

1 [Real Property Lease Amendment - LAWRENCE B. STONE PROPERTIES #08, LLC - 2177  
2 Jerrold Avenue - Temporary Shelter - Additional Improvements Up to \$3,055,982]

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 \$3,055,982 for additional**  
9 **improvements, including any pre-development costs incurred, to add approximately 82**  
10 **shelter beds through a dorm buildout to an existing building on the Property, and a**  
11 **utilities upgrade at the property to support the expanded footprint of the temporary**  
12 **shelter program, effective upon approval of this Resolution, with no changes to the**  
13 **term of January 2, 2024, through January 1, 2039; affirming the Planning Department’s**  
14 **determination under the California Environmental Quality Act, and adopting the**  
15 **Planning Department’s findings of consistency with the General Plan, and the eight**  
16 **priority policies of the Planning Code, Section 101.1; and authorizing the Director of**  
17 **Property to execute any amendments, make certain modifications and take certain**  
18 **actions that do not materially increase the obligations or liabilities to the City, do not**  
19 **materially decrease the benefits to the City and are necessary or advisable to**  
20 **effectuate the purposes of the lease agreement or this Resolution.**

21  
22 WHEREAS, On February 11, 2025, the Board of Supervisors adopted Ordinance  
23 No. 010-25, codified in Chapter 21B of the Administrative Code, to suspend and delegate  
24 certain approvals for Contracts and Leases necessary to accelerate the City’s response to  
25

1 homelessness, drug overdoses and substance use disorders, mental health needs, integrated  
2 health needs, and public safety hiring (the “Core Initiatives”); and

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

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

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

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

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

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

24 WHEREAS, On December 12, 2023, the Board of Supervisors adopted Resolution  
25 No. 602-23, approving a lease for the real property consisting of approximately 98,000 square

1 feet and two buildings totaling approximately 23,591 square feet located at 2177 Jerrold  
2 Avenue (the "Property"), with LAWRENCE B. STONE PROPERTIES #08, LLC ("Landlord"),  
3 for an initial term of 15 years with two five-year options; an initial annual base rent of  
4 \$2,469,606 and a City contribution of \$5,866,869 for tenant improvements for use by HSH as  
5 a temporary shelter program ("Lease Agreement"); and

6 WHEREAS, The Property affords the City an excellent opportunity to offer shelter  
7 options to the Bayview community, and provides the opportunity for a phased expansion of  
8 the temporary shelter program subject to available funding; and

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

12 WHEREAS, The City desires to initiate Phase 2 of the Program through an amendment  
13 to the Lease Agreement, which is necessary to support the Core Initiative of addressing  
14 homelessness under the San Francisco Administrative Code, Section 21B, as the City would  
15 add an additional 82 shelter beds through a dorm build-out of an existing building on the  
16 Property into a congregate dormitory, and upgrade utilities to support the expanded footprint  
17 of the Program (the "Additional Improvements") under the terms of the First Amendment; and

18 WHEREAS, The Real Estate Division ("RED") in consultation with HSH and the Office  
19 of the City Attorney, negotiated the First Amendment to the Lease Agreement with the  
20 Landlord to include the Additional Improvements, with no other changes to the original terms  
21 of the Lease Agreement ("First Amendment"), a copy of which is on file with the Clerk of the  
22 Board of Supervisors in File No. 250518; and

23 WHEREAS, The Landlord has agreed to provide these Additional Improvements, the  
24 cost of which shall not exceed \$3,055,982, including any pre-development costs incurred, as  
25 reflected in the First Amendment; and

1 WHEREAS, The City agrees to reimburse the Landlord for the cost of the Additional  
2 Improvements as detailed in Schedule 1 of Exhibit G of the First Amendment, that includes  
3 pre-development costs that may have incurred prior to entering into the First Amendment, for  
4 a total cost up to \$3,055,982 as the agreed upon cost of the Additional Improvements; and

5 WHEREAS, The First Amendment, upon approval of this Resolution by the Board of  
6 Supervisors, will be on the same terms and conditions as the Lease Agreement and will be  
7 substantially in the form of the City's lease amendment template, incorporating City-standard  
8 requirements, and will neither have an impact of \$25 million or more nor extend the term of  
9 the underlying Lease Agreement; and

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

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

17 WHEREAS, The Planning Department, through a letter dated May 6, 2025, ("General  
18 Plan Findings Letter") determined that the expansion of scope to the original project is  
19 consistent and on balance with the General Plan, and the eight priority policies of Planning  
20 Code, Section 101.1 ("General Plan Findings"); a copy of the General Plan Findings Letter is  
21 on file with the Clerk of the Board of Supervisors in File No. 250518; now, therefore, be it

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

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

5           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
6 Property, or their designee, to take all actions on behalf of the City to enter into, execute, and  
7 perform its obligations under the First Amendment, and any other documents that are  
8 necessary or advisable to effectuate the purpose of this Resolution and the First Amendment;  
9 and, be it

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

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

Funds Available for use in Fiscal Year 2025-2026:  
\$3,055,982

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