



Shireen McSpadden, Executive Director

London Breed, Mayor

To	Homelessness Oversight Commission
Through	Shireen McSpadden, Executive Director
From	Marion Sanders, Chief Deputy Director Gigi Whitley, Chief of Finance and Administration Edilyn Velasquez, Director, Contracts
Date	January 10, 2025
Subject	Grant Agreement Approval: Mary Elizabeth Inn Mary Elizabeth Inn Capital Improvements Program

<i>Agreement Information</i>	
F\$P#	1000034347
Provider	Mary Elizabeth Inn
Program Name	Mary Elizabeth Inn Capital Improvements Program
Agreement Action	Original Agreement
Agreement Term	February 1, 2025 – June 30, 2026

Agreement Amount

New	Contingency¹	Total Not to Exceed (NTE)
\$350,000	\$0	\$350,000

<i>Funding Information</i>	
Funding Sources²	100% General Fund

The Department of Homelessness and Supportive Housing (HSH) Contracts team requests authorization to enter into a new grant agreement with Mary Elizabeth Inn for the provision of Mary Elizabeth Inn Capital Improvements Program for the period of February 1, 2025 to June 30, 2026. This new agreement is for new services.

Background

To support capital improvements in older permanent supportive housing (PSH) buildings and preserve the quality of PSH, the HSH Fiscal Year (FY) 23-24 budget allocated \$10 million in funding. Capital improvements address items that are needed to maintain habitability and improve functionality and suitability for the target population. Eligible properties were limited to existing City-funded master leased PSH buildings and nonprofit-owned PSH buildings. Priority was given to older buildings that have not been significantly renovated/rehabilitated in the last 15 years and have no alternative funding source for capital improvements.

HSH issued the PSH Capital Needs Funding Request Questionnaire on January 23, 2024, with responses due by March 5, 2024. The funding opportunity and request questionnaire was emailed to Executive

¹ Contingency not applicable to this agreement.

² The funding sources listed reflect current and future years.

Directors and key leadership contacts for all agencies with eligible PSH sites. The funding opportunity was announced in the bi-monthly HSH Housing Provider meeting, as well as in the monthly HSH Provider meeting and the Homelessness Oversight Commission meeting. In addition, HSH Communication and Legislative Affairs provided an email notification to the HSH provider contact list.

The Mary Elizabeth Inn (the Inn) is a 92-unit single room occupancy (SRO) building owned and operated by the Mary Elizabeth Inn (MEI) non-profit organization. In partnership with the Department on the Status of Women, MEI provides affordable housing for very low-income women at the Inn, including 58 units designated to provide permanent support housing to women experiencing homelessness.

Services to be Provided

The purpose of the grant is to provide capital improvements that are needed to maintain habitability and improve functionality and suitability for residents residing in PSH. Grantee shall project manage the completion of approved capital improvements, including compliance with all applicable legal requirements and building codes. Approved capital improvements include renovations to shared bathrooms and upgrades to the plumbing system.

Selection

Grantee was selected pursuant to San Francisco Administrative Code Section 21B, which authorizes the Department to enter into, or amend, contracts without adhering to the Administrative Code provisions regarding competitive bidding related to Projects Addressing Homelessness. MEI was selected for provision of these services based on the organization's experience and ability to begin services in a timely manner.

The Inn is one of 38 PSH sites selected for funding through the capital needs funding opportunity. Submissions were reviewed based on established criteria including the age of building, length of time since the building was significantly rehabilitated, the extent to which the work to be performed addresses habitability and/or improves functionality and suitability for PSH residents, the vacancy rate, timeliness for project completion and cost estimates that support the scope of work and amount of HSH funds requested. Master leased buildings were required to have a minimum of three or five years remaining in the lease term, based on the funding amount requested, or to include a Letter of Intent with the owner agreeing to extend the term to the corresponding minimum lease term. Nonprofit owned buildings were required to submit information on replacement reserves, residual receipts and other sources to address capital needs.

The HSH Housing division carefully considered the final funding recommendations to align with Home by the Bay goals and objectives. This included evaluating the number of PSH residents who would be positively impacted by the funded capital improvements, prioritizing key concerns expressed by PSH residents including safety & security and accessibility, and supporting smaller community-based organizations with only one to two PSH sites.

Agreement Materials

- HOC Approval Package
 - Appendix A, Services to be Provided
 - Appendix B, Budget



Appendix A, Services to be Provided
by
Mary Elizabeth Inn
Mary Elizabeth Inn Capital Improvements Program

I. Background

To support capital improvements in older permanent supportive housing (PSH) buildings and preserve the quality of PSH, the Department of Homelessness and Supportive Housing (HSH) FY23-24 budget allocated \$10 million in funding. Capital improvements address items that are needed to maintain habitability and improve functionality and suitability for the served population. Eligible properties were limited to existing City-funded master leased PSH buildings and nonprofit-owned PSH buildings. Priority was given to older buildings that have not been significantly renovated/rehabilitated in the last 15 years and have no alternative funding source for capital improvements.

II. Purpose of Agreement

To address capital improvements necessary to maintain habitability and improve functionality and suitability for residents residing in PSH.

III. Description of Services

Grantee shall project manage the completion of approved capital improvements, including compliance with all applicable legal requirements and building codes. Approved capital improvements include renovations to shared restrooms, such as:

- A. Upgrades to plumbing system; and
- B. Replacement of the following restroom features:
 - 1. Toilets;
 - 2. Face basins;
 - 3. Bathtubs;
 - 4. Walk-in showers;
 - 5. Janitorial sink;
 - 6. ADA shower room;
 - 7. Partitions;
 - 8. Flooring;
 - 9. Drywall;
 - 10. Floor drains;
 - 11. Electrical outlets.

IV. Location

Grantee shall fulfill capital improvements at the Mary Elizabeth Inn at 1040 Bush St, San Francisco, CA 94109.

V. Service Requirements

- A. As part of this agreement, Grantee shall, within ninety (90) days following the commencement date of this agreement:
 - 1. Submit for HSH approval the following: a communication plan that details how Grantee will engage residents about the planned capital improvements work, a

tenant complaint procedure, and an accessibility request policy, and if applicable, a temporary relocation plan as detailed below in subsection H.

2. Agency must submit above document in .pdf format by e-mail to rachel.gage@sfgov.org.
- B. Construction Management and Contract Negotiation/Administration: Grantee shall ensure that all required permits are in place prior to starting construction. Grantee shall supervise and track contractors' performance for the duration of the project, which may include but not limited to pre-construction, negotiation of construction contract and during construction, ensuring contractors obtain necessary construction permits, execution of the permitted scope of work through the resolution of any issues that arise during final inspections to ensure timely project completion. Grantee shall also manage such contracts including contract compliance and invoicing, including withholding of retention and the release of retention at the end of this project. Grantee shall ensure the contractor has met all requirements for retention release prior to releasing final payment and retention.
- C. Budget Management and Administration: Grantee shall manage and adhere to the approved budget and make commercially reasonable efforts to promote cost savings and efficiencies. All contingency may only be utilized at HSH's sole discretion and with prior written approval. The construction draw procedure is outlined in Appendix C, Method of Payment. Any unspent contingency funds covered solely by HSH must be returned to HSH upon final payment to Grantee.
- D. Schedule Management: Grantee is responsible for managing the contractors' schedule and holding them accountable to meet their schedule milestones and completion date, as delineated in contractors' contract with Grantee.
- E. Procurement: As necessary, to effectively perform project management of the improvements, Grantee may subcontract work to subject matter experts and experienced contractors. Grantee may enter into any necessary professional services contracts, such as architect, engineer, general construction contractor, project management, construction management, permit specialist, and other related services, for the duration of the project. Such procurement and administration shall comply with all applicable laws.

Prior to entering into any agreement for contractor or consultant services for Ten Thousand Dollars (\$10,000.00) or more, Grantee must obtain at least three bids (unless waived in writing by HSH after a showing of due diligence and good faith effort), and submit to HSH for review and approval the responsive bids, proposed agreement with Grantee's proposed contractor, information concerning the qualifications and licensing of the proposed contractor or consultant, and any additional information requested by HSH. All proposed contracts must detail the responsibilities, standards and compensation of the contractor or consultant. Reasons for disapproval of such contract may include, but are not limited to, scope of work or budget that does not reflect the Project Budget or Work Program.

- F. Financing and Compliance: Where applicable, grantee shall coordinate and assist in funding applications to state and federal funding sources and/or assist with any audits, reporting and compliance obligations related to applicable local, city, state or federal funding related to the project.
- G. Temporary Relocation: If there are existing occupants that will be affected by the capital improvement work, Grantee shall work with property management, support services provider, and any other applicable consultants, to develop a phased on-site relocation plan or identify any time-limited off-site relocation, and manage the temporary relocation process (including working with residents to provide them with communication regarding relocation timing, moving assistance, cleaning of units to allow for on-site relocation, etc.) in compliance with all applicable laws.
- H. Accounts and Records: Grantee shall keep such books of account and other records in connection with the capital improvements, which may include but is not limited to vouchers, statements, receipted bills and invoices and all other records, covering all collections, if any, disbursements, correspondence, and other data in connection with design and construction of the project prior to final completion of the project. Grantee shall deliver copies of all project documents, change orders, invoices, pay applications, etc. to property management and HSH in a format and delivery method acceptable to HSH.
- I. Meetings and Site Visits: Grantee shall to hold regular meetings with contractors, pay app meetings as needed, and other additional meetings as required. HSH and/or designee may conduct periodic site visits with Grantee to review progress on site.
- J. Progress Reports: Grantee shall ensure that contractors are providing monthly schedule updates, review these updates for accuracy and variance, and review and approve any schedule changes as a result of change orders.
- K. Project Close Out: Grantee shall coordinate delivery of project close out documents to property management. Documents include, but not limited to, as-built drawings and specs and warranty doc/binder. Documents shall be stored onsite with property management. Grantee shall coordinate and schedule site inspections, punch walks, and warranty walk two to three months prior to end of the warranty period. Grantee shall follow up and coordinate warranty items with the contractor(s) and property management. Grantee shall ensure warranty items are delivered in a timely manner.

VI. Reporting Requirements

- A. Grantee shall timely and accurately submit invoices, supporting documentation, and pay applications per Appendix C, Method of Payment. Grantee is responsible for the timeliness, accuracy, and proper documentation.

- B. Grantee shall comply with HSH Critical Incident Policy by reporting critical and serious incidents to HSH. Events include, but not limited to, life endangerment or serious injury, significant damage to a unit that cause units to go offline, displacement or unit transfer of a resident, major service interruptions, damage to the building, insurance events, and recordable events as specified in contractors' contract. This section is intended to address incidents that fall under HSH Critical Incident Policy, and does not relieve or affect any legal duty of Grantee to report to applicable regulatory agencies.
- C. As needed, Grantee shall manage other regulatory reporting such as LCPtracker and Local Business Enterprise (LBE)/ Small Business Enterprise (SBE) reporting.

VII. Monitoring Activities

- A. Program Monitoring: Grantee is subject to program monitoring and/or audits, such as, but not limited to review of the following, Grantee's administrative records, site visits, data reported on project reports, documentation of funding match sources, proper accounting for funds and other operational and administrative activities, and back-up documentation for reporting progress towards meeting service and outcome objectives.
- B. Fiscal Compliance and Contract Monitoring: Fiscal monitoring will include review of the Grantee's organizational budget, the general ledger, quarterly balance sheet, cost allocation procedures and plan, State and Federal tax forms, audited financial statement, fiscal and accounting policies, supporting documentation for selected invoices, cash receipts and disbursement journals. The compliance monitoring will include review of Personnel Manual, Emergency Operations Plan, Compliance with the Americans with Disabilities Act, subcontracts, and memorandums of understanding (MOUs), and the current board roster and selected board minutes for compliance with the Sunshine Ordinance.

	A	B	C	D
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING			
2	APPENDIX B, BUDGET			
3	Document Date	2/1/2025		
4	Contract Term	Begin Date	End Date	Duration (Years)
5	Current Term	2/1/2025	6/30/2026	2
6	Amended Term	2/1/2025	6/30/2026	2
7	Program	Mary Elizabeth Inn Capital Improvements Program		
8				
9	Approved Subcontractors			
10	None			

	A	B	C	D	G	J	AK	AL
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING							
2	APPENDIX B, BUDGET							
3	Document Date	2/1/2025						
4	Contract Term	Begin Date	End Date	Duration (Years)				
5	Current Term	2/1/2025	6/30/2026	2				
6	Amended Term	2/1/2025	6/30/2026	2				
7	Provider Name	Mary Elizabeth Inn						
8	Program	Mary Elizabeth Inn Capital Improvements Program						
9	FSP Contract ID#	1000034347						
10	Action (select)	New Agreement						
11	Effective Date	2/1/2025						
12	Budget Name	General Fund - One-Time Capital Needs						
13		Current	New					
14	Term Budget	\$ -	\$ 350,000	0%				
15	Contingency	\$ -	\$ -					
16	Not-To-Exceed	\$ -	\$ 350,000					
17								
18					Year 1	Year 2	All Years	
19					2/1/2025 - 6/30/2025	7/1/2025 - 6/30/2026	2/1/2025 - 6/30/2026	
20					New	New	New	
21	Expenditures							
22	Salaries & Benefits				\$ -	\$ -	\$ -	
23	Operating Expense				\$ -	\$ -	\$ -	
24	Subtotal				\$ -	\$ -	\$ -	
25	Indirect Percentage				0.00%	0.00%		
26	Indirect Cost (Line 24 X Line 25)				\$ -	\$ -	\$ -	
27	Other Expenses (Not subject to indirect %)				\$ -	\$ -	\$ -	
28	Capital Expenditure				\$ 350,000	\$ -	\$ 350,000	
30	Total Expenditures				\$ 350,000	\$ -	\$ 350,000	
31								
32	HSH Revenues (select)							
33	General Fund - One-Time				\$ 350,000	\$ -	\$ 350,000	
42	Total HSH Revenues				\$ 350,000	\$ -	\$ 350,000	
43	<u>Other Revenues (to offset Total Expenditures)</u>							
51	Total HSH + Other Revenues				\$ 350,000	\$ -	\$ 350,000	
52	Rev-Exp (Budget Match Check)				\$ -	\$ -	\$ -	
54					*NOTE: HSH budgets typically project out revenue levels across multiple years, strictly for budget-planning purposes. All program budgets at any given year are subject to Mayoral / Board of Supervisors discretion and funding availability, and are not guaranteed. For further information, please see Article 2 of the G-100 Grant Agreement document.			
55	Prepared by	Tanquiesha Kairy						
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58								
59	Template last modified	7/26/2022						

	A	D	G	AH
1	DEPARTMENT OF HOMELESSNESS AND SUPPORTIVE HOUSING			
2	OPERATING DETAIL			
3	Document Date	2/1/2025		
4	Provider Name	Mary Elizabeth Inn		
5	Program	Mary Elizabeth Inn Capital Improvements Program		
6	F\$P Contract ID#	1000034347		
7	Budget Name	General Fund - One-Time Capital Needs		
9		Year 1	Year 2	All Years
10		2/1/2025 - 6/30/2025	7/1/2025 - 6/30/2026	2/1/2025 - 6/30/2026
11		New	New	New
12	<u>Operating Expenses</u>	Budgeted Expense	Budgeted Expense	Budgeted Expense
68	TOTAL OPERATING EXPENSES	\$ -	\$ -	\$ -
86	<u>Capital Expenses</u>			
87	Other Upgrades and Repairs	\$ 350,000	\$ -	\$ 350,000
88				\$ -
95	TOTAL CAPITAL EXPENSES	\$ 350,000	\$ -	\$ 350,000
96				
97	HSH #3			7/26/2022

BUDGET NARRATIVE

General Fund - One-Time Capital Needs

Fiscal Year

FY24-25

<u>Capital Expenses</u>		<u>Justification</u>	<u>Calculation</u>
Other Upgrades and Repairs	\$ 350,000	Upgrade shared restrooms. Upgrade the plumbing system and replace the toilets, face basins, bathtubs, walk in showers, janitorial sink, ADA shower room, partitions, flooring, replace the drywall, the floor drains and upgrade the electrical outlets.	Estimated Calculation Breakdown: Demolition (three shared bathrooms floors 1-3) - \$50,559.77, Shower Pans (bathrooms 1-3) - \$21,035.47, Tub/Shower Faucets (bathrooms 1-3) - \$12,577.70, Floor tile replacement (bathrooms 1-3) - \$83,542.04, Janitors Closet sink and vanity (bathroom 1-3) - \$14,916.44, Vanity & faucets (bathrooms 1-3) - \$10,751.79, Toilets (12 toilets bathrooms 1-3) - \$25,997.40, Plumbing - \$117,713.17. Labor \$268,147.48 + Parts \$68,946.33 = Total \$337,093.81
	\$ -		
	\$ -		
	\$ -		
TOTAL CAPITAL EXPENSES	\$ 350,000		