

1 [Real Property Lease Amendment - LAWRENCE B. STONE PROPERTIES #08, LLC - 2177
2 Jerrold Avenue - Temporary Shelter - Additional Improvements Up to \$1,246,746]

3 **Resolution approving the First Amendment and authorizing the Director of Property, on**
4 **behalf of the Department of Homelessness and Supportive Housing, to amend the**
5 **lease with LAWRENCE B. STONE PROPERTIES #08, LLC, as landlord of the real**
6 **property located at 2177 Jerrold Avenue (“Property”), for continued use as a temporary**
7 **shelter program, submitted under Chapter 21B of the Administrative Code as a Core**
8 **Initiative Lease; authorizing the City's contribution of up to \$1,246,746 for additional**
9 **improvements, including any pre-development costs incurred, for a utilities upgrade at**
10 **the property, effective upon approval of this Resolution, with no changes to the term of**
11 **January 2, 2024, through January 1, 2039; affirming the Planning Department’s**
12 **determination under the California Environmental Quality Act, and adopting the**
13 **Planning Department’s findings of consistency with the General Plan, and the eight**
14 **priority policies of the Planning Code, Section 101.1; and authorizing the Director of**
15 **Property to execute any amendments, make certain modifications and take certain**
16 **actions that do not materially increase the obligations or liabilities to the City, do not**
17 **materially decrease the benefits to the City and are necessary or advisable to**
18 **effectuate the purposes of the lease agreement or this Resolution.**

19
20 WHEREAS, On February 11, 2025, the Board of Supervisors adopted Ordinance No.
21 010-25, codified in Chapter 21B of the Administrative Code, to suspend and delegate certain
22 approvals for Contracts and Leases necessary to accelerate the City’s response to
23 homelessness, drug overdoses and substance use disorders, mental health needs, integrated
24 health needs, and public safety hiring (the “Core Initiatives”); and
25

1 WHEREAS, The Mayor introduced this Resolution under Section 21B.3(c) of the
2 Administrative Code; if the Board of Supervisors fails to act on the Resolution within the
3 timeframe identified in Section 21B.3(c)(6), the Mayor will have authority to approve the First
4 Amendment to the Lease Agreement identified below; and

5 WHEREAS, The Department of Homelessness and Supportive Housing's ("HSH")
6 mission is to prevent homelessness when possible and to make homelessness a rare, brief
7 and one-time experience in San Francisco through the provision of coordinated,
8 compassionate, and high-quality services; and

9 WHEREAS, With the adoption of Resolution No. 319-18 in October 2018, the Board of
10 Supervisors declared a shelter crisis and affirmed San Francisco's commitment to combatting
11 homelessness and creating or augmenting a continuum of shelter and service options for
12 those experiencing homelessness; and

13 WHEREAS, The City is committed to offering a variety of shelter services focused on
14 connecting people living unsheltered in our community to housing; and

15 WHEREAS, In March 2025, Mayor Lurie released "Breaking the Cycle", an executive
16 directive to break cycles of homelessness and addiction by enabling more effective
17 coordination across departments and outlining both immediate actions and longer-term
18 reforms including the goal of adding 1,500 new interim housing beds; and

19 WHEREAS, According to the 2024 Point-in-Time Count, there were 4,354 people
20 experiencing unsheltered homelessness in San Francisco, 23% of which were in District 10;
21 and

22 WHEREAS, On December 12, 2023, the Board of Supervisors adopted Resolution No.
23 602-23, approving a lease for the real property consisting of approximately 98,000 square feet
24 and two buildings totaling approximately 23,591 square feet located at 2177 Jerrold Avenue
25 (the "Property"), with LAWRENCE B. STONE PROPERTIES #08, LLC ("Landlord"), for an

1 initial term of 15 years with two five-year options; an initial annual base rent of \$2,469,606 and
2 a City contribution of \$5,866,869 for tenant improvements for use by HSH as a temporary
3 shelter program (“Lease Agreement”); and

4 WHEREAS, In April 2025, HSH opened Phase 1 of Jerrold Commons, a temporary
5 shelter program serving up to 68 older adults experiencing homelessness across 60 non-
6 congregate cabins at the Property (the “Program”); and

7 WHEREAS, The City desires an amendment to the Lease Agreement, which is
8 necessary to support the Core Initiative of addressing homelessness under the San Francisco
9 Administrative Code, Section 21B, to upgrade electrical utilities to better support the existing
10 facilities (the “Additional Improvements”); and

11 WHEREAS, The Real Estate Division (“RED”) in consultation with HSH and the Office
12 of the City Attorney, negotiated the First Amendment to the Lease Agreement with the
13 Landlord to include the Additional Improvements, with no other changes to the original terms
14 of the Lease Agreement (“First Amendment”), a copy of which is on file with the Clerk of the
15 Board of Supervisors in File No. 250518; and

16 WHEREAS, The Landlord has agreed to provide these Additional Improvements, the
17 cost of which shall not exceed \$1,246,746, including any pre-development costs incurred, as
18 reflected in the First Amendment; and

19 WHEREAS, The City agrees to reimburse the Landlord for the cost of the Additional
20 Improvements as detailed in Schedule 1 of Exhibit G of the First Amendment, that includes
21 pre-development costs that may have incurred prior to entering into the First Amendment, for
22 a total cost up to \$1,246,746 as the agreed upon cost of the Additional Improvements; and
23

24 WHEREAS, The First Amendment, upon approval of this Resolution by the Board of
25 Supervisors, will be on the same terms and conditions as the Lease Agreement and will be

1 substantially in the form of the City's lease amendment template, incorporating City-standard
2 requirements, and will neither have an impact of \$25 million or more nor extend the term of
3 the underlying Lease Agreement; and

4 WHEREAS, The First Amendment requires Board of Supervisors approval under
5 Section 9.118 of the Charter; and

6 WHEREAS, The Planning Department, through a letter dated May 6, 2025, ("Planning
7 Letter") determined that the proposed project at the Property is not subject to the California
8 Environmental Quality Act ("CEQA") pursuant to Assembly Bill 101, California Government
9 Code, Sections 65660 - 65668, a copy of the Planning Letter is on file with the Clerk of the
10 Board of Supervisors in File No. 250518; and

11 WHEREAS, The Planning Department, through a letter dated May 6, 2025, ("General
12 Plan Findings Letter") determined that the proposed project is consistent and on balance with
13 the General Plan, and the eight priority policies of Planning Code, Section 101.1 ("General
14 Plan Findings"); a copy of the General Plan Findings Letter is on file with the Clerk of the
15 Board of Supervisors in File No. 250518; now, therefore, be it

16 RESOLVED, That in accordance with the recommendation of the HSH Executive
17 Director and the Director of Property, the Board of Supervisors approves the First Amendment
18 in substantially the form presented to the Board and hereby authorizes the Director of
19 Property, or their designee, to execute the Lease Amendment; and, be it

20 FURTHER RESOLVED, The Board of Supervisors affirms the Planning Department's
21 CEQA Determination and General Plan Findings, for the same reasons as set forth in the
22 Planning Letter and General Plan Findings Letter, and hereby incorporates such findings by
23 reference as though fully set forth in this Resolution; and, be it

24 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
25 Property, or their designee, to take all actions on behalf of the City to enter into, execute, and

1 perform its obligations under the First Amendment, and any other documents that are
2 necessary or advisable to effectuate the purpose of this Resolution and the First Amendment;
3 and, be it

4 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
5 Property to make certain modifications and take certain actions that do not materially increase
6 the obligations or liabilities to the City, do not materially decrease the benefits to the City and
7 are necessary or advisable to effectuate the purposes of the First Amendment or this
8 Resolution and are in compliance with all applicable laws; and, be it

9 FURTHER RESOLVED, That within thirty (30) days of the First Amendment being fully
10 executed by all parties, HSH shall submit to the Clerk of the Board of Supervisors a fully
11 executed copy for inclusion in the official file.

Funds Available for use in Fiscal Year 2025-2026:
\$1,246,746

Fund ID:	10582 - SR OCOH Nov18 PropCHomelessSvc
Department ID:	203646 - HOM PROGRAMS
Project ID:	10036749 - HOM Shelter and Hygiene
Authority ID:	21533 - HOM Shelter and Hygiene
Account ID:	538010 – Community Based Org Srvcs
Activity ID:	14 – District 10 Shelter Program

/s/
Budget and Analysis Division Director
on behalf of Greg Wagner, Controller

RECOMMENDED:

/s/
Andrico Penick
Director of Property
Real Estate Division

/s/
Shireen McSpadden
Executive Director
Department of Homelessness and Supportive Housing

/s/
Daniel Lurie
Mayor