

Mayor's Office of Housing and Community Development
Department of Homelessness and Supportive Housing
Office of Community Investment and Infrastructure
Controller's Office of Public Finance

MEMORANDUM

DATE: July 19, 2024
TO: CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE
FROM: Mike McLoone (Senior Asset Manager, MOHCD), Elizabeth Hewson (Manager of Supportive Housing Programs, HSH), and Jackie Tsou (Director, Asset Management, MOHCD)
RE: 2024 Update to LOSP Policies & Procedures Manual – LOSP Budget Increase Guidance & Timeline

1. Request Summary

Attached for your review and approval please find the final draft *Local Operating Subsidy Program (LOSP) Policies & Procedures Manual – Revised 2024* (“LOSP Manual”).

This Manual update includes 1) revisions to the LOSP Budget Increase process and 2) incorporation of HSH Policies that have been implemented since the last LOSP Manual update in 2022.

1. LOSP Budget Increase Process

While the City continues to expect that LOSP Grantees will operate within the approved LOSP operating budgets and be self-sufficient when facing shortfalls, recent economic conditions have caused unusually larger increases in operating expenses (utilities & insurance especially) across the MOHCD portfolio. In response, LOSP grantees have already been submitting a larger number of LOSP Budget Increase Requests and MOHCD staff anticipate this volume to continue.

To improve the clarity to LOSP grantees that are considering LOSP Budget Increases, revisions to language have been suggested throughout section 2.4 F. To conform the timeline used by MOHCD when fielding LOSP Budget Increase requests with the City's annual budget appropriations cycle, MOHCD is proposing changes to the timeline for LOSP Budget Increase Requests summarized in the table below:

Step	Previous	New	Notes
Grantee submits alert that budget increase is needed with an estimate of how much	12/1/2024	9/1/2024	
A. MOHCD submits citywide LOSP budget version 1 (of 3) to MBO	10/15/2024	10/15/2024	
=Grantee for FY project submits preceding year AMR by due date (Casa Q)	11/30/2024	11/30/2024	
Grantee submits confirmation that budget increase is needed	1/15/2025		DROPPED
Grantee submits budget workbook showing proposed increases	2/15/2025	12/1/2024	
B. MOHCD submits citywide LOSP budget version 2 (of 3) to MBO	2/1/2025	2/1/2025	
Grantee submits draft of the preceding year AMR ws2	not required previously	3/1/2025	ADDED
C. MOHCD submits citywide LOSP budget version 3 (of 3) - FINAL - to MBO	4/15/2025	4/15/2025	
=Grantees for CY projects submit preceding year AMR by due date	5/31/2025	5/31/2025	
MOHCD decides about LOSP Increase request	9/30/2025	7/1/2025	
MOHCD disburses the LOSP subsidy for the next Biz Year	1/1/2026	1/1/2026	

The revised schedule will provide more time for MOHCD staff to analyze and negotiate proposed increase requests before updating the citywide LOSP budget, ensuring that the City’s limited budget resources are not overallocated for anticipated LOSP increases.

2. Incorporation of Updated HSH Policies

The 2024 LOSP Manual revision incorporates new and revised HSH policies approved during FY23-24 that apply to LOSP grantees. This includes the following:

- The revised Permanent Supportive Housing ([PSH Program Participant Rules](#)) (PPR, formerly known as the Lease Addendum) that outlines subsidy eligibility requirements for PSH tenants. Revisions from the 2022 LOSP Manual update include:
 - the name of the document to clarify its purpose, and
 - incorporation of the new Housing Quality Standards (HQS) Inspections Policy. Property Management is required to provide a copy of the PPR to existing PSH tenants to sign by July 31, 2024, and to new PSH tenants upon move-in; translations are available in the linked [PSH Program Participant Rules](#) folder.
- The new [HSH Housing HQS Inspections Policy](#). To ensure decent, safe, and sanitary conditions for PSH tenants, HSH requires all locally subsidized units to be inspected at least biennially (every other year) by a certified third-party HQS inspector contracted by HSH.
- The new [Subsidy Termination Policy](#), which incorporates people with lived experience to the appeals process by including them as decision makers in Subsidy Termination Appeals Committee hearings. It also aligns the process for terminating a locally funded subsidy with HUD best practices and the Continuum of Care (CoC) Subsidy Termination Policy.
- Updated links to the [HSH Transfer Policy](#) and to the [HSH Critical Incident Reporting Policy and Procedures](#).

A comparison of the 2022 LOSP Manual versus the 2024 LOSP Manual updates, which is supplied in Attachment B, provides a detailed tracking of every change proposed in this updated 2024 LOSP Manual.

- Attachments:
- A. Updated 2024 LOSP Manual
 - B. Comparison Document Showing Updates
 - C. PSH Program Participant Rules
 - D. HSH Housing Quality Standards Inspections Policy
 - E. Subsidy Termination Policy
 - F. HSH Transfer Policy
 - G. HSH Critical Incident Reporting Policy and Procedures

LOAN COMMITTEE MODIFICATIONS:

LOAN COMMITTEE RECOMMENDATION

Approval indicates approval with modifications, when so determined by the Committee.

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____
Daniel Adams, Director
Mayor’s Office of Housing and Community Development

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____
Salvador Menjivar, Director of Housing
Department of Homelessness and Supportive Housing

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____
Thor Kaslofsky, Executive Director
Office of Community Investment and Infrastructure

APPROVE. DISAPPROVE. TAKE NO ACTION.

_____ Date: _____
Anna Van Degna, Director
Controller’s Office of Public Finance

REQUEST TO UPDATE LOSP POLICIES AND PROCEDURES MANUAL

Ely, Lydia (MYR) <lydia.ely@sfgov.org>

Fri 8/2/2024 4:01 PM

To:Cameron, Ituala (MYR) <ituala.cameron@sfgov.org>

Cc:Lee, Melissa (MYR) <melissa.lee@sfgov.org>;Defiesta, Agnes (MYR) <agnes.defiesta@sfgov.org>;Adams, Dan (MYR) <Dan.Adams@sfgov.org>

Good afternoon,

I approve the above request which was presented to the August 2, 2024 meeting of the Citywide Affordable Housing Loan Committee.

Thank you,
Lydia

- - - -

Lydia Ely
Deputy Director, Housing
Mayor's Office of Housing and Community Development
Office phone: (628) 652-5821
Cell phone: (415) 225-2936

RE: REQUEST TO UPDATE LOSP POLICIES AND PROCEDURES MANUAL

Hewson, Elizabeth (HOM) <elizabeth.hewson@sfgov.org>

Fri 8/2/2024 12:10 PM

To:Cameron, Ituala (MYR) <ituala.cameron@sfgov.org>

Cc:Menjivar, Salvador (HOM) <salvador.menjivar1@sfgov.org>;Defiesta, Agnes (MYR) <agnes.defiesta@sfgov.org>;Lee, Melissa (MYR) <melissa.lee@sfgov.org>

Thank you Ituala. On behalf of Salvador Menjivar, I approve the updated LOSP Policies and Procedures Manual.

Best,
Elizabeth



Elizabeth Hewson (she/her)
Manager of Supportive Housing Programs
San Francisco Department of Homelessness and Supportive Housing
elizabeth.hewson@sfgov.org | O: 628.652.7730

Learn: hsh.sfgov.org | Follow: [@SF_HSH](https://twitter.com/SF_HSH) | Like: [@SanFranciscoHSH](https://facebook.com/SanFranciscoHSH)

CONFIDENTIALITY NOTICE: This e-mail is intended for the recipient only. If you receive this e-mail in error, notify the sender and destroy the e-mail immediately. Disclosure of the Personal Health Information (PHI) contained herein may subject the discloser to civil or criminal penalties under state and federal privacy laws.



REQUEST TO UPDATE LOSP POLICIES AND PROCEDURES MANUAL

Slutzkin, Marc (CII) <marc.slutzkin@sfgov.org>

Fri 8/2/2024 11:50 AM

To: Cameron, Ituala (MYR) <ituala.cameron@sfgov.org>
Cc: Ely, Lydia (MYR) <lydia.ely@sfgov.org>; Kaslofsky, Thor (CII) <Thor.Kaslofsky@sfgov.org>; Colomello, Elizabeth (CII) <elizabeth.colomello@sfgov.org>; Adams, Dan (MYR) <Dan.Adams@sfgov.org>

Hi Ituala,

I approve the above request on behalf of OCII.

Thanks

Marc



Marc Slutzkin
Deputy Director

📍 One South Van Ness Avenue, 5th Floor
San Francisco, CA 94103

🏠 www.sfcii.org

RE: Citywide Affordable Housing Loan Committee

Van Degna, Anna (CON) <anna.vandegna@sfgov.org>

Fri 8/2/2024 11:23 AM

To:Cameron, Ituala (MYR) <ituala.cameron@sfgov.org>

I approve LOSP changes.

Anna Van Degna
Public Finance Director
Controller's Office of Public Finance
City & County of San Francisco
Ph. (415)-554-5956



