

## RESOLUTION NO. 121-2010

*Adopted September 21, 2010*

### **AUTHORIZING A WORK ORDER AGREEMENT WITH THE SAN FRANCISCO HUMAN SERVICES AGENCY IN AN AMOUNT NOT TO EXCEED \$599,655, TO PRESERVE THE SUPPLY OF VERY LOW INCOME HOUSING FOR THE FORMERLY HOMELESS BY PROVIDING OPERATING SUBSIDIES AND SUPPORTIVE SERVICES FOR FISCAL YEAR 2010-2011; CITYWIDE TAX INCREMENT HOUSING PROGRAM**

#### **BASIS FOR RESOLUTION**

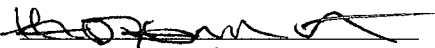
1. Through the Citywide Tax Increment Housing Program, the Redevelopment Agency of the City and County of San Francisco ("Agency") has provided subsidy for the creation of supportive housing for the formerly homeless, which includes long term affordability restrictions.
2. The City of San Francisco ("City"), through its Human Services Agency ("HSA"), has provided funding required for operating subsidies and supportive services in Agency subsidized affordable housing projects to which HSA has referred formerly homeless individuals and families.
3. Mary Elizabeth Inn ("MEI"), located at 1040 Bush Street, provides 93 units of supportive housing to extremely low-income and formerly homeless women referred by HSA; 33 units are funded by HSA operating subsidies. MEI underwent a major rehabilitation which was funded by the Agency.
4. 10<sup>th</sup> and Mission Family Housing ("10<sup>th</sup> and Mission"), located at 1390 Mission Street, provides 136 units of affordable rental housing to low-income families, with 44 of the units set aside for formerly homeless families referred by HSA. The Agency owns the land at the site and provided over \$26,000,000 in funding for the development of the building.
5. Due to the current economic downturn and the resulting lack of the City's General Funds, HSA was unable to provide the operating and services funding required by these sites, putting these projects at risk of being unable to serve these extremely low-income households.
6. Upon the request of the Mayor's Office, the Agency agreed to allocate funds for the operating and services needs of MEI and 10<sup>th</sup> and Mission for the current fiscal year. The California Community Redevelopment Law authorizes the use of Low and Moderate Income Housing Funds for "subsidies to, or for the benefit of, extremely low income households . . . to the extent those households cannot obtain housing at affordable costs on the open market." Cal. Health & Safety Code Section 33334.2 (e)(8).

7. By providing this funding, the Agency will be preserving these units as permanent housing for the formerly homeless, who are otherwise unable to obtain housing at affordable costs on the open market.
8. To meet the above goals, the Agency recommends funding \$318,265 for operating subsidies and services funding at MEI and \$281,390 for operating subsidies for 10<sup>th</sup> and Mission through a Letter Agreement (“Agreement”) with HSA, in an amount not to exceed \$599,655, for a term beginning July 1, 2010 and ending June 30, 2011.
9. The approval of the Agreement with HSA to provide operating subsidies and services funding will not independently result in a physical change in the environment and is exempt from environmental review under the California Environmental Quality Act (“CEQA”) (Section 15061(b)(3), State CEQA Guidelines).

### **RESOLUTION**

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a Work Order Agreement with the San Francisco Human Services Agency in an amount not to exceed \$599,655, beginning September 1, 2010 through June 30, 2011, for operating subsidies and supportive services funding, as part of the Agency’s Citywide Tax Increment Housing Program, substantially in the form lodged with the Agency General Counsel.

**APPROVED AS TO FORM:**

  
James B. Morales  
Agency General Counsel