

San Francisco 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

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**MEMORANDUM**

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**DATE:** March 4, 2022  
**TO:** CITYWIDE AFFORDABLE HOUSING LOAN COMMITTEE  
**FROM:** Mike McLoone (Senior Asset Manager) and Sarah Nusser (Senior Project Manager)  
**RE:** 2022 Update to LOSP Policies & Procedures Manual

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**1. Request Summary**

Attached for your review and approval please find the final draft *Local Operating Subsidy Program (LOSP) Policies & Procedures Manual – 2022* (“LOSP Manual”). The LOSP Manual was first published in 2018, and was updated in 2019 to incorporate changes needed after the creation of HCD’s No Place Like Home program.

The updates to this document were crafted by staff of MOHCD and HSH. A variety of updates were made to reflect changes in terminology and systems:

- the creation of the Department of Homelessness and Supportive Housing
- descriptions of Coordinated Entry/ONE System
- refinements to descriptions of eligible sub-populations
- the definition of Housing First from the State’s Women, Infants and Children Program that all supportive housing projects are required to follow, with associated HSH documentation policy

Several updates memorialize recent changes in LOSP practice and policy that have been implemented but not formalized:

- a single tenant rent payment formula is now used for all LOSP units (30% of HH income)
- the PSH Transfer policy was revised

The Lease Addenda attachments have also been updated.

The LOSP Manual was also updated to affirm the City’s expectations that 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, the LOSP Manual was also updated to affirm that future LOSP disbursements will no longer be reduced by confirmed LOSP surpluses, and that each project should use any LOSP Surplus retained in its LOSP Subsidy Reserve to cover future LOSP budget shortfalls. The goal of these new provisions is to reduce the administrative burden for both MOHCD staff and grantees, especially given the growth of the LOSP program year-over-year, while limiting the impacts on the annual LOSP budget.

Finally, the LOSP Manual has been updated to provide Grantees additional specific guidance for LOSP Budget Increase requests: how to submit requests, limitations to factor, annual due dates, and the timing of decision-making and subsequent increased funding.

To facilitate your review, a “comparison” document is also attached that provides a detailed tracking of every update proposed in this updated 2022 LOSP Manual.

**LOAN COMMITTEE MODIFICATIONS:**



## **Chavez, Rosanna (MYR)**

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**From:** Shaw, Eric (MYR)  
**Sent:** Friday, March 4, 2022 11:44 AM  
**To:** Chavez, Rosanna (MYR)  
**Subject:** 2022 UPDATE TO LOSP POLICIES AND PROCEDURES MANUAL

approve

Eric D. Shaw  
Director/ Interim Director HopeSF

Mayor's Office of Housing and Community Development  
City and County of San Francisco  
1 South Van Ness Avenue, 5th Floor

## Chavez, Rosanna (MYR)

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**From:** Menjivar, Salvador (HOM)  
**Sent:** Monday, March 7, 2022 4:05 PM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 2022 UPDATE TO LOSP POLICIES AND PROCEDURES MANUAL

I approve the updated 2022 LOSP Policies and Procedures Manual.

Best,

salvador



Salvador Menjivar  
Director of Housing  
*Pronouns: He/Him*  
San Francisco Department of Homelessness and Supportive Housing  
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## Chavez, Rosanna (MYR)

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**From:** Colomello, Elizabeth (CII)  
**Sent:** Friday, March 4, 2022 11:44 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 2022 Update to LOSP Policies and Procedures Manual

Hi Rosie,  
On behalf of OCII, I approve the subject request.  
Thanks!  
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**Elizabeth Colomello**  
**Housing Program Manager**

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**Chavez, Rosanna (MYR)**

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**From:** Pereira Tully, Marisa (CON)  
**Sent:** Friday, March 4, 2022 11:44 AM  
**To:** Chavez, Rosanna (MYR)  
**Cc:** Shaw, Eric (MYR)  
**Subject:** 2022 Update to LOSP Policies and Procedures Manual

Approve

Marisa Pereira Tully (she/her)  
Controller's Office of Public Finance  
City and County of San Francisco