs require. ECS staff also regularly assess clients for “new accommodations needs” to help anticipate with enough time to secure the resources.

Community-building Activities and Groups, guided by principles of social rehabilitation, behavior modeling, and community building, are offered to tenants on a daily basis. Skill-enhancing/educational groups and recreational activities will provide opportunities to socialize with community while building life skills. Staff partner with tenants in cultivating a healthy living environment and creating a safe, supportive and empowered community. Examples of the variety of groups and activities we offer include holiday events and meals, organized outings, health fairs, Daily Coffee Hour, Women's Group, Art Therapy Group, Relapse Prevention Group and End of Life Care workshops.

Resident Empowerment is key to building strong community, and is cultivated through tenant involvement in program development and evaluation. Services staff and Property Management host monthly Community Meetings as a forum for tenant input. Staff work with tenants to develop a Tenant Council, a space in which tenants can collaborate and problem-solve regarding issues that directly concern them, while fostering a sense of ownership of the program. Regular and annual anonymous surveys are issued to gain tenant feedback about quality of services and preferences for groups/activities. Empowerment is further fostered

through the use of restorative justice practices, which encourage individuals to respond to and resolve conflict by addressing underlying causes and taking responsibility for actions. Offering prevention and intervention measures, the approach can be a reparative process that strengthens relationships and builds investment in community.

Crisis Intervention: ECS Support Services staff possess the clinical training and experience required to meet the complex needs of tenants that can result in crisis and intervene to successfully foster independent living. Crises can range from lease compliance and rent issues that may jeopardize tenancy, to more serious medical or psychiatric issues that may require immediate hospitalization. The licensed staff are equipped to address the myriad of challenges that residents might face. The diverse skill-sets, qualifications, and networks of clinical and nonclinical staff allow for interventions ranging from de-escalation, mediation, restorative justice practices and case conferencing to crisis counseling and involuntary hospitalization, if needed. This range of expertise assists in navigating tenants through an often complicated medical and mental health system. Staff are available on-call to respond to crises 24/7.

On-site Mental Health Services: In an effort to address the often profound mental health and substance use issues that many of our residents present, ECS offers residents at all of our sites short- and medium-term individual, couple, family, and child psychotherapy through our Housing Clinical Internship program. With long clinic waitlists and limited community resources available, providing these advanced professional services on-site promotes more consistent utilization of treatment, and also allows residents to address the very issues that may have initially led to homelessness and might continue to jeopardize their housing. Each housing site is also supported by a Roving Clinical Services Specialist, a licensed Marriage Family Therapist or Licensed Clinical Social Worker, who provides long-term psychotherapy, consultation, and other services, as needed, for the most clinically complex and highly acute residents of each building. These services are offered on-site, or off, depending on client preference.

On-site Medical Services: ECS maintains a long-term partnership with the Samuel Merritt University School of Nursing, which provides two-to-three nursing interns per site each academic semester to work with and educate our residents regarding health-related issues. The Nursing interns conduct on-site health screenings, blood pressure checks, medication consultation, and other medical services. Interns also facilitate health and wellness group at each site. These groups focus on such topics as hygiene, nutrition, dental care, podiatry issues, and other health-related subjects.

Vocational Occupational and Education: ECS provides tenants regular group and individualized off-site cultural, educational, health/behavioral health/recovery, volunteer and socialization experiences. For those interested in furthering their education, or in job readiness, vocational training or job placement services, Housing Case Managers can refer any tenant to ECS's Housing Employment Specialist; to courses at ECS's Adult Education Center or the CHEFS culinary employment program; and/or to ECS's Homeless Employment Collaborative partners.

Staff Collaboration, essential for the success of tenants, is fostered by weekly and ad hoc services team meetings, and between the services team and Property Management staff at each building. Such meetings allow for reinforcement of delineation of responsibilities, review of protocols, and ongoing planning to ensure the needs of individual tenants are balanced with the safety and security of the property. An important component to such meetings is discussion of critical tenant issues. Staff meetings are an important space in which to strategize about how to increase tenant utilization of services.

6B. Development Plan

The City of San Francisco (City), as lead applicant, and its co-applicant, Episcopal Community Services (ECS) (together, the Applicants), are partnering to create up to 232 units of permanent affordable housing for people experiencing homelessness or at-risk of homelessness and who are also vulnerable to COVID-19 (Target Population). The Applicants will ensure that this housing remains permanently affordable to the Target Population through three financial and regulatory mechanisms: 1) a Declaration of Restrictions; 2) a Deed of Trust; and 3) an Option to Purchase Agreement, all of which are tied to capital funding provided by the City. Further details on the mechanics of these required covenants are described below.

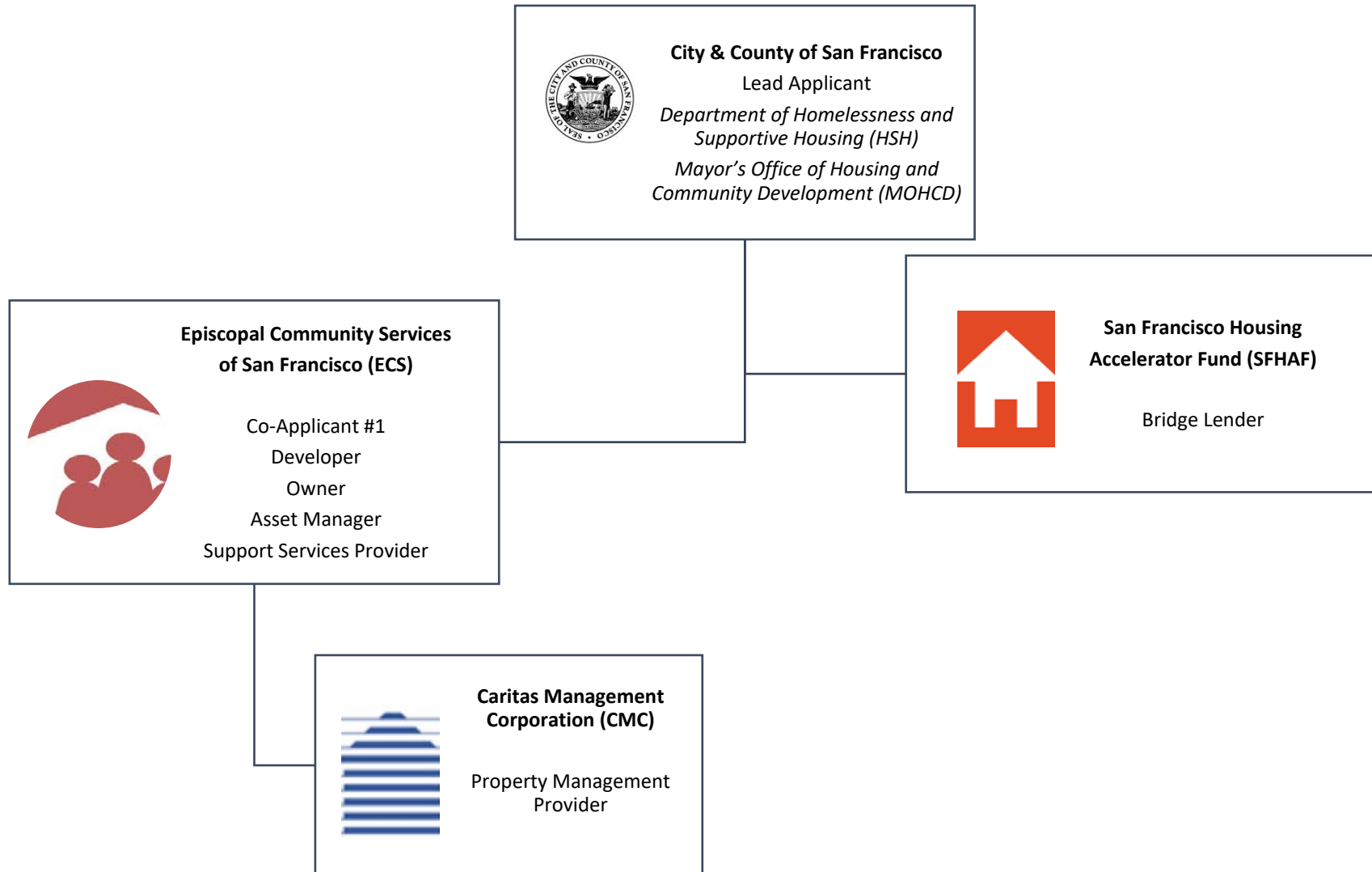
Declaration of Restrictions. ECS will purchase 1000 Sutter (Project; Property) using Homekey funding and bridge financing provided by the San Francisco Housing Accelerator Fund (SFHAF), a Development Team Member. The bridge funding will meet Homekey requirements for the local match, and the City will ultimately repay SFHAF and assume the role of permanent Project lender. At the Project's acquisition closing, SFHAF will require recordation of a Declaration of Restrictions (DOR) on the Property in favor of the City, acting through the San Francisco Mayor's Office of Housing and Community Development (MOHCD) and the SFHAF. The term of the DOR will be for the greater of 75 years or the life of the Project, and it will impose restrictions on: 1) occupant income; 2) rents charged; 3) rent increases; and 4) lease terms. In addition, the DOR will impose non-discrimination requirements; assert the fact that its covenants run with the land and are binding to successors; and give the City the right to enforce the DOR obligations.

Deed of Trust. As part of the acquisition closing, SFHAF will also require recordation of a Deed of Trust (DOT) against the Property in first lien position, which will encumber ECS's fee interest and secure the SFHAF bridge loan. SFHAF and the Applicants expect the term of the SFHAF loan to be no greater than twelve months. Upon the City's readiness to repay the SFHAF loan, the City will become the permanent Project lender, at which time the SFHAF DOT will terminate and the City will encumber the Property with its own Deed of Trust to secure its interests. Upon the City's issuance of its permanent Project funding, it will also amend and restate the existing Declaration of Restrictions, which will then take first lien position on title, ensuring its priority enforcement above any other Project encumbrance.

Option to Purchase Agreement. As an added protection, the City will also require ECS to record against the Property an Option to Purchase Agreement (subordinate to the City's DOT)), that secures its right to purchase the property under any conditions that might ensue and require a sale during the life of the Project.

Finally, the terms of the City's DOR, DOT, Option to Purchase Agreement and permanent loan agreement will all be enforced through the City's proactive asset management of its affordable housing portfolio. This includes rigorous compliance monitoring protocols incorporated into an Annual Monitoring Report (AMR). Through the AMR process, the City will evaluate the Project's physical, financial and compliance performance. The report also provides additional critical data on household demographics, eviction rates, and services. Close analysis of these data allows MOHCD Asset Managers to identify "watch list" projects that require additional resources, as well as preservation opportunities.

**City and County of San Francisco &
Episcopal Community Services (ECS)
Flowchart and Description of Team's Connection**



Description:

The Applicants and Development Team

The Lead Applicant (City & County of San Francisco's Department of Homelessness and Supportive Housing, HSH, in partnership with the Mayor's Office of Housing and Community Development, MOHCD) and Co-Applicant #1 Developer (Episcopal Community Services of San Francisco, ECS) have worked in partnership for over 20 years (including HSH's predecessor agency, San Francisco's Human Services Agency) on a number of different projects to prevent and end homelessness in San Francisco. Namely, ECS owns or masterleases and operates and provides support services for ten of HSH's Continuum of Care, 100% permanent supportive housing properties. ECS provides on-site support services for an additional three of HSH-funded, permanent supportive housing properties. By the end of 2021, ECS will own or masterlease and operate and provide support services for an additional 347 units of HSH-funded, permanent supportive housing. Along with operating permanent supportive housing in partnership with HSH, ECS also holds the contract for the City's Adult Coordinated Entry Program (ACE). ECS and HSH work together to identify those who experience chronic homelessness on the City's streets and shelters and streamline the process for people to find permanent supportive housing units and live long and sustaining lives.

The San Francisco Housing Accelerator Fund (SFHAF), a Development Team Member and the Project bridge lender, supports San Francisco's most vulnerable populations through the creation and preservation of affordable housing. SFHAF accelerates the production and preservation of affordable housing for San Francisco's economically disadvantaged households and individuals by lending to, investing in, and directly acquiring real estate assets. The Fund provides affordable housing developers with acquisition, predevelopment, and rehabilitation financing. It offers an innovative, flexible and financially sustainable model for future housing initiatives coordinated with the public sector and fueled by its private and philanthropic partners, like Tipping Point Community, Dignity Health, The San Francisco Foundation, Crankstart, and First Republic Bank. SFHAF and ECS have worked together for three years, identifying the financial feasibility and acquisition of SRO hotels in the South of Market and Tenderloin neighborhoods and collaborating on the construction of 145 units of permanent supportive housing at 833 Bryant, which will open its doors in August 2021.

Caritas Management Corporation (CMC), also a Development Team Member and the Project's property manager, has provided property management services to ECS owned and master-leased properties (with HSH) since 2005. As of 2018, Caritas provides property management to 10 of ECS' permanent supportive housing sites with an additional three properties being added in 2021. The mission of CMC is to manage affordable housing in a way that enhances the quality of life for tenants and the surrounding community, and to provide long-term employment opportunities for community residents. CMC's on-site staff have learned ECS' Harm Reduction, behavioral health approach to work with disabled and non-disabled residents who are at different stages in behavioral change to keep their units habitable and to allow for community safety and enjoyment. CMC and ECS have done this by co-locating property management and services staff allowing for constant ad hoc communication, operation as a team and facilitating the formal weekly team meetings and monthly operations meetings which feature set agendas regarding vacancies, larger issues, and rent collection. Due to CMC's staff training in trauma-informed care and ECS services approach, the CMC staff at the ECS properties feel very connected to ECS' mission and CMC has been successful at property management staff staying in their positions or being promoted on site to learn and grow in expertise.

Working Together on 1000 Sutter Street (Project; Property)

The Applicants and the Development Team will tap their long experience working together and values-aligned approaches to the creation of permanent affordable housing in San Francisco to ensure the successful completion of the Project. As a first step, SFHAF will provide a below-market, flexible bridge loan to ECS to satisfy Homekey's local funding match requirement and close the Project acquisition by no later than 12/30/20. SFHAF's loan will require recordation of a Declaration of Restrictions against the Property that restricts its use to affordable housing.

Prior to and immediately upon closing, ECS will implement a minor rehabilitation program at the Property that provides accessibility and programmatic spaces and ensures that all units are ready for occupancy no later than 90 days from the date of acquisition. ECS will also immediately implement its successful supportive services program, so that existing residents at the site who qualify as part of the Target Population and new residents are able to live safely, securely, and with long-term residential stability. In addition, Caritas Property Management will be on site immediately, providing high-quality property management services that ensure the successful operation of the Property.

The City will also be involved in the Project as of the closing date through its coordination with ECS on the Project's lease-up. The City and ECS will use the City's Coordinated Entry program to identify prospective tenants. Coordinated Entry prioritizes homeless San Francisco residents with the most acute needs for occupancy in permanent supportive housing. This is a program that the City and ECS have implemented previously in numerous buildings.

Within a short time period, the City will assume the role of permanent Project lender by repaying the SFHAF loan. This action will include recordation against the Property of a City Declaration of Restrictions that assumes first lien position and further ensures permanent affordability at the site.

Finally, the City will assume responsibility for the provision of long-term operating and services subsidies for the Project once the Homekey operating subsidies expire. The City's commitment to these subsidies for Homekey purposes is five years, but the City and ECS expect that they will continue for as long as the need exists.

Non-Discrimination Statement & Racial Equity

Non-Discrimination Statement.

The City and County of San Francisco (City) prohibits discrimination in all its housing programs, and memorializes this prohibition in its contractual agreements, as it will in its funding agreement for 1000 Sutter (Project). The City and ECS agree that no person shall, on the grounds of race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, marital status, national origin, ancestry, familial status, source of income, disability, age, medical condition, genetic information, citizenship, primary language, immigration status (except where explicitly prohibited by federal law), arbitrary characteristics, and all other classes of individuals protected from discrimination under federal or state fair housing laws, individuals perceived to be a member of any of the preceding classes, or any individual or person associated with any of the preceding classes be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with program funds made available pursuant to the Homekey NOFA. The City and ECS further agree that they shall comply with the requirements contained in the Americans with Disabilities Act, the Fair Housing Amendments Act, the California Fair Employment and Housing Act, the Unruh Act, Government Code Section 11135, Section 504 of the Rehabilitation Act, and regulations promulgated pursuant to those statutes, including 24 C.F.R. Part 100, 24 C.F.R. Part 8, and 28 C.F.R. Part 35, in all of their Homekey activities.

The Project and Racial Equity.

On January 24, 2019, the San Francisco Point-in-Time (PIT) Count identified 8,035 people experiencing homelessness in San Francisco, a 17% increase since 2017. A six-year trend of comparable Point-in-Time Count data identified a 15% increase in the number of persons experiencing homelessness in San Francisco between 2013 and 2019. However, homelessness has not affected all communities equally, and racial inequity has played a determining factor in who experiences homelessness, with a disproportionate number of people of color experiencing homelessness compared to the City's general population. For example, 37% of PIT survey respondents identified as Black or African-American compared to 6% in the general population. 5% identified as Asian compared to 36% in the general population; 29% identified as White compared to 53% of the general population and 22% identified as Multi-racial compared to 5% of the general population. About 18% of survey respondents indicated their racial ethnicity as Hispanic or Latinx compared to 15% in the general population.

Similarly, COVID-19 has disproportionately impacted certain racial groups in San Francisco. According to data collected by the San Francisco Department of Homelessness and Supportive Housing (HSH), at least 39% of HSH clients staying in temporary Shelter-In-Place (SIP) hotel units, provided by the City in response to COVID-19, are Black or African American.

The City and County of San Francisco has shown its commitment to dismantling racial inequality among people experiencing homelessness and disproportionately impacted by COVID-19. At a broad, City-wide level, Mayor London Breed established an Office of Racial Equity to oversee City departments' progress to reverse policies that previously created, upheld, or exacerbated racial disparities. Correspondingly, the San Francisco Planning Commission adopted Resolution No.20738 on June 11, 2020, which the Planning Department's work program and resource allocation on racial and social equity. City agencies, led by the Human Right Commission (HRC), are defining racial equity, consistent with the Government Alliance on Race and Equity (GARE), as the point at which race can no longer be used to predict life outcomes, and outcomes for all racial groups are improved.

At a more targeted level, HSH has for many years incorporated equity principles and practices to address how resources, especially housing, are allocated among those most affected by homelessness, namely lower income people of color. In 2017, The City launched San Francisco Coordinated Entry (CE) after three years of piloting a previous triaging system that prioritized people only by their length of time homeless. The improved San Francisco Coordinated Entry System prioritizes people experiencing homelessness for housing based on vulnerability— physical health, behavioral health and history of trauma, barriers to housing-- frequency of arrest and history of evictions, and chronicity of homelessness. Housing opportunities are allocated to people experiencing the greatest needs.

By prioritizing people based on need, partnering with community-based partners to maximize the participation of historically excluded groups, and centering racial equity in the implementation, HSH has demonstrated remarkable progress on equity. A recent external evaluation commissioned by HSH found that Black people are proportionally represented (over 40%) among people experiencing homelessness who are prioritized and placed in housing. In order to maximize the equity of the system, HSH has partnered with 13 San Francisco Community Based Organizations to provide community-based access to Coordinated Entry city-wide, with special attention to neighborhoods where the need is highest.

In their acquisition of the Granada Hotel, the City and ECS will build upon the racial equity advances achieved through Coordinated Entry. Their creation of 232 new units of permanent supportive housing will meet the immediate and urgent need of providing new homes for homeless people living in SIP hotels, a disproportionate number of whom are people of color, as described above. And while the City uses a "Housing First Approach" (the theory that providing housing as a basic necessity is required in order for a person to address employment, mental health and substance abuse issues), ECS's service delivery model will further address the consequences of systemic racism. Residents will have access to a dedicated case manager who can provide individualized and culturally appropriate plans for health, wellness, and empowerment as well as resources to which marginalized people typically have no access.

The best demonstration of ECS's success in addressing racial inequities - as it will continue at 1000 Sutter Street -- is the demographics of its supportive housing tenants. Approximately 35% of residents living in ECS properties are Black (versus a 6% population number) and 25% are Latinx (versus a 15% population number). The retention rate in ECS buildings averages 93%, proving the efficacy of ECS's work and the ways in which the organization provides redress for racial discrimination.

Project Benefit Type: Permanent Housing (Section-305)

Control of Property: Please see Letter of Intent between Co-Applicant Episcopal Community Services (ECS) and property owners of the Granada Hotel.

Covenant, Operations and Services Funding, Description of Services: Please see Commitment Letter between ECS and the Department of Homelessness and Supportive Housing of the City and County of San Francisco.

Evidence of Committed Acquisition Funding: Please see Commitment Letter from San Francisco Housing Accelerator Fund to Provide Bridge Loan Funds

No housing or tenant displacement will result from this project.



August 6, 2020

655-685 4th St LP and Pantoll Holdings LLC
c/o Hans Geiszler & Robert Mellett
2155 Powell Street
San Francisco, CA 94133

Re: 1000 Sutter Street, San Francisco, CA 94109

Dear Mr. Geiszler & Mr. Mellett:

I am submitting this Letter of Intent on behalf of Episcopal Community Services of San Francisco ("ECS") as Buyer.

ECS has provided essential services to homeless San Franciscans since 1983, utilizing a holistic approach that addresses the multiple causes leading to homelessness. This past year, we served more than 13,000 people, guided by our mission to help homeless and very low-income people every day and every night obtain the housing, jobs, shelter, and essential services each person needs to prevent and end homelessness. ECS owns and master leases over 900 units of permanent supportive housing for people formerly experiencing homelessness with all properties located in the Tenderloin and South of Market neighborhoods, with another 300+ units scheduled to be added to its portfolio within the next 18 months. ECS provides asset management oversight and on-site support services to all of those units and partners with Caritas Management Corporation for property management services. The parties acknowledge that the City and County of San Francisco ("City") and ECS are working together on this project in connection with applying for state funding through its program Project Homekey. Because of the fast approaching deadline and the requirement for the City to include a fully signed letter of intent along with any application it submits tomorrow, this offer is ECS's best and final and expires at **2pm PST on Friday, August 7th, 2020**.

This Letter of Intent ("LOI") will outline the general business terms upon which Buyer would enter into a Purchase Agreement for the subject Property:

Seller: 655-685 4th St LP, and Pantoll Holdings LLC ("Seller")

Buyer: Episcopal Community Services of San Francisco ("Buyer")

Property: 1000 Sutter Street, Block 0279, Lot 005, San Francisco, consisting of approximately 10,000 Sq. Ft. of land plus improvements and any other rights and entitlements pertaining thereto. (the "Property").

Purchase Price & Terms: **Forty-Six Million Dollars (\$46,000,000)** Payable in cash at "Closing" (as defined below). Purchase is subject to Buyer's inspections and other due diligence described herein and entering into a definitive purchase and sale agreement satisfactory to the parties thereto.

Purchase and Sale Agreement:

Buyer and Seller shall execute a mutually agreeable Purchase and Sale Agreement (“PSA”) embodying the terms and conditions of this Letter of Intent and Buyer shall open escrow (“Escrow”) at Old Republic Title Company (“Escrow Holder”). Buyer shall provide the first draft of PSA.

Closing Date:

The Closing shall occur on or before **November 13, 2020** (estimated “Closing Date”), unless extended pursuant to this LOI.

Closing Date Extension:

If Buyer determines that the required conditions to close, for example, the State of California has awarded funding through Project Homekey, but the funds have yet to be received by Buyer, then Buyer may exercise a one-time option to extend (in writing) the Closing Date to December 15, 2020. Upon such extension, the parties agree to use best efforts to ensure closing occurs on or before the extended Closing Date, but in no event later than December 30, 2020.

Non-Refundable Deposit:

As consideration of such extension, Buyer will deposit One Million Dollars (\$1,000,000) into Escrow no later than November 16, 2020 (the non-refundable “Deposit”). The deposit shall become non-refundable except in the event of a Seller default or otherwise, if the transaction fails to close prior to December 30, 2020, other than for a Buyer default. The Deposit shall be retained in Escrow until Closing or termination of the Purchase and Sale Agreement. The Deposit (and all interest accrued) shall be applied toward the Purchase Price at Closing.

Title Review:

Seller shall deliver to Buyer a preliminary title report on the Property with copies of all items shown as exceptions on the title report (collectively, “Report”) within three (3) business days of mutual execution of the Purchase and Sale Agreement. Buyer shall have thirty (30) days from its receipt of the Report to approve or disapprove the condition of title of the Property. There shall also be a title review period after any update of the Report (which will be described in the Purchase and Sale agreement). Title will be delivered to Buyer by grant deed on Closing, subject to matters approved by Buyer. Title shall be conveyed with no monetary liens, except payment of non-delinquent real property taxes.

Due Diligence Contingency:

Prior to the initial Closing Date Buyer shall have approved or disapproved the Property, including but not limited to the following:

- A. Physical Inspection: Buyer shall have the right to conduct such engineering, feasibility, seismic, surveys and other studies regarding the condition of the Property as it considers prudent. Seller agrees to allow Buyer and or Buyer’s agents onto the Property during regular business hours to conduct studies and inspections of the Property, subject to Seller’s prior reasonable approval and adequate notice (collectively, “Building Condition”). As part of determining the

Purchase Price, ECS assumes the major building systems, roof, fire life safety, and seismic performance are either at or above code requirements and/or are not materially deficient or in disrepair. In the event that estimated repair/replacement costs associated with the Building's Condition necessary for ECS's legal and safe occupancy exceed \$500,000 and the Seller does not reduce the Purchase Price for any amounts above \$500,000, ECS may terminate this Agreement at no cost.

- B. ADA Access: Seller had warranted the Property complies with the Americans with Disabilities Act (ADA). ECS is relying upon that assumption when determining the Purchase Price. In the event that estimated new ADA costs required for ECS's legal and safe occupancy exceed \$250,000 and the Seller does not reduce the Purchase Price for any amounts above \$250,000, ECS may terminate this Agreement at no cost.
- C. Environmental Audit: Buyer shall have the right to conduct an environmental audit and such environmental studies regarding the environmental condition of the Property as the Buyer determines are prudent (including without limitation, Phase I and Phase II environmental site assessments). As part of determining the Purchase Price, ECS assumes the environmental condition of the Property does not require major remediation in order for ECS's legal and safe occupancy. If the estimated environmental remediation expenses for ECS's intended use exceed \$250,000 and the Seller does not reduce the Purchase Price for any amounts above \$250,000, ECS may terminate this Agreement at no cost.
- D. Appraisal: ECS will obtain an MAI Appraisal and MAI Appraisal Review of the as-is, fair market value of the Property. In the event the appraised value is less than the proposed Purchase Price, ECS may terminate the Agreement at no cost. The parties acknowledge that if the Purchase Price is above the appraised value, then in no event will it be a Buyer's default if closing does not occur.
- E. Documents: Within ten (10) days of mutual execution of this LOI, Seller shall deliver to Buyer for Buyer's review the following information relating to the Property: (1) All building plans and specifications; (2) all service or maintenance contracts; (3) any other contracts and warranties; (4) a current rent roll and schedule of security deposits and any other lease deposits; (5) copies of all current tenant leases; (6) operating statements for the past 3 years; (7) current property tax bills and any notices of tax assessments; (8) any previously completed environmental reports, seismic reports, soils reports or other geotechnical studies, and any building inspection reports; (9) survey; and (10) other studies and relevant reports,

budgets, financial statements, any notices from governmental entities.

Access to Property: Upon at least 24 hours' notice, Seller shall allow Buyer access to the Property prior to the estimated Closing Date. The Purchase and Sale Agreement will specify any reasonable terms and conditions to conduct any inspections or investigations Buyer deems prudent. Notwithstanding, the parties may elect to enter into a license, permit or some other form of access agreement prior to the execution of the Purchase and Sale Agreement.

Closing Costs: Buyer shall pay for the City and County transfer tax. Buyer shall pay for escrow fee, all title insurance premiums (CLTA and ALTA) and all other closing costs.

Seller's Cooperation: Seller acknowledges that, during the course of the escrow, Buyer may seek certain governmental permits and approvals for the development of the Property. Seller agrees to cooperate with Buyer and take all actions and join in all applications and execute all documents reasonably necessary to allow Buyer to pursue and obtain such permits and approvals, as necessary, provided that such cooperation shall be at no cost or liability to Seller, or if there is cost or liability, Buyer reimburses such costs and /or provides a suitable indemnity. Buyer shall have no liability to Seller by reason of undertaking these activities in connection with government permits or approvals except as otherwise agreed to by Buyer as provided in this paragraph. Seller shall waive all provisions of the confidentiality agreement which prohibit communicating with governmental and quasi-governmental entities to permit communication as described in this paragraph.

Representations and Warranties: The Purchase and Sale Agreement shall include representations and warranties typically made by buyers and sellers in purchase and sale transactions.

Assignment: Buyer shall have the right, without Seller's consent, to assign this LOI to and/or the Agreement to: the ECS Housing Corporation, or an entity that is owned or controlled by Episcopal Community Services of San Francisco; the San Francisco Housing Accelerator Fund (SFHAF) or an entity that is owned or controlled by SFHAF; and the City.

Exclusivity: Seller agrees not to market the Property, nor negotiate or discuss any sale, lease or option of the Property or any interest in the Property, during the negotiation of the Purchase and Sale Agreement. Seller and Buyer shall negotiate the Purchase and Sale Agreement in good faith. The Purchase and Sale Agreement shall include a similar exclusivity agreement applicable to the term of the Agreement.

Representation: Seller to be represented by: _____
Buyer to be represented by: Goldfarb & Lipman LLP

This Letter of Intent is meant to be a general outline of the business terms upon which Buyer will buy and Seller will sell the Property. This Letter of Intent shall not be binding on either Buyer or Seller (except for the provisions of the "Exclusivity" section) unless and until both parties execute a binding Purchase and Sale Agreement. If these terms are acceptable to you, then please indicate so by having this Letter of Intent executed by the Seller in the space provided below. The terms and conditions of this Letter of Intent shall be null and void and no longer in effect if this Letter of Intent is not counter-signed and returned to the office of Episcopal Community Services of San Francisco prior to **2pm PST on August 7, 2020**.

AGREED AND ACCEPTED:

Buyer: ^{DocuSigned by:} Episcopal Community Services of San Francisco

Beth Stokes

By: 2F6F81C95BDB477

Title: Executive Director

8/6/2020

Date: _____

AGREED AND ACCEPTED:

Seller: ~~655-685 4th St LP & Pantoll Holdings LLC~~

By: *[Signature]*

Title: Principal

Date: 8/6/2020



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

August 7, 2020

Beth Stokes
Executive Director
Episcopal Community Services
165 Eighth Street
San Francisco, CA 94103

Re: Letter of Funding Commitment for the Granada Hotel Project

The Department of Homelessness and Supportive Housing (HSH) is pleased to provide this letter of commitment to Episcopal Community Services (ECS) for funding of social services and operations, including property management, for permanent supportive housing at the Granada Hotel (the Project).

Contingent on the City and County of San Francisco and ECS, as co-applicants, receiving state Homekey funding for the purchase of the Granada Hotel, and subject to the budget and fiscal provisions of the S.F. Charter, HSH is committed to entering into an agreement with ECS to operate the Project as permanent supportive housing for formerly homeless individuals. The Project is located at 1000 Sutter Street, a 232-unit single-room occupancy (SRO) hotel. Eighty units are currently occupied by low-income individuals, primarily reliant on short-term rental subsidy vouchers, who ECS will income-certify to establish their status as at-risk of homelessness; 152 units are vacant. ECS and the City agree to restrict the property for at least 55 years to provide affordable housing and to serve households who are homeless, at risk of homelessness and also impacted by COVID-19.

It is HSH's intention to provide funding for operating costs and supportive services attributable to the Project. Operating and services funding is estimated at \$1,400 per unit per month for up to 232 units, and available units are prioritized for homeless individuals referred through San Francisco's Coordinated Entry System. With the financial support of the City, ECS plans to provide on-site support services that include intensive case management; individual health and wellness plans, which may include substance use disorder treatment and/or behavioral health services; and financial assistance, including help with benefit programs and entitlements; and job-readiness, vocational, occupational, and educational training.

HSH requires ECS to obtain full occupancy of the project within 90 days from acquisition in accordance with the Homekey requirements. Rent contributions from tenants will be used to support operations and services for the project. However, rent payments for formerly homeless tenants should not exceed 30% of their adjusted monthly income.





DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

In order to achieve the Homekey program's occupancy requirement and Project use goals, the City intends to fund the cost of the Project's operations and services from the City's General Fund (or from other local tax revenue) and plans to enter into an agreement of up to 20 years with an option to extend. This commitment is subject to final negotiation of terms and conditions satisfactory to the City and, is subject to prior approval by the Board of Supervisors as required by the S.F. Charter, award of Homekey Program funds, compliance with funding requirements, and execution of all necessary legal documents and any other special terms and conditions related to the Project.

The Project is part of Mayor's Breed Homelessness Recovery Plan to create 1,500 new units of permanent supportive housing and ensure no one experiencing homelessness exits from emergency housing, provided in response to COVID-19, to the street. HSH looks forward to working with Episcopal Community Services on this important project. If you have questions or need additional information, please contact HSH's Director of Housing Salvador Menjivar at salvador.menjivar1@sfgov.org

Sincerely,

Gigi Whitley

Deputy Director for Administration and Finance



August 7, 2020

Ms. Abigail Stewart-Kahn
San Francisco Department of Homelessness and Supportive Housing
Acting Director
440 Turk Street
San Francisco, CA 94102
abigail.stewart-kahn@sfgov.org

Mr. Eric Shaw
San Francisco Mayor's Office of Housing and Community Development
Director
1 South Van Ness
San Francisco, CA

Ms. Beth Stokes
Executive Director
Episcopal Community Services
165 8th Street
San Francisco, CA 94103
bstokes@ecs-sf.org

Re: 1000 Sutter Street, San Francisco: Homekey Commitment

Dear Ms. Stewart-Kahn, Mr. Shaw, and Ms. Stokes:

The Housing Accelerator Fund ("HAF") is fully committed to participating in the City and County of San Francisco ("City") and Episcopal Community Services' ("ECS") Homekey Project application for 1000 Sutter Street, San Francisco ("Project"). The HAF will provide up to \$25 million in bridge loan funds so that the City and ECS can successfully meet Homekey's goals: acquisition of the Project no later than December 30, 2020 for the purpose of sustaining and expanding San Francisco's inventory of housing for people experiencing homelessness or at risk of homelessness and impacted by COVID-19. The HAF's bridge loan is contingent upon the California Department of Housing and Community Development's award of a Homekey grant to the City and ECS (the "Project Team") at a level and with terms that meet the Project Team's application submission and proposed financing assumptions.

The mission of the HAF is to accelerate the production and preservation of affordable housing for San Francisco's economically disadvantaged households, individuals, and communities by lending to, investing in, and directly acquiring real estate assets. Since its establishment in 2017, the HAF has disbursed more than \$200 million in below-market loans that have helped create or preserve more than 900 affordable homes throughout the City. The HAF is able to offer excellent and flexible terms for its borrowers due to investments from and collaboration with financial partners such as Dignity Health Care West, the San Francisco Foundation, and the Crankstart Foundation, all of which are mission-aligned



with the HAF. In addition, a particular focus of the HAF's work is to assist the City in its effort to end chronic homelessness. To that end, the HAF manages the \$50 million Homes for the Homeless Fund established in partnership with Tipping Point Community (TPC). In 2020, the HAF, TPC and their development partners commenced construction of 145 new permanent supportive homes ("PSH") for individuals experiencing homelessness in San Francisco at 833 Bryant Street, with construction anticipated to be completed by summer 2021. Upon the successful execution of permanent bond financing for the 145 unit PSH project in July 2020, HAF has been able to recycle approximately \$20 million of its 833 Bryant Street investment, and intends to invest a significant portion of these funds into the 1000 Sutter Street HomeKey acquisition to further our focus on accelerating the delivery and reducing the cost of PSH.

The HAF is deeply committed to the goals of Homekey and the success of the Project. With a Homekey grant, the City and ECS will create up to 232 new, permanently affordable, and high-quality homes for homeless households who are particularly vulnerable to COVID-19. This Project will:

- Meet HCD's Tier One timing and occupancy requirements
- Create permanent supportive housing
- Draw upon ECS's deep experience acquiring, owning and operating PSH, including the provision of services for residents in need of mental health, substance abuse disorder, employment, primary health, and other assistance
- Draw upon the City's deep commitment to providing the resources necessary to operate PSH in a high-quality manner, for a minimum of five years, but with an expected term that extends for as long as the need exists
- Leverage significant philanthropic and private sector investments alongside the HomeKey funds, allowing the City of San Francisco to meet the year-end close requirements
- Address racial inequities that have resulted in a disproportionate number of people of color both experiencing homelessness and highly impacted by COVID-19.

1000 Sutter Street is an excellent Project that will fully meet Homekey goals, create significant benefits for the residents who will live there, and have a sustained positive effect upon the community as a whole. The HAF looks forward to its full participation as a development team member in this important effort.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca Foster", with a long horizontal flourish extending to the right.

Rebecca Foster
Chief Executive Officer

Project Benefit Type: Permanent Housing (Section-305)

Control of Property: Please Letter of Intent between Co-Applicant Episcopal Community Services (ECS) and property owners of the Granada Hotel.

Covenant, Operations and Services Funding, Description of Services: Please see Commitment Letter between ECS and the Department of Homelessness and Supportive Housing of the City and County of San Francisco.

No housing or tenant displacement will result from this project.

9A. PIT Count

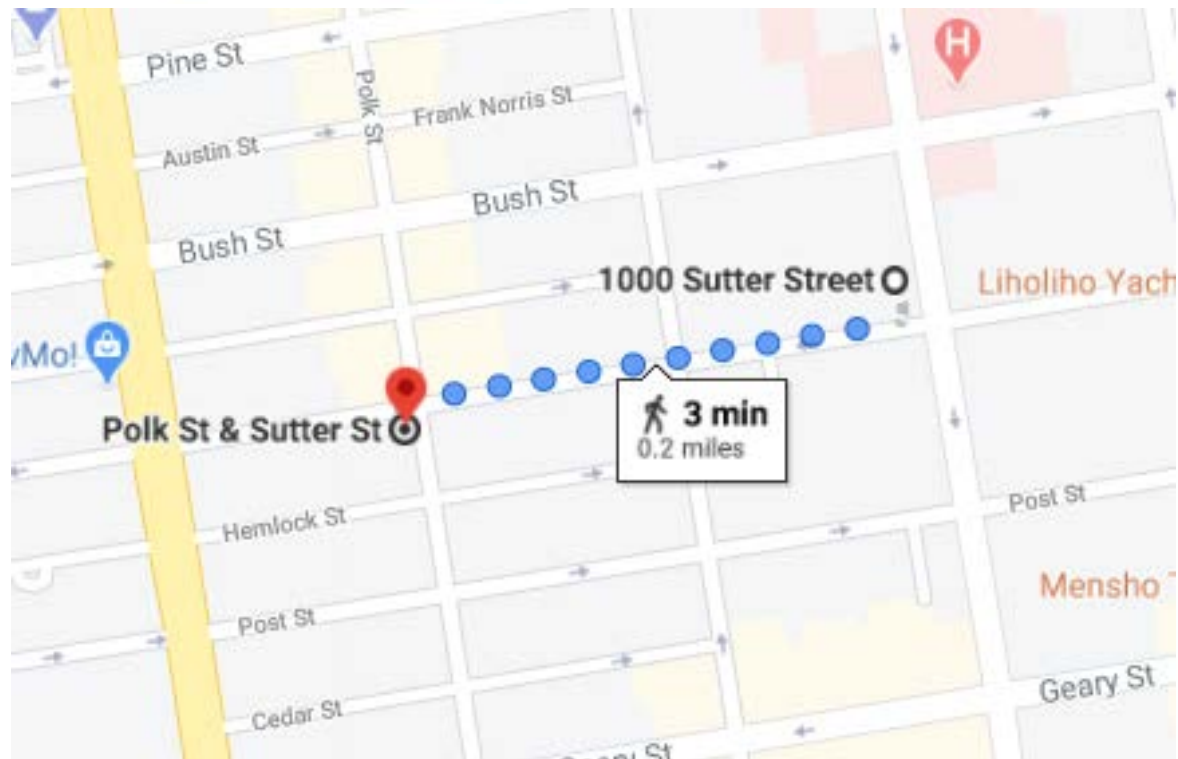
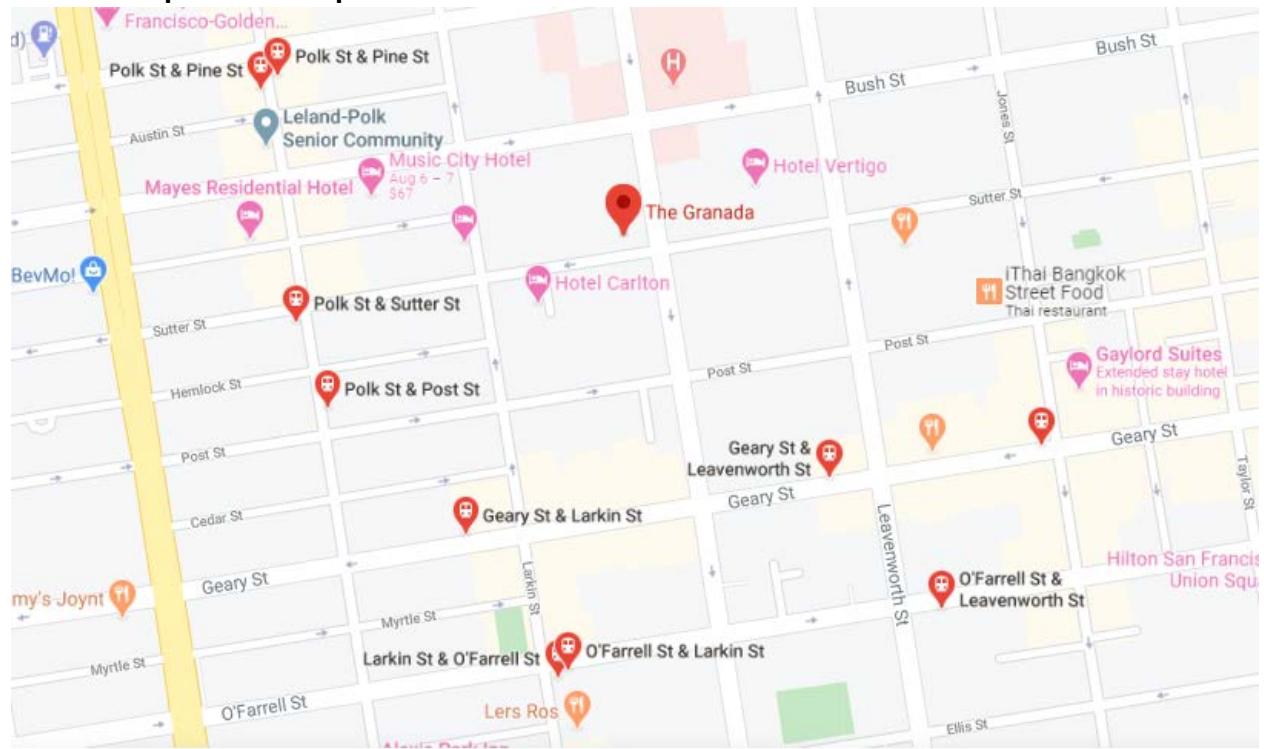
The 2019 Homeless Point-in-Time (PIT) Count conducted by the City and County of San Francisco (City) found 8,035 people experiencing homelessness, 5,180 unsheltered. Achieving a 5% reduction in the total PIT Count, controlling for inflow, would require adding 401 units of new permanent supportive housing (PSH). Given the level of funding available and the operational constraints of a PSH building, it is not possible to achieve this 5% reduction in a single project in San Francisco. However, this project is a key piece of San Francisco Mayor London Breed's Homelessness Recovery Plan to add 1,500 PSH units over the next two years, addressing 19% of the 2019 PIT count and ensuring that no one exits from COVID-19 emergency housing to the street. This Homekey project along with 145 units of new PSH at 833 Bryant Street opening in 2021, and 200 new scattered site housing subsidies for formerly homeless individuals, made possible through Tipping Point Community in 2020, will enable the City to exceed this 5% reduction in the PIT count next year.

Property Location:

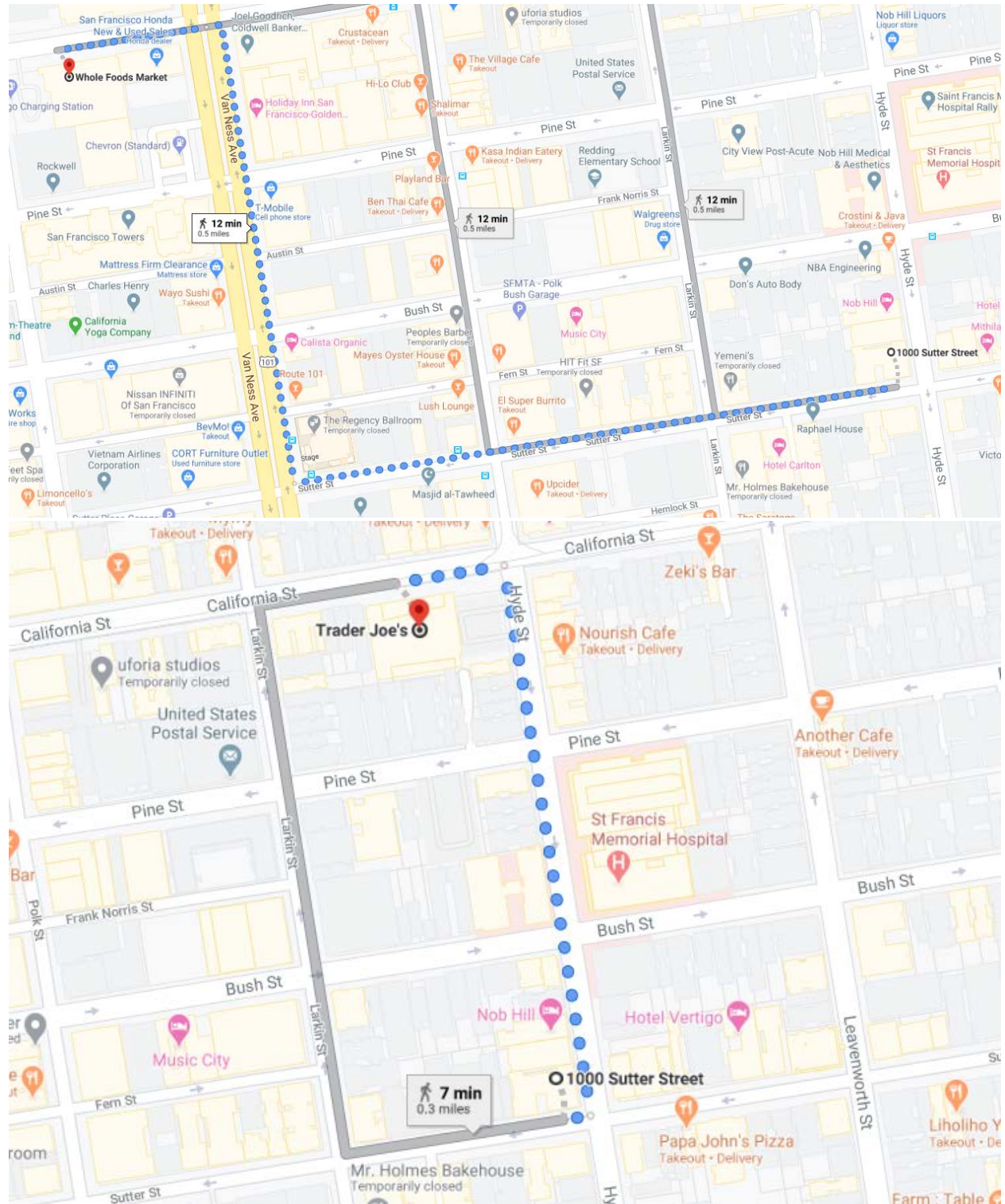
1000 Sutter Street (Currently "The Granada Hotel")
San Francisco, CA 94109

Amenity	Distance to Closest
Transit Stop	.2 miles
<i><u>Bus Stop:</u> Polk & Sutter</i>	.2 miles
<i><u>Light Rail Stop:</u> Powell Street Station</i>	.8 miles
Grocery Store	.3 miles
<i>Trader Joe's, 1095 Hyde St, San Francisco, CA 94109</i>	.3 miles
<i>Whole Foods Market, 1765 California St, San Francisco, CA 94109</i>	.5 miles
Health Facility	.5 miles
<i>St. Francis Memorial Hospital 900 Hyde St, San Francisco, CA 94109</i>	.1 miles
<i>St. Anthony's Medical Clinic, 150 Golden Gate Ave 2nd floor, San Francisco, CA 94102</i>	.6 miles
Book-Lending Public Library	.6 miles
<i>San Francisco Public Library, 100 Larkin St, San Francisco, CA 94102</i>	.6 miles
Pharmacy	.2 miles
<i>Walgreens Pharmacy, 1300 Bush St, San Francisco, CA 94109</i>	.2 miles

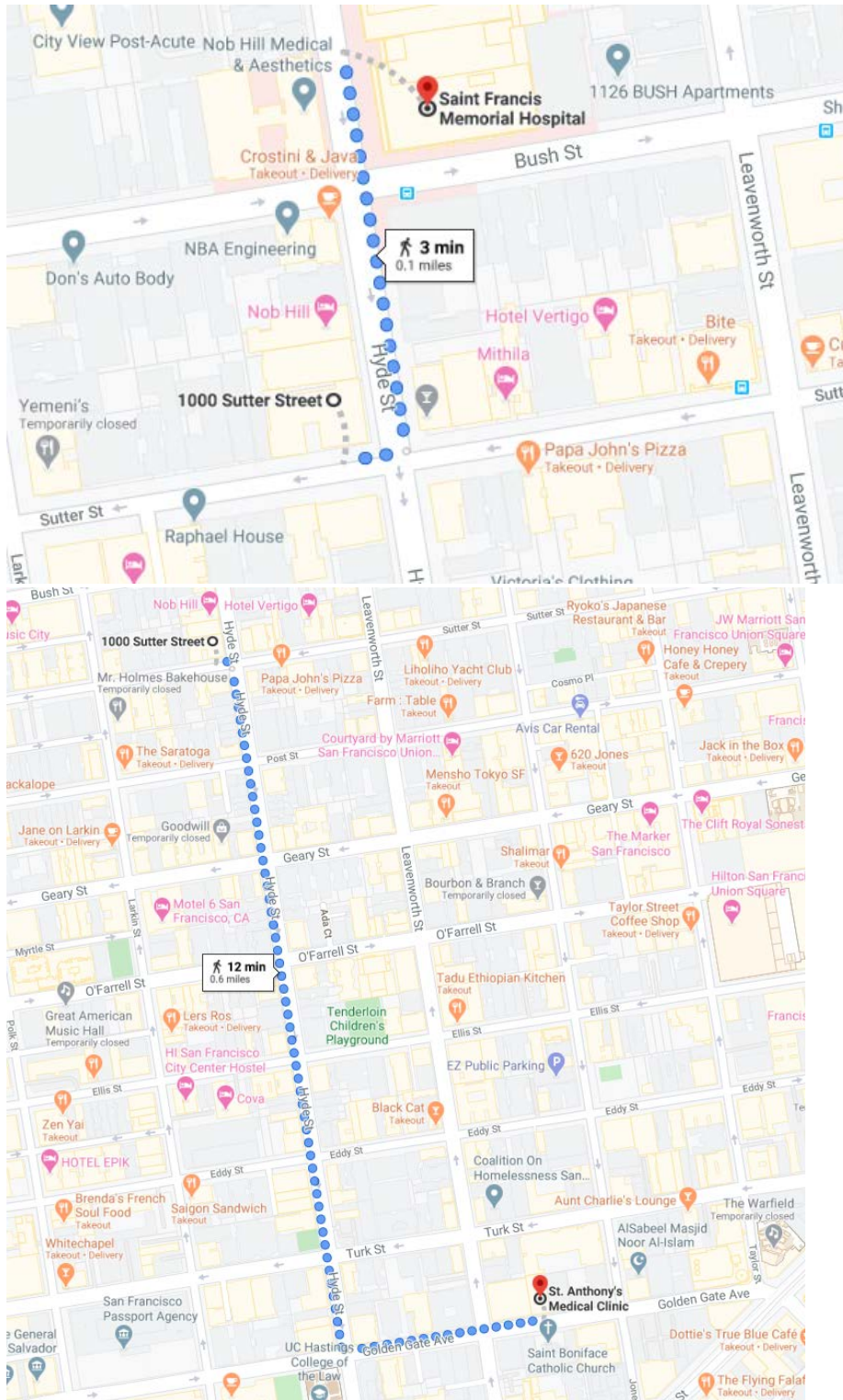
Transit Stops - Bus Stops



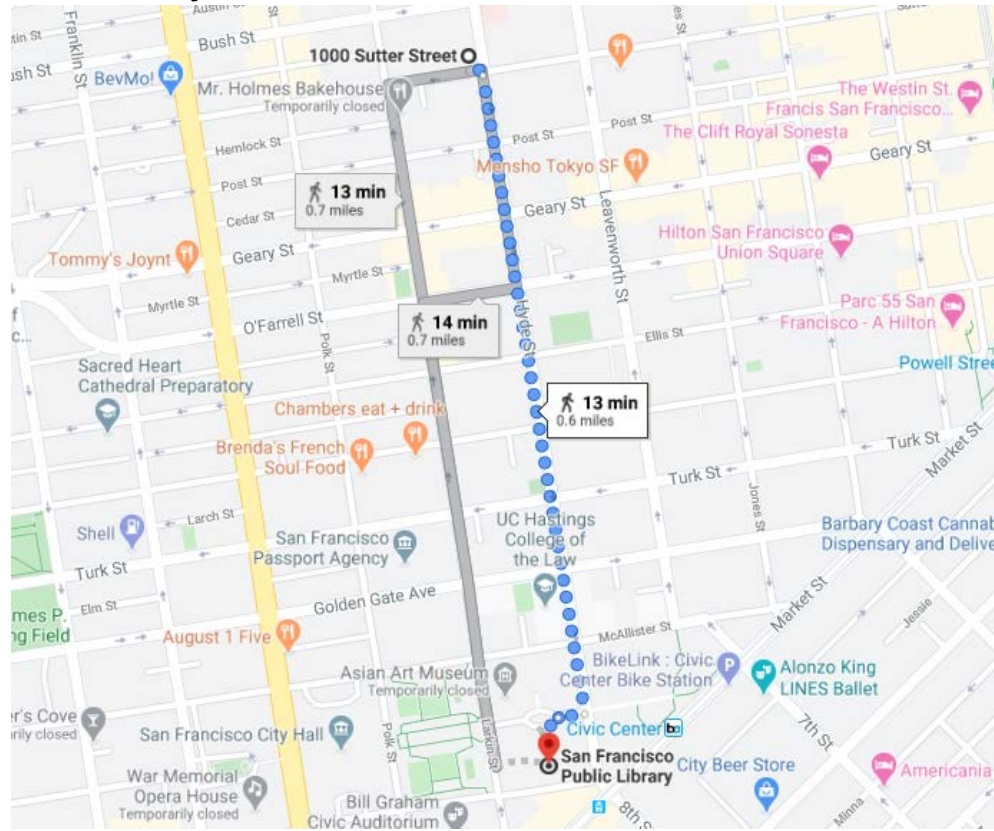
Grocery Stores



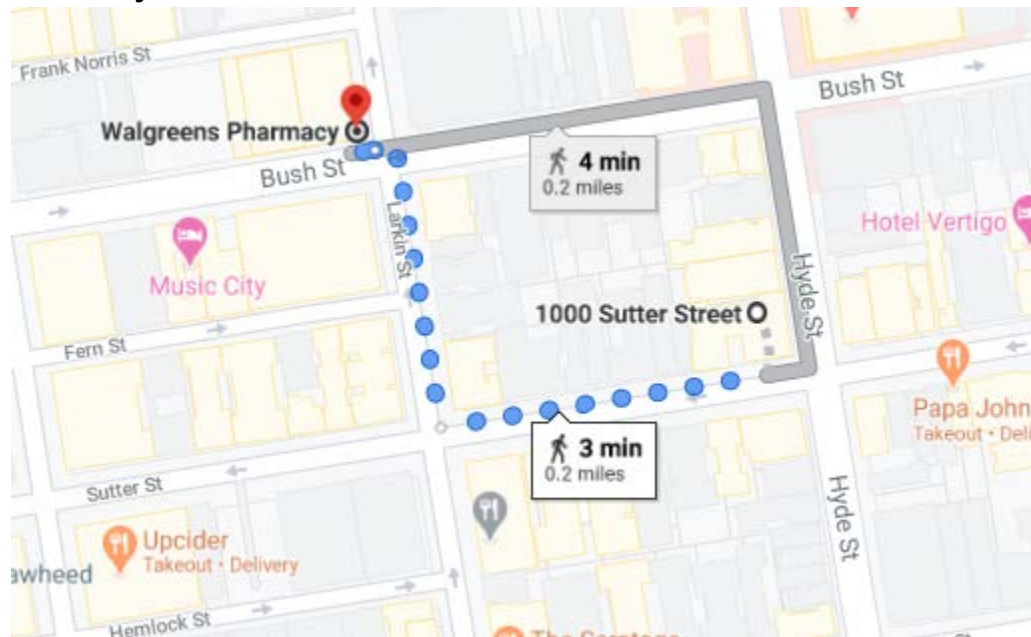
Health Facilities



Public Library



Pharmacy



HCD - Homekey Timeline Template

Subject	Objective	Description	Start Date	Finish Date	Note
1.0					
Requirements	Standard Agreement	Review SA upon award estimated in September, execute by November before Close of Escrow on property.	9/1/20	11/1/20	N/A
	Site Control	Enter into LOI in August, Close of Escrow in November	8/6/20	11/13/20	Application attachment
	Identifying Development Team	Team was identified upon NOFA issuance, and before application submittal.	7/16/20	8/6/20	N/A
	Appraisal Document	Appraisal to be started upon execution of LOI	8/10/20	9/18/20	N/A
	Physical Needs Assessment	PNA to be started upon execution of LOI	8/10/20	9/18/20	N/A
	Accessibility and Non-Discrimination Statement	Submitted with application	8/7/20	8/7/20	Application attachment
	Preliminary commitment for Title Insurance	Title search for commitment to begin upon execution of LOI	8/10/20	9/8/20	N/A
	Liability Insurance Coverage	Coverage with HCD as Add'l Insured to begin upon execution of S.A.	9/1/20	11/1/20	N/A
	Applicant Compliance Certification	Submitted with application	8/7/20	8/7/20	Application attachment
Certification of Occupancy	Site is currently in use as a residential building; occupancy already established	11/13/20	11/13/20	In place	
2.0					
Entitlements	No Change of Use/Variance/Conditional Use is Required	Not Applicable	N/A	N/A	N/A
3.0					
Permits	Building Permits	Submitted date and receipt of permit date	10/1/20	11/15/20	N/A
4.0					
Environmental Clearance	Site Assessment	Phase I to be started upon execution of LOI	8/10/20	9/25/20	N/A
	Submitting Documents	SB 35 Application	9/15/20	10/1/20	N/A
	CEQA Clearance (even if using exemption the applicant must document the exemption)	CEQA Clearance established through SB 35	9/15/20	11/15/20	See application attachment re: SB 35
	NEPA Clearance (if using local federal funding awards to support proposed activities)	Not Applicable	N/A	N/A	N/A
5.0					
Board or Governing Body Approval	Authorizing Resolution	City and County of San Francisco (CCSF), Lead Applicant	8/3/20	10/15/20	N/A
	Authorizing Resolution	Episcopal Community Services (ECS), Co-Applicant	8/3/20	10/15/20	N/A
6.0					
Closing Process	Closing Date	Intend to close on property acquisition by 11/13, but no later than 12/30 depending on due diligence needs or receipt of HCD Funding	11/13/20	12/30/20	Funding deadline

Note:

Applicants are required to provide answers to all lines above, even if the response is "Not Applicable."

Applicants should include all key milestones (tracked for the proposed project) to aide in the partnership between the Department and the applicant.

Applicants can add other items as needed to clarify objectives and the implementation process.



August 6, 2020

655-685 4th St LP and Pantoll Holdings LLC
c/o Hans Geiszler & Robert Mellett
2155 Powell Street
San Francisco, CA 94133

Re: 1000 Sutter Street, San Francisco, CA 94109

Dear Mr. Geiszler & Mr. Mellett:

I am submitting this Letter of Intent on behalf of Episcopal Community Services of San Francisco ("ECS") as Buyer.

ECS has provided essential services to homeless San Franciscans since 1983, utilizing a holistic approach that addresses the multiple causes leading to homelessness. This past year, we served more than 13,000 people, guided by our mission to help homeless and very low-income people every day and every night obtain the housing, jobs, shelter, and essential services each person needs to prevent and end homelessness. ECS owns and master leases over 900 units of permanent supportive housing for people formerly experiencing homelessness with all properties located in the Tenderloin and South of Market neighborhoods, with another 300+ units scheduled to be added to its portfolio within the next 18 months. ECS provides asset management oversight and on-site support services to all of those units and partners with Caritas Management Corporation for property management services. The parties acknowledge that the City and County of San Francisco ("City") and ECS are working together on this project in connection with applying for state funding through its program Project Homekey. Because of the fast approaching deadline and the requirement for the City to include a fully signed letter of intent along with any application it submits tomorrow, this offer is ECS's best and final and expires at **2pm PST on Friday, August 7th, 2020**.

This Letter of Intent ("LOI") will outline the general business terms upon which Buyer would enter into a Purchase Agreement for the subject Property:

Seller: 655-685 4th St LP, and Pantoll Holdings LLC ("Seller")

Buyer: Episcopal Community Services of San Francisco ("Buyer")

Property: 1000 Sutter Street, Block 0279, Lot 005, San Francisco, consisting of approximately 10,000 Sq. Ft. of land plus improvements and any other rights and entitlements pertaining thereto. (the "Property").

Purchase Price & Terms: **Forty-Six Million Dollars (\$46,000,000)** Payable in cash at "Closing" (as defined below). Purchase is subject to Buyer's inspections and other due diligence described herein and entering into a definitive purchase and sale agreement satisfactory to the parties thereto.

Purchase and Sale Agreement:

Buyer and Seller shall execute a mutually agreeable Purchase and Sale Agreement (“PSA”) embodying the terms and conditions of this Letter of Intent and Buyer shall open escrow (“Escrow”) at Old Republic Title Company (“Escrow Holder”). Buyer shall provide the first draft of PSA.

Closing Date:

The Closing shall occur on or before **November 13, 2020** (estimated “Closing Date”), unless extended pursuant to this LOI.

Closing Date Extension:

If Buyer determines that the required conditions to close, for example, the State of California has awarded funding through Project Homekey, but the funds have yet to be received by Buyer, then Buyer may exercise a one-time option to extend (in writing) the Closing Date to December 15, 2020. Upon such extension, the parties agree to use best efforts to ensure closing occurs on or before the extended Closing Date, but in no event later than December 30, 2020.

Non-Refundable Deposit:

As consideration of such extension, Buyer will deposit One Million Dollars (\$1,000,000) into Escrow no later than November 16, 2020 (the non-refundable “Deposit”). The deposit shall become non-refundable except in the event of a Seller default or otherwise, if the transaction fails to close prior to December 30, 2020, other than for a Buyer default. The Deposit shall be retained in Escrow until Closing or termination of the Purchase and Sale Agreement. The Deposit (and all interest accrued) shall be applied toward the Purchase Price at Closing.

Title Review:

Seller shall deliver to Buyer a preliminary title report on the Property with copies of all items shown as exceptions on the title report (collectively, “Report”) within three (3) business days of mutual execution of the Purchase and Sale Agreement. Buyer shall have thirty (30) days from its receipt of the Report to approve or disapprove the condition of title of the Property. There shall also be a title review period after any update of the Report (which will be described in the Purchase and Sale agreement). Title will be delivered to Buyer by grant deed on Closing, subject to matters approved by Buyer. Title shall be conveyed with no monetary liens, except payment of non-delinquent real property taxes.

Due Diligence Contingency:

Prior to the initial Closing Date Buyer shall have approved or disapproved the Property, including but not limited to the following:

- A. Physical Inspection: Buyer shall have the right to conduct such engineering, feasibility, seismic, surveys and other studies regarding the condition of the Property as it considers prudent. Seller agrees to allow Buyer and or Buyer’s agents onto the Property during regular business hours to conduct studies and inspections of the Property, subject to Seller’s prior reasonable approval and adequate notice (collectively, “Building Condition”). As part of determining the

Purchase Price, ECS assumes the major building systems, roof, fire life safety, and seismic performance are either at or above code requirements and/or are not materially deficient or in disrepair. In the event that estimated repair/replacement costs associated with the Building's Condition necessary for ECS's legal and safe occupancy exceed \$500,000 and the Seller does not reduce the Purchase Price for any amounts above \$500,000, ECS may terminate this Agreement at no cost.

- B. ADA Access: Seller had warranted the Property complies with the Americans with Disabilities Act (ADA). ECS is relying upon that assumption when determining the Purchase Price. In the event that estimated new ADA costs required for ECS's legal and safe occupancy exceed \$250,000 and the Seller does not reduce the Purchase Price for any amounts above \$250,000, ECS may terminate this Agreement at no cost.
- C. Environmental Audit: Buyer shall have the right to conduct an environmental audit and such environmental studies regarding the environmental condition of the Property as the Buyer determines are prudent (including without limitation, Phase I and Phase II environmental site assessments). As part of determining the Purchase Price, ECS assumes the environmental condition of the Property does not require major remediation in order for ECS's legal and safe occupancy. If the estimated environmental remediation expenses for ECS's intended use exceed \$250,000 and the Seller does not reduce the Purchase Price for any amounts above \$250,000, ECS may terminate this Agreement at no cost.
- D. Appraisal: ECS will obtain an MAI Appraisal and MAI Appraisal Review of the as-is, fair market value of the Property. In the event the appraised value is less than the proposed Purchase Price, ECS may terminate the Agreement at no cost. The parties acknowledge that if the Purchase Price is above the appraised value, then in no event will it be a Buyer's default if closing does not occur.
- E. Documents: Within ten (10) days of mutual execution of this LOI, Seller shall deliver to Buyer for Buyer's review the following information relating to the Property: (1) All building plans and specifications; (2) all service or maintenance contracts; (3) any other contracts and warranties; (4) a current rent roll and schedule of security deposits and any other lease deposits; (5) copies of all current tenant leases; (6) operating statements for the past 3 years; (7) current property tax bills and any notices of tax assessments; (8) any previously completed environmental reports, seismic reports, soils reports or other geotechnical studies, and any building inspection reports; (9) survey; and (10) other studies and relevant reports,

budgets, financial statements, any notices from governmental entities.

Access to Property: Upon at least 24 hours' notice, Seller shall allow Buyer access to the Property prior to the estimated Closing Date. The Purchase and Sale Agreement will specify any reasonable terms and conditions to conduct any inspections or investigations Buyer deems prudent. Notwithstanding, the parties may elect to enter into a license, permit or some other form of access agreement prior to the execution of the Purchase and Sale Agreement.

Closing Costs: Buyer shall pay for the City and County transfer tax. Buyer shall pay for escrow fee, all title insurance premiums (CLTA and ALTA) and all other closing costs.

Seller's Cooperation: Seller acknowledges that, during the course of the escrow, Buyer may seek certain governmental permits and approvals for the development of the Property. Seller agrees to cooperate with Buyer and take all actions and join in all applications and execute all documents reasonably necessary to allow Buyer to pursue and obtain such permits and approvals, as necessary, provided that such cooperation shall be at no cost or liability to Seller, or if there is cost or liability, Buyer reimburses such costs and /or provides a suitable indemnity. Buyer shall have no liability to Seller by reason of undertaking these activities in connection with government permits or approvals except as otherwise agreed to by Buyer as provided in this paragraph. Seller shall waive all provisions of the confidentiality agreement which prohibit communicating with governmental and quasi-governmental entities to permit communication as described in this paragraph.

Representations and Warranties: The Purchase and Sale Agreement shall include representations and warranties typically made by buyers and sellers in purchase and sale transactions.

Assignment: Buyer shall have the right, without Seller's consent, to assign this LOI to and/or the Agreement to: the ECS Housing Corporation, or an entity that is owned or controlled by Episcopal Community Services of San Francisco; the San Francisco Housing Accelerator Fund (SFHAF) or an entity that is owned or controlled by SFHAF; and the City.

Exclusivity: Seller agrees not to market the Property, nor negotiate or discuss any sale, lease or option of the Property or any interest in the Property, during the negotiation of the Purchase and Sale Agreement. Seller and Buyer shall negotiate the Purchase and Sale Agreement in good faith. The Purchase and Sale Agreement shall include a similar exclusivity agreement applicable to the term of the Agreement.

Representation: Seller to be represented by: _____
Buyer to be represented by: Goldfarb & Lipman LLP

This Letter of Intent is meant to be a general outline of the business terms upon which Buyer will buy and Seller will sell the Property. This Letter of Intent shall not be binding on either Buyer or Seller (except for the provisions of the "Exclusivity" section) unless and until both parties execute a binding Purchase and Sale Agreement. If these terms are acceptable to you, then please indicate so by having this Letter of Intent executed by the Seller in the space provided below. The terms and conditions of this Letter of Intent shall be null and void and no longer in effect if this Letter of Intent is not counter-signed and returned to the office of Episcopal Community Services of San Francisco prior to **2pm PST on August 7, 2020**.

AGREED AND ACCEPTED:

Buyer: ^{DocuSigned by:} Episcopal Community Services of San Francisco

Beth Stokes

By: 2F6F81C95BDB477

Title: Executive Director

8/6/2020

Date: _____

AGREED AND ACCEPTED:

Seller: 655-685 4th St LP & Pantoll Holdings LLC

By: *[Signature]*

Title: Principal

Date: 8/6/2020

1 [Apply for Grant - California Department of Housing and Community Development - Homekey
2 Grant - Not to Exceed \$45,000,000]

2

3 **Resolution authorizing the Department of Homelessness and Supportive Housing to**
4 **apply for Homekey grant funds in an amount not to exceed \$45,000,000 from the**
5 **California Department of Housing and Community Development on behalf of the City**
6 **and County of San Francisco.**

7

8 WHEREAS, The California Department of Housing and Community Development
9 (“Department”) issued a Notice of Funding Availability (“NOFA”) dated July 16, 2020, for the
10 Homekey Program (“Homekey” or “Homekey Program”) pursuant to Health and Safety Code,
11 Section 50675.1.1 (Assem. Bill No. 83 (2019-2020 Reg. Sess.), § 21.); and

12 WHEREAS, The Department is authorized to administer Homekey funds pursuant to
13 the Multifamily Housing Program (Chapter 6.7 (commencing with Section 50675) of Part 2 of
14 Division 31 of the Health and Safety Code); and

15 WHEREAS, The San Francisco Department of Homelessness and Supportive
16 Housing, on behalf of the City and County of San Francisco (“City”) (“Applicant”) desires to
17 apply for Homekey grant funds and will submit an application for Homekey funds
18 (“Application”) to the Department for review and consideration; and

19 WHEREAS, The Applicant plans to submit a placeholder application by July 31, 2020,
20 to demonstrate San Francisco’s commitment to participate in this opportunity as Homekey
21 grant funds are allocated on a first-come, first-serve basis to county applicants by the
22 Department; the application is not considered final until accompanied by a Resolution
23 approved by the San Francisco Board of Supervisors which must be approved prior to August
24 13, 2020; and

25

1 WHEREAS, Homekey funds will assist the City in creating up to 250 new units of
2 Permanent Supportive Housing for people experiencing chronic homelessness; and

3 WHEREAS, These funds will enable the City to acquire and rehabilitate hotels,
4 apartment buildings, or other multi-unit housing for occupancy in early 2021; and

5 WHEREAS, Additional permanent subsidized housing furthers the City's commitment
6 to dismantling systematic racial inequities that disproportionately effect communities of color;
7 and

8 WHEREAS, Permanent Supportive Housing is the most effective evidence-based
9 solution to ending chronic homelessness and also prevents new incidents of homelessness
10 among highly vulnerable people with long experiences of homelessness; and

11 WHEREAS, As of July 2020, San Francisco has approximately 8,000 units of
12 Permanent Supportive Housing that provide permanent homes and services to approximately
13 10,000 San Franciscans, and has the goal of acquiring new units of such housing over the
14 next two years; now, therefore, be it

15 RESOLVED, That the Board of Supervisors hereby authorizes The Department of
16 Homelessness and Supportive Housing on behalf of the City and County of San Francisco to
17 submit an Application to the California Department of Housing and Community Development
18 ("Department") in response to the Notice of Funding Availability ("NOFA"), dated July 16,
19 2020, for an amount not to exceed \$45,000,000; and, be it

20
21 FURTHER RESOLVED, That the Board of Supervisors acknowledges that if the
22 Application is successful, the Department of Homelessness and Supportive Housing shall
23 seek Board of Supervisors approval to accept and expend the funds, and to authorize
24 execution of a Standard Agreement, and any other documents required or deemed necessary
25 to secure the funds under the terms of the Program Guidelines.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RECOMMENDED:

/s/ _____

Interim Director, Abigail Stewart-Kahn
Department of Homelessness and Supportive Housing

EXHIBIT A

AUTHORITY, PURPOSE AND SCOPE OF WORK

1. Authority

Assembly Bill No. 83 (2019-2020 Reg. Sess.) added section 50675.1.1 and 50675.1.2 to the Multifamily Housing Program (“MHP”) (Chapter 6.7 (commencing with Section 50675) of Part 2 of Division 31 of the Health and Safety Code). Health and Safety Code section 50675.1.1 is the statutory basis for the Homekey Program (“Homekey” or “Program”). Health and Safety Code section 50675.1, subdivision (d) authorizes the Department of Housing and Community Development (“Department” or “HCD”) to administer MHP.

The Department issued a Notice of Funding Availability (“NOFA”) for the Homekey Program on July 16, 2020. The NOFA incorporates by reference the MHP, as well as the MHP Final Guidelines (“MHP Guidelines”), dated June 19, 2019, both as amended and in effect from time to time. In addition, the NOFA states that Homekey grant funds are derived primarily from Coronavirus Relief Fund (“CRF”) money received from the U.S. Department of the Treasury. The CRF was established by the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act (Public Law No. 116-136).

This STD 213, Standard Agreement (“Agreement”) is entered under the authority and in furtherance of the Program. This Agreement is the result of an Application by the Sponsor, as defined below, for funding under the Program (the “Grant”). As such, this Agreement shall be executed by the Sponsor. Where the Sponsor comprises a Local Public Entity (as defined below) and a private entity, both entities shall execute the Standard Agreement.

This Agreement hereby incorporates by reference the Application in its entirety. This Agreement is governed by the following (collectively, the “Program Requirements”), and each of the following is incorporated hereto as if set forth in full herein:

- A. The above-referenced MHP statutory scheme;
- B. The NOFA issued on July 16, 2020, and as may be subsequently amended;
- C. The MHP Guidelines;
- D. The CARES Act and related federal guidance;
- E. The award letter issued by the Department to the Sponsor; and
- F. Any and all other applicable law.

2. Purpose

The Homekey Program is intended to provide housing for individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are impacted by the COVID-19 pandemic (“Target Population”).

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT A

Sponsor applied to the Department for the Grant in order to conduct one or more of the activities outlined in Paragraph 4 below. By entering into this Agreement and thereby accepting the award of Program Grant funds, the Sponsor agrees to comply with the Program Requirements and the terms and conditions of this Agreement.

3. Definitions

Any capitalized terms that are not defined below shall have the definitions set forth in the NOFA, the MHP statutes, and the MHP Guidelines. In the event of any conflict, the definitions in this Agreement and the NOFA are controlling.

- A. **"Application"** means the application for Grant funds that was submitted in response to the Department's Homekey Program 2020 Notice of Funding Availability, issued on July 16, 2020.
- B. **"CRF Covered Period"** means the time period running from **March 1, 2020 through December 30, 2020**. All Grant expenses for CRF-funded Eligible Uses must be incurred during this time period, or they will not be reimbursed. CRF-funded Eligible Uses are those listed at Paragraph 4.A – F, below.
- C. **"CRF Expenditure Deadline"** means **December 30, 2020**. All Grant expenses for CRF-funded Eligible Uses must be incurred on or before this date, or they will not be reimbursed. CRF-funded Eligible Uses are those listed at Paragraph 4.A – F, below.
- D. **"Designated Payee"** means the Co-Sponsor that will serve as the payee of the Program Grant funds. If applicable, the Designated Payee is identified at Exhibit E of this Agreement.
- E. **"Development Sponsor"** has the same meaning as **"Sponsor"** below.
- F. **"Eligible Uses"** means the activities that may be funded by the Homekey Program Grant. Those activities are listed at Paragraph 4 of this Agreement, and at Health and Safety Code section 50675.1.1, subdivision (a).
- G. **"Interim Housing"** means any facility that is primarily intended to provide temporary shelter or lodging for the Target Population, and which does require occupants to sign leases or occupancy agreements.
- H. **"Local Public Entity"** is defined at Health and Safety Code section 50079, and means any county, city, city and county, the duly constituted governing body of an Indian reservation or rancheria, tribally designated housing entity as defined in Section 4103 of Title 25 of the United States Code and Section 50104.6.5, redevelopment agency organized pursuant to Part 1 (commencing with Section 33000) of Division 24, or housing authority organized pursuant to Part 2 (commencing with Section 34200) of Division 24, and also includes any state agency, public district, or other political subdivision of the state, and any instrumentality thereof, that is authorized to engage in or assist in the development or operation of housing for persons and families of low or moderate income. In addition, and in

EXHIBIT A

accord with this Health and Safety Code definition, the term “**Local Public Entity**” also includes two or more local public entities acting jointly.

- I. “**Performance Milestones**” means the indicators and metrics of progress and performance that are identified as such at Exhibit E of this Agreement. Sponsor’s failure to satisfy any one of the Performance Milestones will constitute a breach of this Agreement and will entitle the Department to exercise any and all available remedies, including the recapture of disbursed Grant funds and the cancellation of this Agreement.
- J. “**Permanent Housing**” means housing, dwellings, or other living accommodations where the landlord does not limit the tenant’s length of stay or restrict the tenant’s movements, and where the tenant has a lease and is subject to the rights and responsibilities of tenancy.
- K. “**Program Requirements**” means the legal authority and Program materials listed at Paragraph 1.A – F, above.
- L. “**Project**” means a structure or set of structures with common financing, ownership, and management, and which provides Permanent Housing or Interim Housing for the Target Population.
- M. “**Scope of Work**” or “**Work**” means the work to be performed by the Sponsor to accomplish the Program purpose.
- N. “**Sponsor**” is defined by the Multifamily Housing Program at Health and Safety Code section 50675.2, subdivision (g). (See also Health & Saf. Code, § 50669, subd. (c).) “**Sponsor**” refers, both individually and collectively, to the private entity and/or the Local Public Entity that received a Homekey Grant after submitting an Application or a joint Application to the Department. When the Sponsor comprises two entities, each entity may be referred to as a “**Co-Sponsor**.” On the STD 213 portion of this Agreement, the Sponsor is identified as the Contractor.
- O. “**State General Fund Expenditure Deadline**” means **June 30, 2022**. Grant expenses for capitalized 24-month operating subsidies (which are funded by the State General Fund) must be incurred on or before this date, or they will not be reimbursed.
- P. “**Target Population**” means individuals and families who are experiencing homelessness or who are at risk of homelessness, as defined in Part 578.3 of Title 24 of the Code of Federal Regulations, and who are impacted by the COVID-19 pandemic.

4. Eligible Uses

Sponsor shall apply the Program Grant funds to one or more of the following uses. Sponsor’s use of the funds and scope of work (“Scope of Work” or “Work”) are specified at Exhibit E of this Agreement.

- A. Acquisition or rehabilitation of motels, hotels, or hostels.
- B. Master leasing of properties.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT A

- C. Acquisition of other sites and assets, including purchase of apartments or homes, adult residential facilities, residential care facilities for the elderly, manufactured housing, and other buildings with existing residential uses that could be converted to permanent or interim housing.
- D. Conversion of units from nonresidential to residential in a structure with a certificate of occupancy as a motel, hotel, or hostel.
- E. The purchase of affordability covenants and restrictions for units.
- F. Relocation costs for individuals who are being displaced as a result of rehabilitation of existing units.
- G. Capitalized operating subsidies for units purchased, converted, or altered with funds provided under the Program.

5. **Performance Milestones**

Sponsor shall complete each of the Performance Milestones set forth at Exhibit E of this Agreement by the date designated for such completion therein (each a "Milestone Completion Date"). Sponsor may apply to the Department for an extension of any such Milestone Completion Date. Approval of any such extension request shall be in the Department's sole and absolute discretion. In no event will the Department approve an extension request in the absence of Sponsor's demonstration of good cause for said extension, along with Sponsor's reasonable assurances that the extension will not result in Sponsor's failure to meet other Performance Milestones or any Expenditure Deadline under this Agreement.

6. **Reporting Requirements**

Sponsor shall comply with all reporting requirements set forth at Section 402 of the NOFA or in this Agreement, all in accordance with, without limitation, the deadline(s) set forth under Performance Milestones at Exhibit E of this Agreement.

7. **Department Contract Coordinator**

The Department's Contract Coordinator for this Agreement is the [Assistant Deputy Director] of the Division of Financial Assistance, or the [Assistant Deputy Director's] designee. Unless otherwise informed, Sponsor shall mail any notice, report, or other communication required under this Agreement by First-Class Mail to the Department Contract Coordinator at the following address:

California Department of Housing and Community Development
Attention: Homekey Program (Homekey)
Grant Management Section
2020 West El Camino Avenue, Suite 400, 95833
P. O. Box 952050
Sacramento, CA 94252-2050

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT A

8. Sponsor Contract Coordinator

The Sponsor Contract Coordinator for this Agreement may coordinate with the [REDACTED] for the Homekey Program. Unless otherwise informed, the Department shall mail any notice, report, or other communication required under this Agreement by First-Class Mail, or through a commercial courier, to the Sponsor Contract Coordinator at the address specified at Exhibit E of this Agreement.

DRAFT

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Budget Detail

Applicant has been awarded the Grant amount set forth in this Agreement.

2. Conditions of Disbursement

The Department will disburse the full amount of the Grant award to the Sponsor after this Agreement has been fully executed, and after the Department receives the Sponsor's request for funds, with all required supporting documents appended thereto. The Sponsor shall append the following supporting documents to the request for funds, all in form and substance acceptable to the Department:

- A. Payee Data Record (STD 204) or Government Agency Taxpayer ID Form, as applicable;
- B. An authorizing resolution or set of authorizing resolutions that, in the Department's reasonable determination, materially comport with the Program's requirements (if the Sponsor has not already submitted same);
- C. Certification of compliance with California's prevailing wage law;
- D. Evidence of the insurance coverages required under the Program and/or a written acknowledgment of self-insured status;
- E. Documentary evidence of capacity to provide operating funds for the Project for at least five (5) years;
- F. A current title report (dated within 15 days of the request for funds);
- G. Any forms, certifications, or documentation required pursuant to Paragraph 5 – Conditions Precedent to Disbursement of Exhibit E of this Agreement; and
- H. Any other forms, certifications, or documentation deemed necessary by the Department prior to disbursement of Grant funds.

3. Performance

After disbursement of the funds, the Sponsor shall meet each Performance Milestone set forth at Exhibit E by the designated deadline. After satisfaction of each Performance Milestone, the Sponsor shall promptly report its progress, in writing, to the Department. Sponsor may apply to the Department for an extension of the Performance Milestone deadlines based on good cause shown and best efforts and assurances from the Recipient for timely completion of the remaining Milestones.

EXHIBIT B

FAILURE TO SATISFY ANY ONE OF THE PERFORMANCE MILESTONES WILL CONSTITUTE A BREACH OF THIS AGREEMENT, AND ENTITLES THE DEPARTMENT TO MANDATE THE SPONSOR TO RETURN TO THE DEPARTMENT ANY FUNDS DISBURSED; IN ANY SUCH INSTANCE, THE DEPARTMENT MAY ALSO CANCEL THIS AGREEMENT WITHOUT OWING ANY DAMAGES OR OTHER PAYMENT TO SPONSOR.

4. **Fiscal Administration**

- A. Sponsor shall either deposit the Grant funds with an escrow company licensed to do business in the State of California and in good standing, or deposit Grant funds in an interest-bearing checking or savings account insured by the federal or state government. All interest earned from the deposit of Grant funds shall be used for eligible Program activities.
- B. Any CRF Grant funds that have not been expended by the CRF Expenditure Deadline must be returned to the Department with accrued interest. Any State General Fund moneys that have not been expended by the State General Fund Expenditure Deadline must be returned to the Department with accrued interest. Checks shall be made payable to the Department of Housing and Community Development and shall be mailed to the Department at the address below, no later than thirty (30) calendar days after the applicable Expenditure Deadline.

Department of Housing and Community Development
Accounting Division, Suite 300
2020 W. El Camino Avenue
Sacramento, California 95833

5. **Duplication of Benefit**

Homekey funding is not required to be used as funding of last resort. However, Sponsor may not use Homekey funding to cover expenditures that have already been funded through other sources. Expenses that have been or will be reimbursed under any federal program are not eligible uses of Homekey funding.

EXHIBIT D

HOMEKEY GENERAL TERMS AND CONDITIONS

1. Effective Date, Term of Agreement, Timing, and Deadlines

- A. This Agreement is effective upon the date of the Department representative's signature on the STD 213, Standard Agreement (such date, the "Effective Date").
- B. This Agreement shall terminate five (5) years after the Effective Date, as stated in Paragraph 2 of the STD 213, Standard Agreement (such date, the "Expiration Date").
- C. Sponsor will receive the disbursement of Program funds after satisfying all conditions precedent to such disbursement, as set forth under Paragraph 2 of Exhibit B. All Program funds must be disbursed by **December 30, 2020**.
- D. Grant expenses for CRF-funded Eligible Uses must be incurred from **March 1, 2020 through December 30, 2020** (the "CRF Covered Period"). **December 30, 2020** is the deadline for all such expenditures (the "CRF Expenditure Deadline" or "Expenditure Deadline"). CRF-funded Eligible Uses are those listed at Paragraph 4.A – F of Exhibit A.
- E. Grant expenses for capitalized 24-month operating subsidies (which are funded by the State General Fund) must be incurred by **June 30, 2022** (the "State General Fund Expenditure Deadline" or "Expenditure Deadline").
- F. Any expenses incurred prior to the CRF Covered Period, after the CRF Expenditure Deadline, or after the State General Fund Expenditure Deadline, respectively and as applicable, are not eligible for payment under the Program. Grant funds that have not been expended by the applicable Expenditure Deadlines shall revert to the Department.

2. Termination

The Department may terminate this Agreement for cause at any time by giving at least 14 days' advance written notice to the Sponsor. Upon such termination, Sponsor shall return any unexpended funds to the Department within thirty (30) calendar days of the date on the Department's written notice of termination, unless the Department has approved an alternate arrangement in advance and in writing, as provided below. Such termination will not limit any other remedies that may be available to the Department under this Agreement, at law, or in equity.

Cause shall consist of Sponsor's breach of, or failure to satisfy, any of the terms or conditions of this Agreement. Cause includes but is not limited to the following:

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT D

- A. Sponsor's failure to satisfy the conditions precedent to disbursement or to expend Program Grant funds, as specified, by **December 30, 2020**.
- B. Sponsor's failure to timely satisfy each or any of the conditions set forth in these Homekey General Terms and Conditions, the Special Conditions set forth at Exhibit E of this Agreement (including any one of the Performance Milestones), or the award letter.
- C. Sponsor's violation of any of the Program Requirements.
- D. The Department's determination of the following:
 - 1) Any material fact or representation, made or furnished to the Department by the Sponsor in connection with the Application or the award letter, shall have been untrue or misleading at the time that such fact or representation was made known to the Department, or subsequently becomes untrue or misleading; or
 - 2) Sponsor has concealed any material fact from the Department related to the Application or the Project.
- E. The Department's determination that the objectives and requirements of the Homekey Program cannot be met in accordance with applicable timeframes, as memorialized by this Agreement.

Sponsor's failure to meet any applicable Expenditure Deadline shall result in the automatic termination of this Agreement, and Sponsor shall return all disbursed Grant funds to the Department within thirty (30) calendar days of the applicable Expenditure Deadline.

In the event of any other breach, violation, or default by the Sponsor, the Department may give written notice to the Sponsor to cure the breach, violation, or default. If the breach, violation, or default is not cured to the Department's satisfaction within a reasonable time, as determined by the Department at its sole and absolute discretion, then the Department may declare a default under this Agreement and seek any and all remedies that are available under this Agreement, at law, or in equity.

3. Eligible Activities

Grant funds awarded to the Sponsor shall be applied to the eligible uses set forth at Exhibit A and described in greater detail at Exhibit E. Payment for any cost which is not authorized by this Agreement or which cannot be adequately documented shall be disallowed and must be reimbursed to the Department or its designee.

4. Performance Milestones

Sponsor shall timely satisfy and complete all Performance Milestones, as identified at Exhibit E of this Agreement.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT D

5. Article XXXIV

Article XXXIV, section 1 of the California Constitution (“Article XXXIV”) is not applicable to development involving the acquisition, rehabilitation, reconstruction, alterations work, or any combination thereof, of lodging facilities or dwelling units using moneys receiving from the CRF established by the federal CARES Act (Public Law 116-136), pursuant to Health and Safety Code section 37001, subdivision (h).

6. Appraisals

Sponsor shall, at the request of the Department, provide an appraisal of any real property or any interest in real property that is acquired with the Grant funds. Any such appraisal shall be prepared in a form, and by a qualified appraiser, acceptable to the Department.

7. Compliance with California’s Prevailing Wage Law

Sponsor’s Project may be subject to California’s prevailing wage law (Lab. Code, § 1720 et seq.). Sponsor is urged to seek professional legal advice about the law’s requirements. Prior to disbursing the Grant funds, the Department will require a certification of compliance with California’s prevailing wage law. The certification must verify that prevailing wages have been or will be paid if such payment is required by law, and that labor records will be maintained and made available to any enforcement agency upon request. The certification must be signed by Sponsor and its general contractor.

8. Environmental Conditions

Sponsor shall provide a Phase I Environmental Site Assessment (“ESA”) for the Project, in conformance with ASTM Standard Practice E 1527, evaluating whether the Project is affected by any recognized environmental conditions. If the Phase I ESA discloses evidence of recognized environmental conditions and Sponsor desires to proceed with the Project, the Sponsor shall provide the Department with a Phase II report and any additional reports as required by the Department and in a form acceptable to the Department. Any remediation work shall be subject to Department approval. Sponsor shall also provide an asbestos assessment and a lead-based paint report for the Department’s approval if the Project involves rehabilitation or demolition of existing improvements.

9. Insurance

Sponsor shall obtain the insurance coverages identified at Article VI of the NOFA; Sponsor shall maintain such insurance coverages for either the term of this Agreement or the term of any required use restriction or affordability covenant, whichever applicable term is longer. Sponsor shall name the State of California and the Department, as well as their respective appointees, officers, agents, and employees, as additional insureds on all such policies. Such policies shall provide for notice to the Department in the event of any lapse of coverage or insurance claim thereunder. Prior to disbursement of any Grant funds, Sponsor

EXHIBIT D

shall provide evidence satisfactory to the Department of its compliance with these insurance requirements.

If Sponsor is a Local Public Entity and is self-insured, in whole or in part, as to any of the required types and levels of coverage, the Local Public Entity shall provide the Department with a written acknowledgment of its self-insured status prior to disbursement of any Grant funds. If the Local Public Entity abandons its self-insured status at any time after execution of this Agreement, the Local Public Entity shall immediately notify the Department, and shall promptly comply with the insurance coverage requirements under the Program.

10. **Operating Funds**

Sponsor shall demonstrate its capacity to provide five (5) years of operating funds for the Project. As set forth at Exhibit B of this Agreement, Sponsor shall provide documentary evidence of such capacity prior to disbursement of any Grant funds.

11. **Relocation**

If there is or will be any residential or commercial displacement directly or indirectly caused by the Project, the Sponsor shall provide a relocation plan to the Department for review. The relocation plan must comply with the requirements of state law (Gov. Code, § 7260 et seq.) and the regulations adopted by the Department (Cal. Code Regs., tit. 25, § 6000 et seq.). The Project budget shall include enough funds to pay all costs of relocation benefits and assistance, as identified in the relocation plan accepted by the Department. If the Project will not cause any displacement, the Sponsor must provide corroborating documentation to the Department for approval. If there is separate federal funding of the Project, the Sponsor shall comply with federal Uniform Relocation Act requirements to the extent applicable.

12. **Site Control**

Unless and except as otherwise expressly approved in writing by the Department or provided at Exhibit E to this Agreement, the Sponsor shall at all times have control of the property and such control shall not be contingent on the approval of any other party. The status and nature of the Sponsor's title and interest in the property must be acceptable to the Department. Site control may be evidenced by one of the following:

- A. Fee title.
- B. A leasehold interest on the property with provisions that enable the lessee to make improvements on and encumber the property provided that the terms and conditions of any proposed lease shall permit compliance with, and satisfaction of, all program objectives and requirements, including, without limitation, those set forth in this Agreement. If the Sponsor's interest in the property is a leasehold, and the lessee and the lessor are affiliated or related parties, then the Department may require that both the lessee and the lessor must execute this Agreement.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT D

- C. An executed disposition and development agreement, or irrevocable offer of dedication to a public agency.
- D. A sales contract, or other enforceable agreement for the acquisition of the property. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- E. A letter of intent, executed by a sufficiently authorized signatory of the Sponsor, that expressly represents to the Department, without condition or reservation, that, upon successful application, the Sponsor shall purchase or otherwise acquire a sufficient legal interest in the property to accomplish the purpose of the award. The letter of intent must also be duly acknowledged by the party selling or otherwise conveying an interest in the subject property to the Sponsor. If this form of evidence was relied upon at the time of Application, the Department may impose additional Performance Milestones (e.g., presentation of additional or supplemental evidence of eventual site control closer to any projected close of escrow).
- F. Other forms of site control that give the Department assurance (equivalent to A-E above) that the Sponsor will be able to complete the Project in a timely manner and in accordance with the Program's objectives and requirements, including, without limitation, those set forth or referenced in this Agreement.

13. Adaptability and Accessibility

The Project shall comply with all applicable federal, state and local laws regarding adaptability and accessibility in the design, construction and rehabilitation of residential projects for persons with disabilities.

14. Title Report

Sponsor shall provide a current title report for the real property on which the Project is located. If Sponsor's interest in the property is leasehold, then Sponsor shall provide a current title report for the leasehold interest and the fee interest.

15. Title Insurance

Sponsor shall provide evidence of title insurance and an ALTA As-Built Survey that are acceptable to the Department. The condition of title, the insurer, the liability amount, the form of policy, and the endorsements shall be subject to Department approval. The policy shall insure that Sponsor holds good and marketable title (fee simple or leasehold).

EXHIBIT D

16. Supportive Services Plan

Where a project features on-site supportive services, Sponsor shall submit a supportive services plan to the Department for its review and approval. Such plan shall meet the Program Requirements.

17. Non-Discrimination

During Sponsor's performance under this Agreement, Sponsor shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex (gender), sexual orientation, gender identity, gender expression, race, color, ancestry, religion, creed, national origin (including language use restriction), pregnancy, physical disability (including HIV and AIDS), mental disability, medical condition (cancer/genetic characteristics), age (over 40), genetic information, marital status, military and veteran status, and denial of medical and family care leave or pregnancy disability leave. Sponsor shall ensure that the evaluation and treatment of employees and applicants for employment are free from such discrimination and harassment. Sponsor shall comply with California's laws against discriminatory practices relating to specific groups: the California Fair Employment and Housing Act (FEHA) (Gov. Code, § 12900 et seq.); the regulations promulgated thereunder (Cal. Code Regs., tit. 2, § 11000 et seq.); and the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code, §§ 11135 - 11139.5). Sponsor shall give written notice of its obligations under this provision to labor organizations with which it has a collective bargaining or other agreement.

18. Affirmative Fair Housing Marketing Plan and Fair Housing Compliance

Sponsor shall develop and implement an affirmative fair housing marketing plan that is satisfactory to the Department. Appropriate aspects of the initial plan shall be incorporated into the ongoing management plan to ensure positive outreach and informational efforts to those who are least likely to know about and apply for Interim Housing or Permanent Housing. Sponsor is encouraged to refer to the guidelines for Affirmative Fair Housing Marketing Plans issued by the U.S. Department of Housing and Urban Development ("HUD"). Sponsor shall comply with all state and federal fair housing laws.

19. Sponsor Acknowledgment of the Pet Friendly Housing Act of 2017

By executing this Agreement, Sponsor acknowledges that the Pet Friendly Housing Act of 2017 (Health & Saf. Code, § 50466) requires each housing development, if it is financed on or after January 1, 2018 pursuant to Division 31 of the Health and Safety Code, to authorize a resident of the housing development to own or otherwise maintain one or more common household pets within the resident's dwelling unit, subject to applicable state laws and local governmental ordinances related to public health, animal control, and animal anticruelty.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT D

20. Final Certificate of Occupancy

Sponsor shall provide a final certificate of occupancy (or an equivalent form of occupancy certification or approval) issued by the local agency having jurisdiction over such certificates.

21. Occupancy

The units shall be in decent, safe, and sanitary condition at the time of their occupancy. In addition, the Sponsor shall certify, upon occupancy, that it will employ the core components of Housing First (set forth at Health and Safety Code section 8255) as part of its property management and tenant selection practices.

22. Reporting Requirements

Sponsor shall submit expenditure and program reporting to the Department by **February 1, 2021**. Such reporting shall include the data outlined at Section 402 of the NOFA.

If Sponsor has received State General Fund moneys to fund a 24-month operating subsidy, Sponsor shall submit relevant expenditure reporting to the Department on **January 31, 2021; July 31, 2021; January 31, 2022; and July 31, 2022**. Such reporting shall include the data set forth at Section 402.i. – vi. of the NOFA.

23. Use Restrictions and Affordability Covenants

Either a use restriction or an affordability covenant shall be recorded against the Project real property, depending on the Project type. For Interim Housing Projects that will not result in permanent housing, the Department shall cause a 10-year use restriction to be recorded against the Project real property. For Interim Housing Projects that will ultimately result in permanent housing, the Local Public Entity shall cause a 10-year use restriction to be recorded against the Project real property. For Permanent Housing Projects, the Local Public Entity shall cause a 55-year affordability covenant to be recorded against the Project real property.

All use restrictions and affordability covenants shall require integration of the Target Population within all entrances, common areas, and buildings that comprise the Project.

All use restrictions and affordability covenants are subject to the advance written approval of the Department, and shall be acceptable to the Department in form, substance, and priority. Project-specific requirements and deadlines are set forth at Exhibit E of this Agreement.

24. Restrictions on Sales, Transfers, and Encumbrances

Sponsor shall not, for the duration of this Agreement, sell, assign, transfer, or convey the Project, or any interest therein or portion thereof, without the express prior written approval of the Department.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT D

25. Retention, Inspection, and Audit of Records

Sponsor is responsible for maintaining records which fully disclose the activities funded by the Grant. Sponsor shall retain all records for a period of five (5) years after the expiration of this Agreement, unless a longer retention period is stipulated. If any litigation, claim, negotiation, audit, monitoring, inspection or other action commences during this required retention period, all records must be retained until a full and final resolution of the action.

The Department, as well as its appointees, employees, agents, and delegates, shall have the right to review, obtain, and copy all records pertaining to performance under this Agreement. Sponsor shall provide any relevant information requested, and shall permit access to its premises, upon reasonable notice and during normal business hours, for the purpose of interviewing employees and inspecting and copying books, records, accounts, and other relevant material.

At any time during the term of this Agreement, the Department may perform or cause to be performed a financial audit of any and all phases of the Project. At the Department's request, the Sponsor shall provide, at its own expense, a financial audit prepared by a certified public accountant. The audit shall be performed by a qualified state, local, independent, or Department auditor. Where an independent auditor is engaged, the audit services agreement shall include a clause which permits the Department to have access to the independent auditor's relevant papers, records, and work product.

If there are audit findings, the Sponsor shall submit a detailed response to the Department for each audit finding. The Department will review the response. If the Department determines, in its sole and absolute discretion, that the response is satisfactory, the Department will conclude the audit process and notify the Sponsor in writing. If the Department determines, in its sole and absolute discretion, that the response is not satisfactory, the Department will contact the Sponsor, in writing, and explain the action required to cure any audit deficiencies. Such action could include the repayment of ineligible costs or other remediation.

If so directed by the Department upon the termination or expiration of this Agreement, the Sponsor shall deliver all records, accounts, documentation, and other materials that are relevant to this Agreement to the Department as depository.

26. Site Inspection

The Department reserves the right, upon reasonable notice, to inspect the Project to determine whether it meets the Program Requirements. If the Department reasonably determines that the site is not acceptable for the Project in accordance with the Program Requirements, the Department reserves the right to rescind the award and the Grant. Nothing in this paragraph is intended to create or imply any obligation of the Department to inspect the Project.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT D

27. Compliance with State and Federal Laws, Rules, Guidelines, and Regulations

Sponsor agrees to comply with all state and federal laws, rules, guidelines, and regulations that are applicable to the Project, including those that pertain to construction, health and safety, labor, fair employment practices, and equal opportunity.

28. Updated Information

If there is any change in the information that has been provided to the Department, Sponsor shall promptly provide the Department with updated documentation (e.g., updated sources and uses). All changes shall be subject to Department approval.

29. Survival of Obligations

The obligations of the Sponsor, as set forth in this Agreement, shall survive the termination or expiration of this Agreement.

30. Litigation

Sponsor shall notify the Department immediately of any claim or action undertaken by or against it which affects or may affect this Agreement or the Department, and shall take such action with respect to the claim or action as is consistent with the terms of this Agreement, the Program Requirements, the interests of the Department, and the objectives of the Homekey Program.

31. Severability

This Agreement constitutes the entire agreement between the Sponsor and the Department. All prior representations, statements, negotiations and undertakings with regard to the subject matter hereof are superseded hereby. If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remaining terms and provisions of this Agreement, or the application of such terms or provisions to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and enforced to the fullest extent permitted by law.

32. Waivers

No waiver of any breach of this Agreement shall be held to be a waiver of any prior or subsequent breach. The Department's failure, at any time, to enforce the provisions of this Agreement or to require the Sponsor's performance under this Agreement shall in no way be construed as a waiver of such provisions or performance, and it shall not affect the validity of this Agreement or the Department's right to enforce this Agreement.

EXHIBIT D

33. Disputes

In the event of any conflict between this Agreement and any Sponsor documents or side agreements, this Agreement and the Program Requirements shall prevail, are applicable, and shall be enforceable by the Department even if the Department provided review or approval of such documents and side agreements.

34. Consent

The parties agree that wherever the consent or approval of the Department or Sponsor is required under this Agreement, such consent or approval shall not be unreasonably withheld, conditioned, or delayed, unless the same is specified as being in that party's sole and absolute discretion, or other words of similar import.

35. Sponsor Liability

Sponsor shall remain liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest, or of any designation of a third party for the undertaking of all or any part of the Scope of Work. Likewise, each Co-Sponsor shall remain jointly and severally liable to the Department for performance under this Standard Agreement and compliance with all Program Requirements regardless of any Department-approved transfer or assignment of interest; any designation of a third party for the undertaking of all or any part of the Scope of Work; or the Co-Sponsors' identification of a Designated Payee.

36. Defense and Indemnification

Sponsor agrees to defend, indemnify, and hold harmless the Department, and its appointees, agents, employees, and officers, from any losses, damages, liabilities, claims, actions, judgments, court costs and legal or other expenses (including attorneys' fees), which may arise in connection with Sponsor's use of the Grant funds and performance under this Agreement. If any attorney, including the California Attorney General, is engaged by the Department to enforce, construe, or defend any provision of this paragraph, with or without the filing of any legal action or proceeding, Sponsor shall, individually or jointly, pay to the Department, immediately upon demand, the amount of all attorneys' fees and costs incurred by the Department in connection therewith.

37. Time Is of the Essence

Time is of the essence under this Agreement, and in the performance of every term, covenant, and obligation contained herein.

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

EXHIBIT E

PROJECT-SPECIFIC PROVISIONS AND SPECIAL TERMS AND CONDITIONS

A. PROJECT-SPECIFIC PROVISIONS

1. Project Description

- i. Identify the Grant Amount.
- ii. Identify the payee or the Designated Payee.
- iii. Identify the Eligible Use of the Grant funds.
- iv. Identify the street address and assessor's parcel number (APN) of the Project site(s).
- v. Include additional information about the Project. Examples include, but are not limited to, the following:
 - a) Unit mix chart.
 - b) A description of how the Project will address racial equity and inequities for the Target Population (if Sponsor received points for this showing under Section 204, Table 7, Item 3 of the NOFA).
 - c) A description of the Project's proximity to transit (if Sponsor received points for this feature under Section 204, Table 7, Item 4 of the NOFA).
 - d) A description of the alternative transportation service available at the Project site (if Sponsor received points for this feature under Section 204, Table 7, Item 4 of the NOFA).
 - e) A description of the Project's proximity to essential services (if Sponsor received points for this feature under Section 204, Table 7, Item 4 of the NOFA).

2. Scope of Work

- i. Include a clear, precise description of the work to be performed; the services to be provided; and the goals and objectives to be met.

3. Sponsor Contract Coordinator

Authorized Representative Name:	Insert Name Here
Authorized Representative Title:	Insert Title Here
Entity Name:	Insert Name Here
Address:	Insert Contact Info Here
Phone No.:	Insert Contact Info Here

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

E-Mail Address:	Insert Contact Info Here
-----------------	--------------------------

4. Budget Detail

- i. DFA: Insert specific budget detail (e.g., sources and uses, other funding sources).

5. Conditions Precedent to Disbursement

- i. Insert conditions precedent to disbursement that are specific to this Project.

6. Performance Milestones

- i. Please insert a customized list of Performance Milestones that are critical to the Project. A sample list is set forth below for informational guidance only.

Performance Milestones	Date
Site control of Project site.	
Completion of all necessary environmental clearances.	
Obtaining all discretionary public land use approvals that are required, notwithstanding Health and Safety Code section 50675.1.1, subdivision (g).	
Obtaining all enforceable funding commitments.	
Satisfaction of all conditions of disbursement set forth at <u>Exhibit B</u> .	
Program funds fully disbursed.	
Satisfaction of occupancy timeline.	
Sponsor's submission of certification that it will employ the core components of Housing First (set forth at Health and Safety Code section 8255) as part of its property management and tenant selection practices.	
Recordation of a 10-year use restriction by the Local Public Entity [for Interim Housing Projects that will convert to permanent housing]	
Recordation of a 55-year affordability covenant by the Local Public Entity [for Permanent Housing Projects]	
Submission of expenditure and program reporting	Feb. 1, 2021

Homekey Program (Homekey)

NOFA Date: July 16, 2020

Approved Date: 8-03-2020

Prep. Date: [To maintain version control, insert the date of each draft version and the finalized document]

Performance Milestones	Date
Submission of expenditure reporting in connection with 24-month operating subsidy	Jan. 31, 2021
	July 31, 2021
	Jan. 31, 2022
	July 31, 2022

B. SPECIAL TERMS AND CONDITIONS

The following Special Terms and Conditions are applicable to this Project and shall control notwithstanding anything to the contrary herein:

1
2
3
6
9
10
11
12
13
1
1
16
1
1
19
20
21
22
23
2
2

000 000

Resolution authorizing the Department of Homelessness and Supportive Housing to apply for Homekey grant funds in an amount not to exceed \$45,000,000 from the California Department of Housing and Community Development on behalf of the City and County of San Francisco.

16 2020

06 1 1

3 2019 2020

21

6

06

2

31

31 2020

13 2020

1			2 0
2			
3			
			2021
6			
9			
10			
11		2020	000
12			
13	10 000		
1			
1			
16			
1			
1			16
19	2020	000 000	
20			
21			
22			
23			
2			
2			

1

2

3

6

9

—

10

11

12

13

1

1

16

1

1

19

20

21

22

23

2

2



City and County of San Francisco

Tails
Resolution

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

File Number: 200817

Date Passed: August 11, 2020

Resolution authorizing the Department of Homelessness and Supportive Housing to apply for Homekey grant funds in an amount not to exceed \$45,000,000 from the California Department of Housing and Community Development on behalf of the City and County of San Francisco.

August 11, 2020 Board of Supervisors - ADOPTED

Ayes: 11 - Fewer, Haney, Mandelman, Mar, Peskin, Preston, Ronen, Safai, Stefani, Walton and Yee

File No. 200817

I hereby certify that the foregoing Resolution was ADOPTED on 8/11/2020 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

8.14.20

Date Approved

**SAN FRANCISCO
LOCAL HOMELESS COORDINATING BOARD**



July 30, 2020

Secretary Lourdes M. Castro Ramirez
Business, Consumer Services and Housing Agency
California Department of Housing and Community Development
2020 West El Camino Avenue
Sacramento, CA 95833

Dear Secretary Ramirez

Del Seymour -
Co-Chair

Ralph Payton -
Co-Chair

Kelley Cutler

Erick Brown

Kim-Mai Cutler

Brenda Jewett

Andrea Evans

James Loyce

Sophia Isom

Charles Minor, Staff

The Local Homeless Coordinating Board (LHCB) is pleased to submit this letter in support of the San Francisco Department of Homelessness and Supportive Housing's (HSH) proposal to the State of California's Department of Housing and Community Development, Homekey Program. LHCB endorses HSH's proposal to use these funds to assist the City in creating up to 250 new units of Permanent Supportive Housing for people experiencing chronic homelessness in San Francisco.

San Francisco's 2019 Point-in-Time Count confirmed that people of color are disproportionately represented in the homeless population. Homekey Program funds will help HSH to continue addressing this inequity head-on by creating more housing units for chronically homeless people.

LHCB is the governing body for the San Francisco Continuum of Care (CoC CA-501). While HSH is the administrative entity for the City, County, and Continuum of Care of San Francisco, LHCB serves as the lead independent body for coordinating homeless policy, McKinney funding, and San Francisco Continuum of Care implementation. LHCB is a nine-member advisory body appointed by the Board of Supervisors, Mayor, and the Controller.

In partnership with HSH, LHCB works to ensure a unified homeless strategy that is supported by the Mayor, the Board of Supervisors, City departments, nonprofit agencies, people who are homeless or formerly homeless and the community at large. Operating within a "Housing First" model, LHCB envisions developing a continuum of services whose ultimate goal is to prevent and eradicate homelessness in the City and County of San Francisco. All efforts of the LHCB are aimed at permanent solutions, and the range of services is designed to meet the unique and complex needs of individuals who are threatened with or currently experiencing homelessness.

LHCB strongly supports HSH's application for the Homekey Program that proposes to utilize these funds to serve people experiencing chronic homelessness, particularly communities of color that are disproportionately affected by COVID-19 and homelessness.

Sincerely,

Del Seymour

Del Seymour

San Francisco Local Homeless Coordinating Board



CEQA Categorical Exemption Determination

PROPERTY INFORMATION/PROJECT DESCRIPTION

Project Address		Block/Lot(s)
SF Homekey - 1000 Sutter Street		0279005
Case No.		Permit No.
2020-008130ENV		
<input type="checkbox"/> Addition/ Alteration	<input type="checkbox"/> Demolition (requires HRE for Category B Building)	<input type="checkbox"/> New Construction
<p>Project description for Planning Department approval.</p> <p>SF Homekey - the City and County of San Francisco and Episcopal Community Services (ECS), as co-applicants, receiving state Homekey funding for the purchase of the Granada Hotel, and subject to the budget and fiscal provisions of the S.F. Charter, HSH is committed to entering into an agreement with ECS to operate the Project as permanent supportive housing for formerly homeless individuals. The Project is located at 1000 Sutter Street, a 232-unit single-room occupancy (SRO) hotel. Eighty units are currently occupied by low-income individuals, primarily reliant on short-term rental subsidy vouchers, who ECS will income-certify to establish their status as at-risk of homelessness; 152 units are vacant. ECS and the City agree to restrict the property for at least 55 years to provide affordable housing and to serve households who are homeless, at risk of homelessness and also impacted by COVID-19. It is HSH's intention to provide funding for operating costs and supportive services attributable to the Project. Operating and services funding is estimated at \$1,400 per unit per month for up to 232 units, and available units are prioritized for homeless individuals referred through San Francisco's Coordinated Entry System. With the financial support of the City, ECS plans to provide on-site support services that include intensive case</p> <p>FULL PROJECT DESCRIPTION ATTACHED</p>		

STEP 1: EXEMPTION CLASS

The project has been determined to be categorically exempt under the California Environmental Quality Act (CEQA).	
<input type="checkbox"/>	Class 1 - Existing Facilities. Interior and exterior alterations; additions under 10,000 sq. ft.
<input type="checkbox"/>	Class 3 - New Construction. Up to three new single-family residences or six dwelling units in one building; commercial/office structures; utility extensions; change of use under 10,000 sq. ft. if principally permitted or with a CU.
<input type="checkbox"/>	<p>Class 32 - In-Fill Development. New Construction of seven or more units or additions greater than 10,000 sq. ft. and meets the conditions described below:</p> <p>(a) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations.</p> <p>(b) The proposed development occurs within city limits on a project site of no more than 5 acres substantially surrounded by urban uses.</p> <p>(c) The project site has no value as habitat for endangered rare or threatened species.</p> <p>(d) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality.</p> <p>(e) The site can be adequately served by all required utilities and public services.</p> <p>FOR ENVIRONMENTAL PLANNING USE ONLY</p>
<input checked="" type="checkbox"/>	<p>Class ____</p> <p>Statutorily Exempt under CA Assembly Bill 83 (AB 83)(2020) which establishes a statutory exemption from CEQA for activities funded by Homekey. (Health & Saf. Code, § 50675.1.2.)</p>

STEP 2: CEQA IMPACTS

TO BE COMPLETED BY PROJECT PLANNER

<input type="checkbox"/>	<p>Air Quality: Would the project add new sensitive receptors (specifically, schools, day care facilities, hospitals, residential dwellings, and senior-care facilities within an Air Pollution Exposure Zone? Does the project have the potential to emit substantial pollutant concentrations (e.g., backup diesel generators, heavy industry, diesel trucks, etc.)? (refer to EP_ArcMap > CEQA Catex Determination Layers > Air Pollution Exposure Zone)</p>
<input type="checkbox"/>	<p>Hazardous Materials: If the project site is located on the Maher map or is suspected of containing hazardous materials (based on a previous use such as gas station, auto repair, dry cleaners, or heavy manufacturing, or a site with underground storage tanks): Would the project involve 50 cubic yards or more of soil disturbance - or a change of use from industrial to residential?</p> <p>Note that a categorical exemption shall not be issued for a project located on the Cortese List if the applicant presents documentation of enrollment in the San Francisco Department of Public Health (DPH) Maher program, a DPH waiver from the Maher program, or other documentation from Environmental Planning staff that hazardous material effects would be less than significant (refer to EP_ArcMap > Maher layer).</p>
<input type="checkbox"/>	<p>Transportation: Does the project involve a child care facility or school with 30 or more students, or a location 1,500 sq. ft. or greater? Does the project have the potential to adversely affect transit, pedestrian and/or bicycle safety (hazards) or the adequacy of nearby transit, pedestrian and/or bicycle facilities?</p>
<input type="checkbox"/>	<p>Archeological Resources: Would the project result in soil disturbance/modification greater than two (2) feet below grade in an archeological sensitive area or eight (8) feet in a non -archeological sensitive area? If yes, archeo review is required (refer to EP_ArcMap > CEQA Catex Determination Layers > Archeological Sensitive Area)</p>
<input type="checkbox"/>	<p>Subdivision/Lot Line Adjustment: Does the project site involve a subdivision or lot line adjustment on a lot with a slope average of 20% or more? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography). If yes, Environmental Planning must issue the exemption.</p>
<input type="checkbox"/>	<p>Slope = or > 25%: Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Topography) If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.</p>
<input type="checkbox"/>	<p>Seismic: Landslide Zone: Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report is required and Environmental Planning must issue the exemption.</p>
<input type="checkbox"/>	<p>Seismic: Liquefaction Zone: Does the project involve any of the following: (1) square footage expansion greater than 500 sq. ft. outside of the existing building footprint, (2) excavation of 50 cubic yards or more of soil, (3) new construction? (refer to EP_ArcMap > CEQA Catex Determination Layers > Seismic Hazard Zones) If box is checked, a geotechnical report will likely be required and Environmental Planning must issue the exemption.</p>
<p>Comments and Planner Signature (optional): Joy Navarrete</p>	

**STEP 3: PROPERTY STATUS - HISTORIC RESOURCE
TO BE COMPLETED BY PROJECT PLANNER**

PROPERTY IS ONE OF THE FOLLOWING: (refer to <i>Property Information Map</i>)	
<input checked="" type="checkbox"/>	Category A: Known Historical Resource. GO TO STEP 5.
<input type="checkbox"/>	Category B: Potential Historical Resource (over 45 years of age). GO TO STEP 4.
<input type="checkbox"/>	Category C: Not a Historical Resource or Not Age Eligible (under 45 years of age). GO TO STEP 6.

**STEP 4: PROPOSED WORK CHECKLIST
TO BE COMPLETED BY PROJECT PLANNER**

Check all that apply to the project.	
<input type="checkbox"/>	1. Change of use and new construction. Tenant improvements not included.
<input type="checkbox"/>	2. Regular maintenance or repair to correct or repair deterioration, decay, or damage to building.
<input type="checkbox"/>	3. Window replacement that meets the Department's <i>Window Replacement Standards</i> . Does not include storefront window alterations.
<input type="checkbox"/>	4. Garage work. A new opening that meets the <i>Guidelines for Adding Garages and Curb Cuts</i> , and/or replacement of a garage door in an existing opening that meets the Residential Design Guidelines.
<input type="checkbox"/>	5. Deck, terrace construction, or fences not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	6. Mechanical equipment installation that is not visible from any immediately adjacent public right-of-way.
<input type="checkbox"/>	7. Dormer installation that meets the requirements for exemption from public notification under <i>Zoning Administrator Bulletin No. 3: Dormer Windows</i> .
<input type="checkbox"/>	8. Addition(s) that are not visible from any immediately adjacent public right-of-way for 150 feet in each direction; does not extend vertically beyond the floor level of the top story of the structure or is only a single story in height; does not have a footprint that is more than 50% larger than that of the original building; and does not cause the removal of architectural significant roofing features.
Note: Project Planner must check box below before proceeding.	
<input type="checkbox"/>	Project is not listed. GO TO STEP 5.
<input type="checkbox"/>	Project does not conform to the scopes of work. GO TO STEP 5.
<input type="checkbox"/>	Project involves four or more work descriptions. GO TO STEP 5.
<input type="checkbox"/>	Project involves less than four work descriptions. GO TO STEP 6.

**STEP 5: CEQA IMPACTS - ADVANCED HISTORICAL REVIEW
TO BE COMPLETED BY PROJECT PLANNER**

Check all that apply to the project.	
<input type="checkbox"/>	1. Project involves a known historical resource (CEQA Category A) as determined by Step 3 and conforms entirely to proposed work checklist in Step 4.
<input type="checkbox"/>	2. Interior alterations to publicly accessible spaces.
<input type="checkbox"/>	3. Window replacement of original/historic windows that are not "in-kind" but are consistent with existing historic character.
<input type="checkbox"/>	4. Façade/storefront alterations that do not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	5. Raising the building in a manner that does not remove, alter, or obscure character-defining features.
<input type="checkbox"/>	6. Restoration based upon documented evidence of a building's historic condition, such as historic photographs, plans, physical evidence, or similar buildings.
<input type="checkbox"/>	7. Addition(s) , including mechanical equipment that are minimally visible from a public right-of-way and meet the <i>Secretary of the Interior's Standards for Rehabilitation</i> .

<input type="checkbox"/>	8. Other work consistent with the <i>Secretary of the Interior Standards for the Treatment of Historic Properties</i> (specify or add comments):						
<input type="checkbox"/>	9. Other work that would not materially impair a historic district (specify or add comments): <i>(Requires approval by Senior Preservation Planner/Preservation Coordinator)</i>						
<input type="checkbox"/>	10. Reclassification of property status. <i>(Requires approval by Senior Preservation Planner/Preservation</i> <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; border: none;"><input type="checkbox"/> Reclassify to Category A</td> <td style="width: 33%; border: none;"><input type="checkbox"/> Reclassify to Category C</td> </tr> <tr> <td style="border: none;">a. Per HRER or PTR dated</td> <td style="border: none;"><i>(attach HRER or PTR)</i></td> </tr> <tr> <td colspan="2" style="border: none;">b. Other <i>(specify)</i>:</td> </tr> </table>	<input type="checkbox"/> Reclassify to Category A	<input type="checkbox"/> Reclassify to Category C	a. Per HRER or PTR dated	<i>(attach HRER or PTR)</i>	b. Other <i>(specify)</i> :	
<input type="checkbox"/> Reclassify to Category A	<input type="checkbox"/> Reclassify to Category C						
a. Per HRER or PTR dated	<i>(attach HRER or PTR)</i>						
b. Other <i>(specify)</i> :							
Note: If ANY box in STEP 5 above is checked, a Preservation Planner MUST sign below.							
<input type="checkbox"/>	Project can proceed with categorical exemption review. The project has been reviewed by the Preservation Planner and can proceed with categorical exemption review. GO TO STEP 6.						
Comments (optional):							
Preservation Planner Signature:							

**STEP 6: CATEGORICAL EXEMPTION DETERMINATION
TO BE COMPLETED BY PROJECT PLANNER**

<input checked="" type="checkbox"/>	No further environmental review is required. The project is categorically exempt under CEQA. There are no unusual circumstances that would result in a reasonable possibility of a significant effect.	
	Project Approval Action: Board of Supervisors Adoption	Signature: Joy Navarrete
		09/18/2020
<p>Once signed or stamped and dated, this document constitutes a categorical exemption pursuant to CEQA Guidelines and Chapter 31 of the Administrative Code.</p> <p>In accordance with Chapter 31 of the San Francisco Administrative Code, an appeal of an exemption determination can only be filed within 30 days of the project receiving the approval action.</p> <p>Please note that other approval actions may be required for the project. Please contact the assigned planner for these approvals.</p>		

Full Project Description

SF Homekey - the City and County of San Francisco and Episcopal Community Services (ECS), as co-applicants, receiving state Homekey funding for the purchase of the Granada Hotel, and subject to the budget and fiscal provisions of the S.F. Charter, HSH is committed to entering into an agreement with ECS to operate the Project as permanent supportive housing for formerly homeless individuals. The Project is located at 1000 Sutter Street, a 232-unit single-room occupancy (SRO) hotel. Eighty units are currently occupied by low-income individuals, primarily reliant on short-term rental subsidy vouchers, who ECS will income-certify to establish their status as at-risk of homelessness; 152 units are vacant. ECS and the City agree to restrict the property for at least 55 years to provide affordable housing and to serve households who are homeless, at risk of homelessness and also impacted by COVID-19.

It is HSH's intention to provide funding for operating costs and supportive services attributable to the Project. Operating and services funding is estimated at \$1,400 per unit per month for up to 232 units, and available units are prioritized for homeless individuals referred through San Francisco's Coordinated Entry System. With the financial support of the City, ECS plans to provide on-site support services that include intensive case management; individual health and wellness plans, which may include substance use disorder treatment and/or behavioral health services; and financial assistance, including help with benefit programs and entitlements; and job-readiness, vocational, occupational, and educational training.

The San Francisco Department of Public Health and CDC have issued health advisories, identifying homeless people among those at increased risk for COVID-19 and requiring additional support to prevent COVID infection and transmission within the community. To mitigate the spread of COVID-19 among its homeless population, the city has booked 2,600 hotel rooms on temporary basis. The city has an emergency need to secure new permanent housing to ensure no one exits to the street. The applicants' proposal meets this need by completing the acquisition by 12/30/20 and leasing up within 90 days.

STEP 7: MODIFICATION OF A CEQA EXEMPT PROJECT

TO BE COMPLETED BY PROJECT PLANNER

In accordance with Chapter 31 of the San Francisco Administrative Code, when a California Environmental Quality Act (CEQA) exempt project changes after the Approval Action and requires a subsequent approval, the Environmental Review Officer (or his or her designee) must determine whether the proposed change constitutes a substantial modification of that project. This checklist shall be used to determine whether the proposed changes to the approved project would constitute a "substantial modification" and, therefore, be subject to additional environmental review pursuant to CEQA.

MODIFIED PROJECT DESCRIPTION

Modified Project Description:

DETERMINATION IF PROJECT CONSTITUTES SUBSTANTIAL MODIFICATION

Compared to the approved project, would the modified project:

- | | |
|--------------------------|--|
| <input type="checkbox"/> | Result in expansion of the building envelope, as defined in the Planning Code; |
| <input type="checkbox"/> | Result in the change of use that would require public notice under Planning Code Sections 311 or 312; |
| <input type="checkbox"/> | Result in demolition as defined under Planning Code Section 317 or 19005(f)? |
| <input type="checkbox"/> | Is any information being presented that was not known and could not have been known at the time of the original determination, that shows the originally approved project may no longer qualify for the exemption? |

If at least one of the above boxes is checked, further environmental review is required.

DETERMINATION OF NO SUBSTANTIAL MODIFICATION

- | | |
|--------------------------|---|
| <input type="checkbox"/> | The proposed modification would not result in any of the above changes. |
|--------------------------|---|

If this box is checked, the proposed modifications are categorically exempt under CEQA, in accordance with prior project approval and no additional environmental review is required. This determination shall be posted on the Planning Department website and office and mailed to the applicant, City approving entities, and anyone requesting written notice. In accordance with Chapter 31, Sec 31.08j of the San Francisco Administrative Code, an appeal of this determination can be filed within 10 days of posting of this determination.

Planner Name:

Date: