

1 [Real Property Lease Amendment - LAWRENCE B. STONE PROPERTIES #08, LLC - 2177
2 Jerrold Avenue - Temporary Shelter - Additional Improvements Up to \$650,200]

3 **Resolution authorizing the Director of Property to execute a Second Amendment to the**
4 **Lease between the City and LAWRENCE B. STONE PROPERTIES #08, LLC, as landlord**
5 **of the real property located at 2177 Jerrold Avenue (“Property”), on behalf of the**
6 **Department of Homelessness and Supportive Housing; authorizing the City's**
7 **contribution of up to \$650,200 with no changes to the original term of the lease, for**
8 **installation of electric packaged terminal air conditioning (“PTAC”) units for existing**
9 **cabins on the Property to provide both heating and cooling for guests at the temporary**
10 **shelter program; authorizing the Director of Property to execute any amendments,**
11 **make certain modifications and take certain actions that do not materially increase the**
12 **obligations or liabilities to the City, do not materially decrease the benefits to the City**
13 **and are necessary or advisable to effectuate the purposes of the lease agreement or**
14 **this Resolution.**

15
16 WHEREAS, The Department of Homelessness and Supportive Housing’s (“HSH”) mission is to prevent homelessness when possible and to make homelessness a rare, brief and one-time experience in San Francisco through the provision of coordinated, 17
18 compassionate, and high-quality services; and

19
20 WHEREAS, On December 12, 2023, the Board of Supervisors adopted Resolution No. 602-23, approving a lease for the real property consisting of approximately 98,000 square feet 21
22 and two buildings totaling approximately 23,591 square feet located at 2177 Jerrold Avenue (the “Property”), with LAWRENCE B. STONE PROPERTIES #08, LLC (“Landlord”), for an 23
24 initial term of 15 years with two five-year options; an initial annual base rent of \$2,469,606 and

1 a City contribution of \$5,866,869 for tenant improvements for use by HSH as a temporary
2 shelter program (“Lease Agreement”); and

3 WHEREAS, In April 2025, HSH opened Jerrold Commons, a temporary shelter
4 program serving up to 68 older adults experiencing homelessness across 60 non-congregate
5 cabins at the Property (the “Program”); and

6 WHEREAS, On June 24, 2025, the Board of Supervisors unanimously adopted
7 Resolution No. 304-25, approving the First Amendment to the Lease Agreement that
8 authorized the City to contribute up to \$1,246,746 for additional improvements, including any
9 pre-development costs incurred, for a utilities upgrade at the Property; and

10 WHEREAS, The utility upgrade authorized by the First Amendment effectuated the
11 power infrastructure needed to support the operation of Packaged Terminal Air Conditioner
12 (“PTAC”) units to provide heating and cooling for cabins; and

13 WHEREAS, The City desires to enter into a Second Amendment to the Lease
14 Agreement that will authorize the City to contribute up to \$650,200 for the Landlord to install
15 PTAC units in the 60 existing cabins on the Property to provide both heating and cooling to
16 support health and safety of guests served through the temporary shelter program (“Additional
17 Improvements”); and

18 WHEREAS, The Real Estate Division (“RED”) in consultation with HSH and the Office
19 of the City Attorney, negotiated the Second 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 (“Second Amendment”), a copy of which is on file with the Clerk of
22 the Board of Supervisors in File No. _____; and

23 WHEREAS, The Landlord has agreed to provide these Additional Improvements, the
24 cost of which shall not exceed \$650,200 as reflected in the Second Amendment; and
25

1 WHEREAS, The City agrees to reimburse the Landlord for the cost of the Additional
2 Improvements as detailed in Exhibit H of the Second Amendment, for a total not to exceed
3 amount of \$650,200 for the Additional Improvements; and

4 WHEREAS, The Second Amendment requires Board of Supervisors approval under
5 Section 9.118 of the Charter; now, therefore, be it

6 RESOLVED, That in accordance with the recommendation of the Director of Property
7 and HSH's Executive Director, the Board of Supervisors approves the Second Amendment in
8 substantially the form presented to the Board and hereby authorizes the Director of Property,
9 or their designee, to execute the Second Amendment; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
11 Property, or their designee, to take all actions on behalf of the City to enter into, execute, and
12 perform its obligations under the Second Amendment, and any other documents that are
13 necessary or advisable to effectuate the purpose of this Resolution and the Second
14 Amendment; and, be it

15 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
16 Property to make certain modifications and take certain actions that do not materially increase
17 the obligations or liabilities to the City, do not materially decrease the benefits to the City and
18 are necessary or advisable to effectuate the purposes of the Second Amendment or this
19 Resolution and are in compliance with all applicable laws; and, be it

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

