

1 [Standard Agreement and Accept and Expend Grant - California Department of Housing and  
2 Community Development - Round 3 Homekey Grant - 685 Ellis Street - Not to Exceed  
3 \$18,226,702]

4 **Resolution authorizing the Department of Homelessness and Supportive Housing**  
5 **(“HSH”) to execute a Standard Agreement with the California Department of Housing**  
6 **and Community Development having anticipated revenue to the City in a total amount**  
7 **not to exceed \$18,226,702 of Project Homekey grant funds; to accept and expend those**  
8 **funds for the acquisition of the property located at 685 Ellis Street for permanent**  
9 **supportive housing and to support its operations upon execution of the Standard**  
10 **Agreement through June 30, 2026; approving and authorizing HSH to commit**  
11 **approximately \$4,114,702 in required matching funds for acquisition of the property**  
12 **and a minimum of 15 years of operating subsidy; affirming the Planning Department’s**  
13 **determination under the California Environmental Quality Act; adopting the Planning**  
14 **Department’s findings of consistency with the General Plan, and the eight priority**  
15 **policies of Planning Code, Section 101.1; and authorizing HSH to enter into any**  
16 **additions, amendments, or other modifications to the Standard Agreement and the**  
17 **Homekey Documents that do not materially increase the obligations or liabilities of the**  
18 **City or materially decrease the benefits to the City.**

19  
20 WHEREAS, The Department of Homelessness and Supportive Housing’s (“HSH”) mission is to prevent homelessness when possible and to make homelessness a rare, brief, and one-time experience in San Francisco through the provision of coordinated, compassionate, and high-quality services; and

21  
22  
23  
24 WHEREAS, With the enactment of Resolution No. 319-18 in October 2018, the Board  
25 of Supervisors and Mayor London N. Breed declared a shelter crisis and affirmed San

1 Francisco's commitment to combatting homelessness and creating or augmenting a  
2 continuum of shelter and service options for those experiencing homelessness; and

3 WHEREAS, Proposition C (2018) Gross Receipts Tax for Homelessness Services  
4 ("Prop C"), passed by San Francisco voters in November 2018, created the Homelessness  
5 Gross Receipts Tax to fund the Our City, Our Home ("OCOH") Fund, in order to expand and  
6 be complementary to existing funding and strategic efforts to prevent and end homelessness  
7 for San Francisco residents; and

8 WHEREAS, In April 2023, HSH released the five-year strategic plan "Home by the  
9 Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco" which  
10 calls for 3,250 new units of permanent housing to meet the goals set out in the plan; and

11 WHEREAS, Additional permanent subsidized housing furthers the City's commitment  
12 to dismantle systematic racial inequities that disproportionately affect communities of color;  
13 and

14 WHEREAS, On May 3, 2022, the Board of Supervisors adopted Resolution No. 184-  
15 22, approving the City to acquire the property located at 681-687 Ellis Street (the "Property")  
16 for the total anticipated cost of \$19,940,000 and authorized HSH on behalf of the City to apply  
17 for Homekey Grant Funds under the 2021 Homekey NOFA or future Homekey NOFA in an  
18 amount not to exceed the total anticipated acquisition cost of \$19,940,000 or the maximum  
19 award amount allowed under Project Homekey; and

20 WHEREAS, The Property includes the real property and a 74-room single room  
21 occupancy hotel, consisting of a central lobby, commercial kitchen, and vacant bar/restaurant,  
22 as well as certain improvements, appurtenances, personal property, and intangible property  
23 described in the Purchase Agreement, a copy of which is on file with the Clerk of the Board of  
24 Supervisors in File No. 220345; and

1           WHEREAS, HSH has been operating the Property as a semi-congregate temporary  
2 shelter program serving up to 134 adults experiencing homelessness since December 2022;  
3 and

4           WHEREAS, The California Department of Housing and Community Development  
5 (“HCD”) issued a Notice of Funding Availability (“NOFA”) dated March 29, 2023, for the Round  
6 3 of the Homekey Grant Program (“Project Homekey”) pursuant to Health and Safety Code,  
7 Section 50675.1.1 (Assembly Bill No. 140 (2021-2022 Reg. Sess.), Section 20.), a copy of  
8 which is on file with the Clerk of the Board of Supervisors in File No. 240907; and

9           WHEREAS, Such Project Homekey grants are comprised of state general fund dollars  
10 and California’s allocation of Coronavirus State Fiscal Recovery Fund, established by the  
11 American Rescue Plan Act of 2021 (Pub. L. No. 117-2), combined into a single funding  
12 stream to eligible projects; and

13           WHEREAS, On June 15, 2023, HSH submitted an application for Round 3 Project  
14 Homekey Grant Funding for the Property, a copy of the Project Homekey application  
15 (“Application”) on file with the Clerk of the Board of Supervisors in File No. 240907; and

16           WHEREAS, In an award letter (“Award Letter”) dated November 1, 2023, HCD  
17 approved the Application in an amount not to exceed \$18,226,702 subject to the terms and  
18 conditions of HCD’s Standard Agreement (“Standard Agreement”); copies of the Award Letter  
19 and Standard Agreement are on file with the Clerk of the Board of Supervisors in File  
20 No. 240907; and

21           WHEREAS, Receipt of these Project Homekey funds for the Property requires a City  
22 commitment of a minimum of 15 years of operating costs as reflected in the Standard  
23 Agreement; and

24           WHEREAS, The Planning Department, by letter dated March 3, 2022, (“Planning  
25 Letter”) has determined that the City’s proposed acquisition of the Property is not defined as a

1 project under the California Environmental Quality Act ("CEQA") Guidelines, Sections 15378  
2 and 15060(c)(2) ("CEQA Determination"), and is consistent, on balance, with the General  
3 Plan, and the eight priority policies of Planning Code, Section 101.1 ("General Plan Findings"),  
4 and a copy of said Planning Letter is on file with the Clerk of the Board of Supervisors in File  
5 No. 220345; and

6 WHEREAS, The Project Homekey grant does not include any provision for indirect  
7 costs; and

8 WHEREAS, The Project Homekey grant does not create any new positions, and does  
9 not require an amendment to the Annual Salary Ordinance; and

10 WHEREAS, The San Francisco Charter, Section 9.118 requires contracts entered into  
11 by a Department having anticipated revenue to the City of \$1,000,000 or more to be approved  
12 by the Board of Supervisors; now, therefore, be it

13 RESOLVED, The Executive Director of HSH or their designee is hereby authorized, in  
14 consultation with the City Attorney, to enter into, execute, and deliver a Standard Agreement  
15 for a total amount not to exceed \$18,226,702 and any and all other documents required or  
16 deemed necessary or appropriate to secure the Project Homekey grant funds from HCD and  
17 to participate in Project Homekey, and all amendments thereto (collectively, the "Homekey  
18 Documents"); and, be it

19 FURTHER RESOLVED, HSH is hereby authorized to accept and expend up to  
20 \$15,814,702 of Project Homekey grant funds for the acquisition of the Property and  
21 \$2,412,000 for operating costs as detailed in the Grant Budget, a copy of which is on file with  
22 the Clerk of the Board of Supervisors in File No. 240907; and, be it

23 FURTHER RESOLVED, That the Board of Supervisors hereby waives inclusion of  
24 indirect costs in the Homekey Program grant budget; and, be it

1 FURTHER RESOLVED, HSH will ensure that all such funds are used in a manner  
2 consistent and in compliance with all applicable state and federal statutes, rules, regulations,  
3 and laws, including without limitation all rules and laws regarding Project Homekey, as well as  
4 any and all contracts HSH may have with HCD; and, be it

5 FURTHER RESOLVED, HSH is hereby authorized and directed to ensure that any  
6 funds awarded for capital expenditures are spent by February 3, 2025, and that any funds  
7 awarded for operating are spent by June 30, 2026; and, be it

8 FURTHER RESOLVED, The City acknowledges and agrees that it shall be subject to  
9 the terms and conditions specified in the Standard Agreement, which includes a City  
10 commitment of approximately \$4,114,702 in matching funds for acquisition of the Property  
11 and a minimum of 15 years of operating costs, and that the NOFA and the Application will be  
12 incorporated in the Standard Agreement by reference and made a part thereof; any and all  
13 activities, expenditures, information and timelines represented in the Application are  
14 enforceable through the Standard Agreement; funds are to be used for the allowable  
15 expenditures and activities identified in the Standard Agreement; and, be it

16 FURTHER RESOLVED, The Executive Director of HSH or their designee is authorized  
17 to enter into any additions, amendments, or other modifications to the Standard Agreement  
18 and the Homekey Documents that they determine, following consultation with the City  
19 Attorney, are in the best interests of the City and that do not materially increase the  
20 obligations or liabilities of the City or materially decrease the benefits to the City; and, be it

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

23 FURTHER RESOLVED, This Board affirms the Planning Department's CEQA  
24 Determination and General Plan Findings, for the same reasons as set forth in the Planning  
25

1 Letter, and hereby incorporates such findings by reference as though fully set forth in this  
2 Resolution; and, be it

3 FURTHER RESOLVED, That within thirty days of the execution of the Standard  
4 Agreement by all parties, HSH shall provide the Standard Agreement to the Clerk of the Board  
5 for inclusion into the official file.  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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/ \_\_\_\_\_

Shireen McSpadden  
Homelessness and Supportive Housing  
Executive Director

Approved: /s/ \_\_\_\_\_

Controller's Office

Approved: /s/ \_\_\_\_\_

Mayor's Office



City and County of San Francisco

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

Tails
Resolution

File Number: 240907

Date Passed: October 22, 2024

Resolution authorizing the Department of Homelessness and Supportive Housing ("HSH") to execute a Standard Agreement with the California Department of Housing and Community Development having anticipated revenue to the City in a total amount not to exceed \$18,226,702 of Project Homekey grant funds; to accept and expend those funds for the acquisition of the property located at 685 Ellis Street for permanent supportive housing and to support its operations upon execution of the Standard Agreement through June 30, 2026; approving and authorizing HSH to commit approximately \$4,114,702 in required matching funds for acquisition of the property and a minimum of 15 years of operating subsidy; affirming the Planning Department's determination under the California Environmental Quality Act; adopting the Planning Department's findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1; and authorizing HSH to enter into any additions, amendments, or other modifications to the Standard Agreement and the Homekey Documents that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City.

October 09, 2024 Budget and Finance Committee - RECOMMENDED

October 22, 2024 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Engardio, Mandelman, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 240907

I hereby certify that the foregoing Resolution was ADOPTED on 10/22/2024 by the Board of Supervisors of the City and County of San Francisco.

[Handwritten signature of Angela Calvillo]
Angela Calvillo
Clerk of the Board

[Handwritten signature of London N. Breed]
London N. Breed
Mayor

10/24/24
Date Approved