FILE NO. 251263 RESOLUTION NO. 13-26

[Grant Agreement - Retroactive - Operating Subsidy for Permanent Supportive Housing Units - RSU Associates, L.P. - 78 Haight Street and 120 Octavia Street - Not to Exceed $15,369,361]

Resolution retroactively approving and authorizing the Mayor and the Director of the Mayor's Office of Housing and Community Development ("MOHCD") to execute a grant agreement with RSU Associates, L.P. in the amount not to exceed $15,369,361 for a 20-year term to provide operating subsidies for a 100% affordable housing project housing for low-income and formerly homeless households, including transition aged youth, located at 78 Haight Street and 120 Octavia Street; approving the form of and authorizing the execution of the grant agreement with a retroactive commencement date of October 1, 2025; authorizing the Director of MOHCD to enter into any additions, amendments, or other modifications to the grant agreement that do not materially increase the obligations or liabilities of the City or materially decrease the benefits to the City; and authorizing the Director of MOHCD to take actions necessary to implement this Resolution, as defined herein.

WHEREAS, 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, On February 15, 2022, through Resolution No. 62-22, the Board of Supervisors approved a ground lease and an initial loan in the amount of $26,746,467 and subsequently on February 27, 2024, through Resolution No. 93-24, the Board of Supervisors approved an additional loan in the amount of $8,559,766, for a total loan of $35,306,233 to Octavia RSU Associates, L.P. (the "Grantee"), a subsidiary of Tenderloin Neighborhood

Development Corporation, for the purpose of construction and permanent financing of a 100% affordable multifamily residential building consisting of 64 units for low income and formerly homeless households (the "Project") located at 78 Haight Street and 120 Octavia Street in the City; and

WHEREAS, Under Resolution No. 511-19, the Board of Supervisors authorized and delegated authority to the Mayor's Office of Housing and Community Development to accept and expend the county competitive allocation award in the amount up to $36,501,108 under the California Department of Housing and Community Development's No Place Like Home Program ("NPLH") which provides funding for counties to develop multifamily housing specifically for persons with serious mental illness who are homeless, chronically homeless, or at-risk of chronic homelessness to households earning up to 30% of the area median income as determined by the No Place Like Home regulations adjusted for household size; and

WHEREAS, The Grantee has requested a project-based operating subsidy to increase the affordability and lower rents for half of the housing units (32 units) dedicated to Transition Age Youth as permanent supportive housing, including 15 units for those referrals who meet the NPLH eligibility criteria of homeless or at risk of homelessness with mental illness; and

WHEREAS, The Grantee completed construction of the Project on September 15, 2025, and has requested grant funding to support operations of the Project commencing on October 1, 2025; and

WHEREAS, On September 26, 2025, the Citywide Affordable Housing Loan Committee consisting of MOHCD, Department of Homelessness and Supportive Housing, the Office of Community Investment and Infrastructure, and the Controller's Office of Public Finance recommended approval to the Mayor of a grant in an amount not to exceed $15,369,361 to the Grantee for a term of 20 years commencing retroactively on October 1,

2025, consisting of (1) annual grants of general funds, subject to the Board of Supervisor's budget appropriation in its sole discretion, in an amount not to exceed $10,589,361 over a 15 year period, and (2) annual grants of NPLH funds in an amount not to exceed $4,780,000 over a 20 year period, to subsidize operations at the Project commencing on October 1, 2025, pursuant to the terms of a Grant Agreement substantially in the form on file with the Clerk of the Board of Supervisors in File No. 251263 ("Grant Agreement"), and in such final form as approved by the Director of MOHCD; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of MOHCD, the Board of Supervisors hereby approves the Grant Agreement substantially in the form on file with a retroactive commencement date of October 1, 2025, and authorizes the Mayor and the Director of MOHCD or the Director's designee to enter into additions, amendments, or other modifications to the Grant Agreement (including, without limitation, preparation and attachment of, 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 of MOHCD determines, in consultation with the City Attorney, are in the best interests of the City, do not materially increase the obligations or liabilities for the City or materially diminish the benefits of the City, or 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 the Grant Agreement is subject to the Board of Supervisor's sole authority to appropriate the City's general funds to fund a portion of the operating subsidy for the Project; 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 Grant Agreement being fully executed by all parties, MOHCD shall provide the fully executed Grant Agreement to Clerk of the Board of Supervisors for inclusion into the official file.

RECOMMENDED:

/s/
Daniel Adams, 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: 251263 **Date Passed:** January 13, 2026

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January 07, 2026 Budget and Finance Committee - RECOMMENDED

January 13, 2026 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill, Walton and Wong

File No. 251263

I hereby certify that the foregoing Resolution was ADOPTED on 1/13/2026 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

1 / 23 / 26

Date Approved