

1 [Grant Agreement - 455 Fell, L.P. - Local Operating Subsidy Program Contract - 455 Fell  
2 Street - Not to Exceed \$10,077,324]

3 **Resolution authorizing the Director of the Mayor's Office of Housing and**  
4 **Community Development to execute a Local Operating Subsidy Program Grant**  
5 **Agreement with 455 Fell, L.P., a California limited partnership, to provide**  
6 **operating subsidies for formerly homeless family households at 455 Fell Street**  
7 **for the 15-year and eight months term of May 1, 2019, through December 31, 2034,**  
8 **in an amount not to exceed \$10,077,324.**

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10 WHEREAS, The Mayor's Office of Housing and Community Development  
11 ("MOHCD") administers a variety of housing programs that provide financing for the  
12 development of new housing and the rehabilitation of single- and multi-family housing  
13 for low- and moderate-income households in San Francisco; and

14 WHEREAS, In 2016, the City and County of San Francisco ("City") formed the  
15 Department of Homelessness and Supportive Housing ("HSH"), with one of its goals to  
16 reduce the number of chronically homeless households that numbered 2,138 per  
17 the 2017 Point in Time Homeless Count; and

18 WHEREAS, MOHCD developed the Local Operating Subsidy Program ("LOSP")  
19 in order to establish long-term financial support to operate and maintain permanent  
20 affordable housing for homeless households; and

21 WHEREAS, Through the LOSP, the City subsidizes the difference between the  
22 cost of operating housing for homeless persons and all other sources of operating  
23 revenue for a given project, such as tenant rental payments, commercial space lease  
24 payments, Continuum of Care ("CoC") Shelter Plus Care Program subsidies, project-  
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1 based Section 8 rent subsidies, and California Mental Health Services Act operating  
2 subsidies; and

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

5 WHEREAS, MOHCD enters into grant agreements with supportive housing  
6 owners and operators for LOSP projects in consultation with HSH; administers LOSP  
7 contracts; reviews annual audits and prepares recommendations for annual  
8 adjustments to project funding; monitors compliance with LOSP requirements in  
9 accordance with capital funding regulatory agreements; and if necessary, takes  
10 appropriate action to enforce compliance; and

11 WHEREAS, 455 Fell, L.P., a California limited partnership (“Developer”), is the  
12 owner and developer of 455 Fell Street (“Project”), which provides 108 units of  
13 affordable family housing including 33 units targeted to formerly homeless families; and

14 WHEREAS, On April 20, 2018, the Loan Committee, consisting of MOHCD, HSH  
15 and the Office of Community Investment and Infrastructure, recommended approval to  
16 the Mayor of a LOSP grant award for the Project in an amount not to  
17 exceed \$10,077,324; and

18 WHEREAS, MOHCD proposes to provide a LOSP grant in the amount not to  
19 exceed \$10,077,324 to the Developer pursuant to a LOSP Grant Agreement  
20 (“Agreement”) in substantially the form on file with the Clerk of the Board in File  
21 No. 180531, and in such final form as approved by the Director of MOHCD and the City  
22 Attorney; and

1           WHEREAS, In the event that an alternate rental subsidy becomes available  
2 through a Project Based Voucher Notice of Funding Availability issued by the San  
3 Francisco Housing Authority and the Project is eligible to apply, the MOHCD Director  
4 will help facilitate that application, and if awarded, the amount of the Agreement will be  
5 reduced accordingly; and

6           WHEREAS, The Agreement is for a 15 year and 8 month term, starting  
7 May 1, 2019 and ending December 31, 2034, and therefore requires Board of  
8 Supervisors authorization; now, therefore, be it

9           RESOLVED, That the Board of Supervisors hereby authorizes the Director of  
10 MOHCD or her designee to execute the Agreement for an amount not to  
11 exceed \$10,077,324; and, be it

12          FURTHER RESOLVED, That this Board of Supervisors authorizes MOHCD to  
13 proceed with actions necessary to implement the Agreement following execution, and  
14 ratifies, approves and authorizes all actions heretofore taken by any City official in  
15 connection with the Agreement; and, be it

16          FURTHER RESOLVED, That this Board of Supervisors hereby authorizes the  
17 Director of MOHCD or her designee to enter into any amendments or modifications to  
18 the Agreement, including without limitation, the exhibits that the Director determines, in  
19 consultation with the City Attorney, are in the best interest of the City, do not materially  
20 increase the obligations or liabilities for the City or materially diminish the benefits of the  
21 City, are necessary or advisable to effectuate the purposes and intent of this Resolution  
22 and are in compliance with all applicable laws, including the City Charter; and, be it

23          FURTHER RESOLVED, That within thirty (30) days of the Agreement being fully  
24 executed by all parties, MOHCD shall provide the final Agreement to the Clerk of the  
25 Board for inclusion into the official file.

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RECOMMENDED:

  
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Kate Hartley, Director  
Mayor's Office of Housing and Community Development



**City and County of San Francisco**  
**Tails**  
**Resolution**

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

**File Number:** 180531

**Date Passed:** June 26, 2018

Resolution authorizing the Director of the Mayor's Office of Housing and Community Development to execute a Local Operating Subsidy Program Grant Agreement with 455 Fell, L.P., a California limited partnership, to provide operating subsidies for formerly homeless family households at 455 Fell Street for the 15-year and eight months term of May 1, 2019, through December 31, 2034, in an amount not to exceed \$10,077,324.

June 20, 2018 Government Audit and Oversight Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE


June 20, 2018 Government Audit and Oversight Committee - RECOMMENDED AS AMENDED

June 26, 2018 Board of Supervisors - ADOPTED

Ayes: 11 - Breed, Cohen, Fewer, Kim, Peskin, Ronen, Safai, Sheehy, Stefani, Tang and Yee

File No. 180531

I hereby certify that the foregoing Resolution was ADOPTED on 6/26/2018 by the Board of Supervisors of the City and County of San Francisco.

  
Angela Calvillo  
Clerk of the Board

  
Mark Farrell  
Mayor

  
Date Approved