



City and County of San Francisco's
LOCAL OPERATING SUBSIDY PROGRAM (LOSP)
Policies & Procedures Manual Update
April 8, 2022

Mayor's Office of Housing and Community Development (MOHCD)
Department of Homelessness & Supportive Housing (HSH)
Office of Community Investment and Infrastructure (OCII)

Agenda

- Acknowledgements
- LOSP Background and Scope (2018-2022)
- Review of Key LOSP Manual Updates
- Next Steps and Expectations
- Questions and Answers



Background

Origin: *10 Year Plan to Abolish Chronic Homelessness* – only way to create new permanent supportive housing at a large scale

Source: General Fund

Partners: MOHCD

HSH

OCII

You!

- What is LOSP?
 - Collaboration across City Departments
 - Supports the creation of new permanent supportive housing at a large scale utilizing General Fund subsidies when other operating subsidies aren't available
- 15-year grant agreements – currently supports 37 projects
- By 2021-2022, LOSP grew to support around 1,550 units
- First version of the Manual was approved by the Citywide Affordable Housing Loan Committee on May 4, 2018, later amended in 2019, and just recently amended in March 2022

Updates for 2022

Related to changes in terms and systems



- Creation of Dept of HSH
- Descriptions of Coordinated Entry/ONE System
- Refinements to descriptions of eligible sub-populations
- Definition of “Housing First” from state law
- (2019) Addition of references to No Place Like Home (NPLH)

Updates for 2022

Memorializing recent changes to
LOSP practice and policy (HSH)



- Single tenant rent payment formula is now used for all LOSP units (30% of HH income)
- PSH Transfer policy revised
- Reduced documentation policy added
- Timeliness policy added

Updates 2022

Budget streamlining (MOHCD)



- Grantees are expected to “live within” the approved LOSP operating budgets, be as self-sufficient as possible when facing shortfalls, and only seek LOSP Budget Increases if the shortfalls exceed newly defined thresholds.
- To enable self-sufficiency, future LOSP disbursements will no longer be reduced by confirmed LOSP surpluses.
- Each project should use any LOSP Surplus retained in its LOSP Subsidy Reserve to cover future LOSP budget shortfalls.

Budget Request General Guidance

- How to submit requests
- Limitations to factor into requests
- Annual due dates
- Timing of City decision making and any subsequent increased funding

Budget Increase Requests

See Pages 10-11 of LOSP Manual 2022



Size of LOSP Budget	Minimum Deficit Threshold Amount
\leq to \$50,000	\$10,000
\$50,000-150,000	\$20,000
\$150,000-300,000	\$50,000
\$300,000-600,000	\$80,000
\geq \$600,000	20% of LOSP Budget

Budget Increase Request Timeline

Calendar Year



CY Project LOSP budget increase request example timeline:

- 12/1/21: grantee submits alert
- 1/15/22: grantee submits confirmation
- 2/15/22: grantee submits application (*critical deadline to be able to fund an increased disbursement by the next January)
- 5/31/22: grantee submits next AMR – MUST be on-time *
- 9/30/22: MOHCD makes funding decision
- 1/31/23: approved increase in LOSP funding can be disbursed (but only if 2/15 & 5/31 deadlines are met, see * above)

Budget Increase Request Timeline

Fiscal Year



FY Project LOSP budget increase request example timeline:

- 6/1/22: grantee submits alert
- 8/15/22: grantee submits confirmation
- 9/15/22: grantee submits application (**critical deadline to be able to fund an increased disbursement by the next January)
- 11/30/22: grantee submits next AMR – MUST be on-time **
- 2/28/22: MOHCD makes funding decision
- 8/15/22: approved increase in LOSP funding can be disbursed (but only if 9/15 & 11/30 deadlines are met, see ** above)

HSH Reduced Documentation Policy

- Pre-move in documentation requirements must be limited to include only “low barrier documents” as defined in the policy.



HSH Offline Vacancies Timeline

Provider expectations



- Housing providers will use maximum feasible efforts to ensure that those individuals and families who are referred are accepted for occupancy in a timely fashion. The standard for timely placement is that no more than 30 days will elapse from the time the housing provider receives a referral to the move-in date.
- Housing providers will bring offline units back online in a timely fashion consistent with HSH's articulated standards.

Lease Addenda

Updated versions of the LOSP Adult and Family Lease Addendum can be found [here](#).

- New tenants must sign the respective family or adult lease addendum at the time of lease-signing. Current tenants must sign the addenda during their next annual recertification.
- Household criteria and requirements for LOSP are defined, including reporting income and household composition changes.
- Does not address any behavioral issues that may present themselves in the course of the household's tenancy.

Next Steps and Expectations

- Continue to implement reduced documentation and timeliness policies
- Be mindful of the updated guidance on budget requests, especially FY
- Leasing up hundreds of new units in 2022 – let us know early when you run into (inevitable) challenges!

Documents Available for Reference

Can find them here (MOHCD website):

<https://sf.gov/information/housing-development-forms-documents-policies-and-guidelines>

And here (HSH ONE System website):

<https://onesf.bitfocus.com/>

- LOSP Manual Revised 2022
- LOSP Manual Revised 2022 (Redline against 2019 version)
- Loan Committee cover memo
- Other docs
 - Lease addenda
 - Reduced documentation 2021
 - Timeliness memo 2020

