

1 [Amendment to Agreement with Lombard Hotel Group - Monarch Hotel - Not to Exceed
2 \$21,661,300 - Waiver of Certain Administrative, Labor and Employment, and Environment
3 Code Requirements]

4 **Ordinance authorizing the Department of Homelessness and Supportive Housing**
5 **(“HSH”) to amend the booking agreement with the Lombard Hotel Group, operator of**
6 **the Monarch Hotel, to increase the not-to-exceed amount by \$2,533,5404,189,900 for a**
7 **total amount not to exceed \$21,661,300; to extend the term of the agreement by seven**
8 **months from August 31, 2024, for a new term of August 4, 2020, through March 31,**
9 **2025; waiving for said agreement certain requirements of the Administrative, Labor and**
10 **Employment, and Environment Codes; and authorizing HSH to enter into amendments**
11 **that do not increase the City’s obligations or liabilities and are necessary to effectuate**
12 **the purpose of the agreement.**

13 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
14 **Additions to Codes** are in *single-underline italics Times New Roman font*.
15 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
16 **Board amendment additions** are in double-underlined Arial font.
17 **Board amendment deletions** are in ~~strikethrough Arial font~~.
18 **Asterisks (* * * *)** indicate the omission of unchanged Code
19 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

20 Section 1. Background and Findings.

21 (a) On February 25, 2020, Mayor London Breed proclaimed a state of emergency in
22 response to the COVID-19 pandemic (the “Proclamation”). On May 11, 2020, the Mayor
23 issued the Thirteenth Supplement to the Proclamation, authorizing City departments to enter
24 into COVID-19 related contracts with a term of one year or less without following the
25 competitive solicitation and procurement procedures in the Administrative Code. Under the

1 authority of the Thirteenth Supplement, the Human Services Agency (“HSA”) entered into an
2 Emergency Hotel Booking Agreement with Lombard Hotel Group, operator of the Monarch
3 Hotel (“Monarch Hotel Booking Agreement”), HSA Contract No. 1000019022.

4 (b) On February 19, 2021, the Mayor issued the Thirty-Fifth Supplement to the
5 Proclamation authorizing departments to extend the terms of COVID-19 related emergency
6 contracts up to 12 months, without including terms otherwise required by the Administrative
7 and Environment Codes. Under the Authority of the Thirty-Fifth Supplement, HSA extended
8 the Monarch Hotel Booking Agreement until February 28, 2022, and increased the total not-to-
9 exceed amount to \$8,471,640.

10 (c) On February 10, 2022, the Mayor issued the Forty-Fifth Supplement to the
11 Proclamation, authorizing HSA to amend any emergency hotel booking agreements in place
12 as of February 10, 2022 to extend the term of such agreements to August 31, 2022. The
13 Forty-Fifth Supplement also provided that any further contract extensions would require
14 approval by the Board of Supervisors. Under the authority of the Forty-Fifth Supplement, HSA
15 amended the Monarch Hotel Booking Agreement to extend the term through May 26, 2022,
16 and increased the total not-to-exceed amount to \$9,986,100.

17 (d) In Ordinance No. 167-22, the Board of Supervisors authorized HSA to extend the
18 terms of several booking agreements through August 31, 2023. Under the Authority of Ord.
19 No.167-22, HSA amended the Monarch Hotel Booking Agreement to increase the amount by
20 \$5,019,360 for a new not-to-exceed amount of \$15,005,460, with a term through August 31,
21 2023, and to extend the waiver of the provisions in the Administrative and Environment Codes
22 that HSA previously waived under the authority of the Mayor’s Supplements to the
23 Proclamation.

24 (e) On January 1, 2023, HSA assigned the Monarch Hotel Booking Agreement to the
25 Department of Homelessness and Supportive Housing (“HSH”) for continued use as 100 units

1 of non-congregate shelter for adults experiencing homelessness in order to maintain stable
2 housing for individuals who might otherwise be discharged to the streets.

3 (f) The Fiscal Year 2023-24 and Fiscal Year 2024-25 budget made critical investments
4 in new shelter, housing, and prevention as called for in the citywide strategic plan “Home by
5 the Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco.” The
6 Plan calls for new investments and strategies to reduce unsheltered homelessness by half
7 over the next five years. In order to make progress on these goals, it is critical that HSH
8 maintain existing non-congregate shelter capacity.

9 (g) On July 27, 2023, the City adopted Ordinance No. 147-23 that amended the
10 Monarch Hotel Booking Agreement to increase the amount by \$4,122,300 for a new not-to-
11 exceed amount of \$19,127,760, extend the term by 12 months through August 31, 2024, and
12 extend the waiver of the provisions in the Administrative and Environment Codes that HSA
13 previously waived under the authority of the Mayor’s Supplements to the Proclamation.

14 (h) The City, through the Director of Property, is in the process of negotiating leases
15 for potential shelter sites to support the continuation of this emergency bed capacity. This
16 ordinance extending the term of the Monarch Hotel Booking agreement for an additional
17 seven months is necessary to enable HSH to maintain its inventory of non-congregate shelter
18 during this process.

19 (i) The Administrative Code, Labor and Employment Code (which did not exist as a
20 distinct component of the Municipal Code until recently), and Environment Code typically
21 require that new and amended contracts include provisions requiring the contractor to adhere
22 to various City policies. Requiring Lombard Hotel Group to comply with these requirements as
23 a condition of extending the agreement would likely impose costs and delays that would
24 further impede HSH’s ability to provide uninterrupted non-congregate shelter units. It is
25 therefore in the public interest to waive certain of the requirements in those Codes.

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Section 2. Amendment of Existing Contract to Extend Term and Increase Not-To-Exceed Amounts; Continued Waiver of Provisions of the Administrative, Labor and Employment, and Environment Codes.

(a) Pursuant to Charter Section 9.118(b), the Board of Supervisors hereby approves the Fifth Amendment to the Monarch Hotel Booking Agreement, to increase the not-to-exceed amount by \$2,533,540,189, for a new not-to-exceed amount of \$21,661,300, and to extend the contract term from August 31, 2024 through March 31, 2025.

(b) The Board of Supervisors authorizes HSH to amend the Monarch Hotel Booking Agreement without adherence to the requirements of Administrative Code Chapters 12Y (Slavery Era Disclosure Ordinance), 14B (Local Business Enterprise and Non-Discrimination in Contracting Ordinance), 83 (First Source Hiring Program), and 101 (Sugar-Sweetened Beverage Funding Ban Ordinance); Labor and Employment Code Articles 111 (Minimum Compensation), 141 (Salary History), and 142 (Consideration of Criminal History in Hiring and Employment Decisions); and Environment Code Chapters 8 (Tropical Hardwood and Virgin Redwood Ban), 13 (Arsenic Treated Wood Products), 16 (Food Service and Packaging Waste Reduction Ordinance), and 24 (Bottled Water Ordinance).

(c) The Board of Supervisors authorizes HSH to enter into any additional amendments to the Monarch Hotel Booking Agreement approved pursuant to this Section 2 that HSH determines, in consultation with the City Attorney, are in the best interest of the City, do not further extend the term of the agreement or increase the not-to-exceed amount stated in this ordinance, do not otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the agreement, and are in compliance with all applicable laws.

1 (d) Within 30 days of the Agreement being fully executed by all parties, HSH shall
2 provide the executed Agreement to the Clerk of the Board of Supervisors for inclusion in File
3 No. 240634.

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5 Section 3. Effective Date. This ordinance shall become effective 30 days after
6 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
7 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
8 of Supervisors overrides the Mayor's veto of the ordinance.

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11 APPROVED AS TO FORM:
12 DAVID CHIU, City Attorney

13 By: /s/
14 ADAM RADTKE
15 Deputy City Attorney

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