Mayor's Office of Housing and Community Development

City and County of San Francisco

NOVEMBER 9, 2026

Joint Conference Committee of the San Francisco Health Commission

Senior Affordable Housing at Laguna Honda Hospital Campus



Agenda

Updates on:

- Welcome & Introductions: Mark A. Primeau
- Agenda Overview
- House keeping from the 8/10 JJC: But, before I outline the approvals, I like to confirm that the Housing Project will not contain any Studios units. All of the residents' units will be one-bedroom.

- Actions Items: Mark
- Resolution
- Option to Lease between DPH and Mercy

- Informational Updates: Mercy/DPH LHH
- Senior Center Progress/RFP issued - Mark
- Transportation plan - Jennifer Carton-Wade
- Future JCC and HC updates

DPH RESOLUTION

- Request that the JCC review and recommend to the full Commission a resolution, "AUTHORIZING THE DIRECTOR OF THE DEPARTMENT OF PUBLIC HEALTH TO EXECUTE AN OPTION TO GROUND LEASE WITH MERCY HOUSING CALIFORNIA 103, L.P., FOR THE DEVELOPMENT OF APPROXIMATELY 158 AFFORDABLE SENIOR HOUSING UNITS ON A FUTURE AFFORDABLE HOUSING PARCEL AT LAGUNA HONDA HOSPITAL."

- This resolution is being brought to you at this time because the financial entitlements that Mercy is seeking to fund the project requires certain things in place (Site Control) before the project could be considered for financial assistance. The City Attorneys for the DPH and MOHCD, along with the planning team, have reviewed the resolution. The planning team, including Director of Health Commission Affairs Mark Morewitz, also reviewed and gave input.

DPH Resolution for Adoption and to be forwarded to the full Health Commission for their approval on 12-7-2026

OPTION TO LEASE BETWEEN DPH AND MERCY

Why are we requesting the Option to Ground Lease?

To establish Site Control of Housing Parcel that allows Mercy to take advantage of the 1st. Round of Funding in February 2027.

The jurisdictional transfer of the property from DPH to MOHCD requires several steps, including approval of a Record of Survey to formally create the future affordable housing parcel. **The Team hoped to complete the Record of Survey by November 1, 2026, but DPW has recently indicated that this timing is highly unlikely.**

What the Option to Ground Lease does — and does not do

The Option to Ground Lease is an agreement that provides Mercy Housing with the exclusive right to negotiate a ground lease with DPH, and subsequently MOHCD after jurisdiction over the affordable housing parcel is transferred to MOHCD, establishes the basic terms of the eventual ground lease based on MOHCD Ground Lease Policy, and sets certain deadlines to finalize a ground lease.

Option to lease between DPH and Mercy for review and approval to be forwarded to the full Health Commission for their approval on 12-7-2026

OPTION TO LEASE BETWEEN DPH AND MERCY

Importantly:

It does not lease the affordable housing parcel or any other property to Mercy, or provide Mercy with any other possession or control of the affordable housing parcel.

It does not authorize DPH to enter into the ground lease.

The City will retain control of the affordable housing parcel until the financing closes and a ground lease is executed and recorded.

The future ground lease will still require Board of Supervisors approval, and we can also expressly make it subject to Health Commission approval during the time DPH has jurisdiction.

In summary, the Option to Ground Lease functions much like a combination of a term sheet, exclusive negotiation agreement, and agreement outlining the framework for the eventual ground lease.

Option to lease between DPH and Mercy for review and approval to be forwarded to the full Health Commission for their approval on 12-7-2026

Mercy issued the RFP to select the Senior Center Provider

SELECTION PROCESS AND TIMELINE

Timeline	Dates
Issue/Post RFP	October 19th, 2026
Registration of your interest in this RFP opportunity	October 23rd, 2026
Questions on RFP	October29th, 2026
Zoom to go over Questions asked and answers – attendance is NOT required	October 30th, 2026 at 9:30 a.m.
RFP Answers responded to in writing and sent to all	November 6th, 2026
Proposals Due	November 23rd, 2026
Shortlist of Service Providers (anticipated)	December 7th , 2026
Interviews and/or site visits of firms and their existing centers (anticipated)	Week of January 11th, 2027
Notice of Final Selection (anticipated)	Estimated January 29, 2027

- It's expected that a provider will be selected by January 2027

- Mercy will select the Senior Center provider and that provider will apply under a City Department of Aging and Adult Services Notice of Funding Availability (expected to be released in Spring 2027) for City Operating funds. There is no guarantee that they will be provided SFHSA/DAS Operating funding, so Mercy will be look to providers which potentially could fund the senior center with alternate means.

- A Senior Center Tenant Improvements and furnishing's allowance has been added to the senior housing development budget.
  - MOHCD is reviewing and will assess at their loan committee in December '26 if they approve the project's costs with the Senior Center Tenant Improvements included.

Senior Center Update

Transportation Planning:

- M and O opening delayed to late spring- so getting real time usage numbers will not be possible prior to decisions needing to be made. This is okay, we can still plan.

- Based on what we project in #1, we will need to understand how that might impact the cost of the shuttle service. (e.g. larger shuttles possibly needed, increased trip frequency, etc).

    - This week we are paying for a pilot study to test out an additional route from LHH Admin to/from Glen Park BART, which will help to inform #2 above.

Transportation Update

Upcoming JCC and HC Meetings

Full Health Commission	**December 7, 2026** Health Commission to provide final approval of both the resolution and option to lease for the senior affordable housing project at LHH
JCC	**December 14, 2026** JCC Recommends approval of Resolution re Jurisdictional Transfer and execution of Grant Deed to convey Parcel 2 to MOHCD
Full Health Commission	**January 4, 2027** Health Commission approves Resolution for Jurisdictional Transfer and execution of Grant Deed

Questions?