

1 [Real Property Lease - W.Y.L. Orion Properties, LLC - 125 Bayshore Boulevard - \$655,200
2 Initial Annual Base Rent]

3 **Resolution approving and authorizing the Director of Property, on behalf of the**
4 **Department of Homelessness and Supportive Housing, to enter into a lease of real**
5 **property consisting of approximately 31,200 square feet, with buildings totaling**
6 **approximately 22,965 square feet located at 125 Bayshore Boulevard, with W.Y.L. Orion**
7 **Properties, LLC, a California limited liability company, as Landlord, for an initial term of**
8 **ten years, with two five-year options to extend thereafter, anticipated to commence on**
9 **July 1, 2026, for use by the Department of Homelessness and Supportive Housing for**
10 **emergency shelter purposes at an initial annual base rent of \$655,200 with 3% annual**
11 **increases; authorizing the Director of Property, on behalf of the Department of**
12 **Homelessness and Supportive Housing, to execute the Lease; affirming the Planning**
13 **Department’s determination under the California Environmental Quality Act; adopting**
14 **the Planning Department’s findings of consistency with the General Plan, and the eight**
15 **priority policies of the Planning Code, Section 101.1; and authorizing the Director of**
16 **Property to enter into amendments or modifications to the Lease that do not materially**
17 **increase the obligations or liabilities to the City and are necessary to effectuate the**
18 **purposes of the Lease or this Resolution.**

19
20 WHEREAS, The mission of the Department of Homelessness and Supportive Housing
21 (“HSH”) is to prevent homelessness when possible and to make homelessness rare, brief and
22 one time in San Francisco through the provision of coordinated, compassionate, and high-
23 quality services; and

24 WHEREAS, With the adoption of Resolution No. 319-18 in October 2018, the Board of
25 Supervisors declared a shelter crisis and affirmed San Francisco’s commitment to combatting

1 homeless and creating or augmenting a continuum of shelter and service options for
2 those experiencing homelessness; and

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

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

8 WHEREAS, On January 30, 2018, the Board of Supervisors adopted Resolution No.
9 023-18, approving a lease for the parcel of approximately 31,200 square feet at 125 Bayshore
10 Boulevard, with W.Y.L. Orion Properties, LLC, from approximately April 1, 2018, to no later
11 than September 30, 2023, for use by HSH for emergency shelter purposes, and this lease has
12 been in holdover at an annual rent of \$655,000 and has not increased since; and

13 WHEREAS, HSH opened the Bayshore Navigation Center at 125 Bayshore Boulevard
14 in 2018 that serves up to 128 adults experiencing homelessness; and

15 WHEREAS, The Planning Department, through General Plan Referral letter dated
16 January 10, 2018, (“Planning Letter”), which is on file with the Clerk of the Board of
17 Supervisors under File No. 171288, has verified that a City lease of 125 Bayshore Boulevard
18 would be consistent with the City’s General Plan, and the eight priority policies under Planning
19 Code, Section 101.1, and categorically exempt from Environmental Review; and

20 WHEREAS, The Real Estate Division (“RED”) in consultation with HSH and the Office
21 of the City Attorney, negotiated a proposed new lease for an initial term of ten years,
22 commencing upon the approval of the Board of Supervisors, Mayor and executed by the
23 Director of Property; and

1 WHEREAS, The Director of Property has determined that the base rent is at or below
2 fair market value for similar properties and is less per square foot than the requirement for an
3 appraisal under Chapter 23; and

4 WHEREAS, On March 9, 2026, pursuant to California Government Code, Section
5 65660, the Planning Department determined that the use of the property as a temporary, low-
6 barrier homeless shelter meets the definition of a low-barrier navigation center, and is
7 therefore not a project for purposes of the California Environmental Quality Act (California
8 Public Resources Code, Sections 21000 et seq.); and said determination is on file with the
9 Clerk of the Board of Supervisors in File No. _____ and is incorporated herein by reference;
10 now, therefore, be it

11 RESOLVED, In accordance with the recommendation of the Director of Property,
12 Executive Director of HSH, or their designees, and the City Attorney, the Director of Property
13 on behalf of the City, as Tenant, is hereby authorized to take all actions necessary to execute
14 the Lease at 125 Bayshore Boulevard in San Francisco, at a base rent of \$655,200 for the
15 initial year, with an annual base rent escalation of 3%, for an initial ten-year term, plus two
16 five-year options to extend at 95% of fair market value; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors hereby finds that the lease of
18 125 Bayshore Boulevard is consistent with the City's General Plan and Eight Priority Policies
19 of Planning Code Section 101.1 and hereby incorporates such findings by reference as
20 though fully set forth in this Resolution; and, be it

21 FURTHER RESOLVED, That the Board of Supervisors hereby affirms the Planning
22 Department's determination under the California Environmental Quality Act, and adopts the
23 Planning Department's findings as its own; and, be it

24 FURTHER RESOLVED, That in accordance with the recommendation of the Executive
25 Director of HSH and the Director of Property, or their designees, the Board of Supervisors

1 approves the Lease and authorizes the Director of Property to take all actions necessary to
2 enter into and perform the City's obligations under the Lease; and, be it

3 FURTHER RESOLVED, That the Lease contains language indemnifying and holding
4 harmless the Landlord from, and agree to defend the Landlord against, any and all claims,
5 costs and expenses, including, without limitation, reasonable attorney's fees, incurred as a
6 result of City's use of the premises, any default by the City in the performance of any of its
7 obligations under the Lease, or any acts or omissions of City, its agents or its subtenants in,
8 on or about the premises or the property on which the premises are located; and, be it

9 FURTHER RESOLVED, The Board of Supervisors approves the lease in substantially
10 the form in the Board File and authorizes the Director of Property to enter into any additions,
11 amendments, or other modifications to the Lease (including, without limitation, the exhibits to
12 the Lease) that the Director of Property determines are in the best interest of the City, do not
13 materially decrease the benefits to the City, do not materially increase the obligations or
14 liabilities of the City, or are necessary or advisable to effectuate the purposes of the Lease or
15 this Resolution, and are in compliance with all applicable laws; and, be it

16 FURTHER RESOLVED, That within thirty (30) days of the execution of the Lease by all
17 parties, the Director of Property shall provide a copy of the executed Lease to the Clerk of the
18 Board for the Board's file.

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1 Recommended:

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4 /s/ Emily Cohen for
5 Shireen McSpadden
6 Homelessness and Supportive Housing
7 Executive Director

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7 Recommended:

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8 /s/ Sarah R. Oerth
9 Sarah R. Oerth Real Estate Division
10 Director of Property

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