[Grant Agreement Amendment - 1064 Mission Homeless Services Center LLC - City-Owned and Operated Homeless Services Center - 1064-1068 Mission Street - Not to Exceed $13,450,689]

Resolution approving and authorizing the Director of the Mayor's Office of Housing and Community Development to execute an amended and restated Grant Agreement with 1064 Mission Homeless Services Center LLC, a California limited liability corporation, in an amount not to exceed $13,450,689 to finance the construction of a City-owned and operated Homeless Services Center for residents experiencing homelessness, located on the two floors on the ground level of 1064-1068 Mission Street facing Stevenson Street, to commence upon Board approval, for a grant period of August 1, 2019, through August 1, 2021.

WHEREAS, The City and County of San Francisco ("City"), acting through the Mayor's Office of Housing and Community Development ("MOHCD"), administers a variety of housing programs that provide financing for the development of new affordable housing and the rehabilitation of single- and multi-family housing for low- and moderate-income households and resources for homeowners in San Francisco; and

WHEREAS, MOHCD enters into loan agreements with affordable housing developers and operators; administers loan agreements; reviews annual audits and monitoring reports; monitors compliance with affordable housing requirements in accordance with capital funding regulatory agreements; and if necessary, takes appropriate action to enforce compliance; and

WHEREAS, The real property owned by United States, in the City and located at 1064-1068 Mission Street between Sixth and Seventh Streets ("Property"), was declared surplus and is subject to assignment for disposal for homeless serving purposes by the Secretary of Health and Human Services under the provisions of Section 203(k)(1) of the Federal Property
and Administrative Services Act of 1949, as amended, and Title V of the McKinney-Vento Homeless Assistance Act, as amended; and the rules and regulations promulgated thereto; and

WHEREAS, On May 23, 2017, the Board of Supervisors approved an application to acquire the Property for $1 from the Department of Health and Human Services ("HHS") Federal Property Assistance Program for use in constructing supportive housing for homeless San Franciscans (Resolution No. 178-17); and

WHEREAS, MOHCD submitted an application to acquire the real property and in a letter dated August 7, 2017, HHS determined that the City’s application was approved for a lease acquisition, with the requirement that the City provide copies of any and all financing commitments and proposed documents that affect title to the property for HHS review and approval; and upon demonstration of the City’s ability to obtain the needed funding in line with federal requirements, the City can request that the lease be converted to a Quitclaim Deed; and

WHEREAS, An appraisal dated May 17, 2017, valued the Property at $36,000,000; and

WHEREAS, On October 10, 2017, MOHCD issued a Request for Qualifications ("RFQ"), seeking submittals from qualified respondents to develop the Property as permanent supportive housing for adults and seniors experiencing homelessness; and

WHEREAS, The joint development team of Episcopal Community Services and Mercy Housing California, California nonprofit public benefit corporations, jointly responded to the RFP and were selected to be the developer for the Property; and

WHEREAS, Episcopal Community Services and Mercy Housing California established 1064 Mission, L.P., a California limited partnership ("Lessee"), as a separate entity under which to develop the Project and 1064 Mission Homeless Services Center, LLC, as a
separate entity under which to develop the Homeless Services Center ("Grantee"); and

WHEREAS, On November 1, 2018, HHS, entered into a short term lease of the Property with the City; and

WHEREAS, Two stories accessed from Stevenson Street, with a total of approximately 20,000 square feet, will be retained with the land for the City to develop a Homeless Services Center ("HSC") to be operated by the Departments of Public Health ("DPH") and Homelessness and Supportive Housing ("HSH") for homeless clients and which is not part of the residential ground leased parcel; and

WHEREAS, The HSC will be dedicated to providing a full range of health services for people experiencing homelessness including the relocated Tom Waddell Urgent Care Clinic ("TWUC") providing urgent care and transitional primary care services both for walk-in patients and those brought in by the City’s Street Medicine Team; dental care; behavioral health care, including substance use counseling and referrals; case management; podiatry; and nursing care; as well as administrative and operational space for the HSH San Francisco Homeless Outreach Team ("SFHOT"), whose staff provides outreach to residents currently experiencing homelessness throughout the City as well as seeing some clients on site; and shared spaces for staff from both DPH and HSH to work and collaborate; and

WHEREAS, The Grantee will develop the HSC as a separate project on behalf of the City in conjunction with the development of the residential permanent supportive housing by 1064 Mission L.P. located on the Property (the “Residential Parcel”); and

WHEREAS, DPH and HSH have identified funds to develop the HSC in the approximate amount of $15,063,994 composed of Certificates of Participation, General Obligation Bond Funds and General Fund monies (collectively, the “Funds”) that have been approved by the Board or are concurrently, with this Resolution, being considered for approval by the Board; and
WHEREAS, For project efficiency, DPH and HSH propose to work order the Funds to MOHCD who is disbursing Loan Funds for the adjacent residential project; now, therefore, be it

RESOLVED, That the Board of Supervisors hereby approves the Grant Agreement and authorizes the Director of MOHCD or his designee to enter into any amendments or modifications to the Agreement (including, without limitation, preparation and attachment or, or changes to, any of all of the exhibits and ancillary agreements) and any other documents or instruments necessary in connection therewith that the Director determines, in consultation with the City Attorney, are in the best interest of the City, do not materially increase the obligations or liabilities for the City or materially diminish the benefits of the City, are necessary or advisable to effectuate the purposes and intent of this Resolution and are in compliance with all applicable laws, including the City Charter; and, be it

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

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

RECOMMENDED:

Daniel Adams, Acting Director
Mayor’s Office of Housing and Community Development

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November 13, 2019 Budget and Finance Committee - RECOMMENDED

November 19, 2019 Board of Supervisors - ADOPTED
Ayes: 11 - Brown, Fewer, Haney, Mandelman, Mar, Peskin, Ronen, Safai, Stefani, Walton and Yee

File No. 191115

I hereby certify that the foregoing Resolution was ADOPTED on 11/19/2019 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

London N. Breed
Mayor

Date Approved

11/27/19