

1 [Real Property Lease - Retroactive - ROSHAN INVESTMENTS LLC - Adante Hotel - 610
2 Geary Street - Non-Congregate Temporary Shelter - Initial Annual Base Rent \$1,484,280 -
Maximum Final Payment of Up to \$100,000]

3
4 **Resolution retroactively approving and authorizing the Director of Property, on behalf**
5 **of the Department of Homelessness and Supportive Housing, to execute a lease of real**
6 **property with ROSHAN INVESTMENTS LLC, for use of the Adante Hotel located at 610**
7 **Geary Street for a non-congregate temporary shelter program with 93 units for an initial**
8 **term of one year, to commence on April 1, 2025, with one one-year option to extend and**
9 **an annual base rent of \$1,484,280 with 3% annual increases if the City exercise the**
10 **option to extend, and a maximum final payment of up to \$100,000 upon surrender of**
11 **property; affirming the Planning Department's determination under the California**
12 **Environmental Quality Act; and authorizing the Director of Property to execute any**
13 **amendments, make certain modifications and take certain actions that do not**
14 **materially increase the obligations or liabilities to the City, do not materially decrease**
15 **the benefits to the City and are necessary or advisable to effectuate the purposes of**
16 **the lease agreement or this Resolution.**

17
18 WHEREAS, The Department of Homelessness and Supportive Housing's ("HSH")
19 mission is to prevent homelessness when possible and to make homelessness a rare, brief
20 and one-time experience in San Francisco through the provision of coordinated,
21 compassionate, and high-quality services; and

22 WHEREAS, With the adoption of Resolution No. 319-18 in October 2018, the Board of
23 Supervisors and then Mayor London N. Breed declared a shelter crisis and affirmed San
24 Francisco's commitment to combatting homelessness and creating or augmenting a
25 continuum of shelter and service options for those experiencing homelessness; and

1 WHEREAS, According to the 2024 Point-in-Time Count, there were 8,323 people
2 experiencing unsheltered homelessness in San Francisco, 52% of which were unsheltered;
3 and

4 WHEREAS, In April 2023, HSH released the five-year strategic plan “Home by the Bay:
5 An Equity-Driven Plan to Prevent and End Homelessness in San Francisco” which calls for
6 new investments and strategies to reduce unsheltered homelessness by half over the next
7 five years; and in order to make progress on these goals, it is critical that HSH maintain
8 existing non-congregate shelter capacity; and

9 WHEREAS, The City has operated non-congregate shelter at the Adante Hotel located
10 at 610 Geary Street (APN 0304--005), consisting of the entire building, including 93 guest
11 rooms, excepting the commercial restaurant space adjacent to the hotel lobby (the “Property”)
12 since 2020, as part of the City’s response to the COVID-19 pandemic pursuant to the
13 Emergency Agreement entered into by and between the City and the Sayana Corporation,
14 dated May 8, 2020 (the “Booking Agreement”), a copy of which is on file with the Clerk of the
15 Board of Supervisors (“Clerk”) in File No. 240633; and

16 WHEREAS, On July 23, 2024, the Board of Supervisors adopted Ordinance
17 No. 184-24, which approved the fifth amendment to the Booking Agreement, increasing the
18 not-to-exceed amount by \$2,371,068 for a new not-to-exceed amount of \$20,870,507, and
19 extending the term by 7 months, from August 31, 2024, through March 31, 2025; and

20 WHEREAS, The Booking Agreement extension allowed HSH to maintain critical non-
21 congregate shelter capacity during the period of lease negotiations; and

22 WHEREAS, On behalf of HSH, the Real Estate Division (“RED”) negotiated a lease
23 with ROSHAN INVESTMENTS LLC, the current owner of the Property (the “Landlord”) for an
24 initial term of 1 year to commence on April 1, 2025, with an initial annual base rent
25 of \$1,484,280, with one one-year option to extend with an annual increase of 3% if the City

1 exercises the option to extend (the "Lease"); a copy of the Lease is on file with the Clerk in
2 File No. 250194; and

3 WHEREAS, The Lease includes a maximum final payment of \$100,000 if the option to
4 extend is not exercised, with the final payment decreasing to \$90,000 if the Lease is extended
5 through March 31, 2027; and

6 WHEREAS, The final payment is to compensate the landlord for the short-term use of
7 the property and any incidental expenses related to the exit from the Property; and

8 WHEREAS, The Director of Property determined the rent payable under the Lease to
9 be at or below fair market rental value; and

10 WHEREAS, The Planning Department, through a letter dated October 23, 2024,
11 ("Planning Letter") determined that the Lease of the Property for use as a low-barrier
12 temporary shelter program is not subject to the California Environmental Quality Act ("CEQA")
13 pursuant to Assembly Bill 101, California Government Code, Sections 65660 - 65668, a copy
14 of the Planning Letter is on file with the Clerk in File No. 250194; now, therefore, be it

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

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

23 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
24 Property, or their designee, to take all actions on behalf of the City to enter into, execute, and
25 perform its obligations under the Lease (including without limitation, the exhibits to the Lease)

1 and any other documents that are necessary or advisable to effectuate the purpose of this
2 Resolution and the Lease; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
4 Property, or their designee, to enter into any additions, amendments, or other modifications to
5 the Lease (including, without limitation, the exhibits to the Lease) that the Director of Property
6 determines, in consultation with the City Attorney, are in the best interest of the City, do not
7 materially decrease the benefits to the City, do not materially increase the obligations or
8 liabilities of the City, or are necessary or advisable to effectuate the purposes of the Lease or
9 this Resolution, and are in compliance with all applicable laws, including, without limitation,
10 the City's Charter; and, be it

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

Funds Available for use in Fiscal Year 2024-2025:
\$371,070

Fund ID:	10020 - GF Cont Authority Ctrl
Department ID:	203646 - HOM PROGRAMS
Project ID:	10031196 - HO Shelter And Navigation Cent
Authority ID:	17129 - HO Shelter And Navigation Cent
Account ID:	530110 – Property Rent
Activity ID:	88 - Programmatic Svcs Baseline

/s/ Michelle Allersma
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