



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

THC: Master Lease Hotels Grant Agreement First Amendment

Budget and Finance Committee | May 25, 2022



Proposed Amendment Details

- **Resolution:** approve the **first amendment** to the grant agreement between HSH and **Tenderloin Housing Clinic** to provide services at **16 master-leased hotels:**
 - Supportive services
 - Property management
 - Master lease stewardship
- **Term:**
 - Current Term: July 1, 2020 through February 29, 2024
 - Amended Term: July 1, 2020 through **June 30, 2024**

Fiscal Details

- Total not-to-exceed amount of **\$132,903,851** (increase of \$43,503,365).
- Original agreement budgeted **~\$21 million** in HSH revenues annually, but program is **more expensive**, especially with 30% of income rent cap.

Fiscal Year	Current Budget	Amendment	New Budget
FY20-21	\$26,746,533	n/a	\$26,746,533
FY21-22	\$31,201,105	n/a	\$31,201,105
FY22-23	\$30,284,287	+ \$270,516 <i>Increases case manager salaries to \$25/hour</i>	\$30,554,803
FY23-24	\$1,168,581	+ \$29,386,242 <i>*Replenishes FY23-24 funds used for prior years.</i>	\$30,554,803
			Total: \$132,903,851 <i>+ \$13,846,607 Contingency</i>

Investments in PSH

- Mayor's Proposed FY22-24 Budget includes significant equity investments across the PSH portfolio:
 - \$32.4 million over two years to bring increased case management to legacy sites.
 - \$30 million over two years to increase nonprofit wages.
 - \$5 million one-time funds to support capital improvements and install Wi-Fi

Investments for THC

\$836,556 approved for improvements at 14 sites, pending amendment approval.

Case managers: salary raise and ratios boosted to 1:25.

Master Lease Hotel Program

- Agreement for these sites originally procured by HSA in 2014 under NOFA #592 and transferred to HSH.

Serves **1,544 clients** at 16 SRO sites.

- Services include:

- Case management
- Housing stability support
- Wellness and emergency safety checks
- Support groups and social events
- Tenant selection and lease management
- Building management

THC Clients



- Programs serves many adults aging in place.
 - 41% are older adults (60+)
 - 28% are in their 50s.
- Tenant Success Story:
 - James Scoville has lived at the Raman Hotel since 2014.
 - Stabilized at THC housing and is preparing for a studio showing of his artwork this month.



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Questions?

Thank you.