

1 [Human Services Agency - Agreements with Hotels Providing Non-Congregate Shelter to
2 Persons Experiencing Homelessness]

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4 **Ordinance authorizing the Human Services Agency (HSA) to amend certain hotel**
5 **booking agreements that were executed on or before February 10, 2022, to provide**
6 **non-congregate shelter to people experiencing homelessness by extending the terms**
7 **beyond August 31, 2022, through August 31, 2023; waiving for said agreements certain**
8 **requirements in the Administrative and Environment Codes; approving certain**
9 **agreements with anticipated expenditures in excess of \$10 million under Charter,**
10 **Section 9.118; and authorizing HSA to enter into modifications of such agreements that**
11 **do not increase the obligations or liabilities to the City and are necessary to effectuate**
12 **the purposes 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.

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

21 Section 1. Background and Findings.

22 (a) On February 25, 2020, Mayor London Breed proclaimed a state of emergency in
23 response to the COVID-19 pandemic (the "Proclamation"). On March 3, 2020, the Board of
24 Supervisors concurred in the February 25 Proclamation and in the actions taken by the Mayor
25 to meet the emergency.

1 (b) On March 13, 2020, the Mayor issued the Second Supplement to the Proclamation,
2 which found that “it is in the public interest to take steps to ensure that people remain housed
3 during this public health emergency” and that “there is a severe shortage of affordable rental
4 housing in the City, people who are evicted are at a risk of homelessness, and homeless
5 individuals are less equipped to mitigate risks related to COVID-19.”

6 (c) On May 11, 2020, the Mayor issued the Thirteenth Supplement to the
7 Proclamation, authorizing City departments to enter into COVID-19 related contracts with a
8 term of one year or less and that exempted departments from following the competitive
9 solicitation and procurement procedures in the Administrative Code, obtaining approval from
10 the commission overseeing each department, including contract terms that the department
11 head determined may impede the City’s ability to obtain state or federal reimbursement, and
12 Civil Service Commission approval.

13 (d) In Resolution No. 330-20 adopted in July 2020, the Board of Supervisors
14 expressed its intent that no person experiencing homelessness who has been brought into the
15 COVID-19 Response System, which includes City or privately-funded hotel rooms,
16 congregate shelters, and Recreational Vehicles, be discharged to the streets, and that all
17 people in the COVID-19 Response System receive a “Coordinated Entry Assessment” for
18 appropriate housing matches. In Resolution No. 330-20, the Board also urged the Department
19 of Homelessness and Supportive Housing (HSH) to release a comprehensive plan that
20 outlines anticipated steps to prevent people in Shelter-in-Place (SIP) hotels or other COVID-
21 19 Response System housing options from being discharged to the streets.

22 (e) Following the first wave of the coronavirus, HSA entered into booking agreements
23 with 30 hotels to provide rooms for shelter-in-place, isolation and quarantine, and first
24 responders. As of November 15, 2020, the City was providing temporary shelter in over 2,000
25

1 rooms to individuals or families in hotels. Pursuant to the Thirteenth Supplement, HSA
2 waived commission approvals and certain contract terms in the hotel booking agreements.

3 (f) On January 21, 2021, President Joe Biden directed the Federal Emergency
4 Management Agency (FEMA) to make assistance available to local governments to fund non-
5 congregate sheltering at 100% of federal cost share until September 30, 2021, in contrast to
6 the previous policy of making FEMA assistance available at 75% of the federal cost share.

7 (g) On February 19, 2021, in the Thirty-Fifth Supplement to the Proclamation, the
8 Mayor authorized City departments to extend the COVID-19 related emergency contracts
9 initially authorized by the Thirteenth Supplement. For contracts executed before February 1,
10 2021, the Thirty-Fifth Supplement authorized a term extension of up to 12 months. The
11 Thirty-Fifth Supplement also authorized City departments to execute or amend COVID-19
12 related contracts on or after February 1, 2021 without complying with competitive solicitation
13 or commission approval, and without including terms otherwise required by the Administrative
14 and Environment Codes.

15 (h) Under the authority of the Thirty-Fifth Supplement, HSA extended the term for hotel
16 booking agreements for an additional 12 months, and waived terms in those agreements that
17 would otherwise be required by the Administrative and Environment Codes.

18 (i) On February 10, 2022, in the Forty-Fifth Supplement to the Proclamation, the Mayor
19 authorized the Executive Director of HSA to amend any agreement the agency had in place
20 as of February 10, 2022 for the use of hotel rooms to house individuals experiencing
21 homelessness or individuals who are at risk of developing severe COVID-19 to extend the
22 term of any such agreements up to and including August 31, 2022. The Supplement further
23 provided that any amendment to extend the term of such agreements beyond August 31,
24 2022 and to waive applicable restrictions in the Municipal Code, would require approval of the
25 Board of Supervisors by ordinance.

1 (j) On March 1, 2022, President Biden directed FEMA to extend assistance to local
2 governments including funding for non-congregate sheltering at 100% federal cost share up to
3 and including July 1, 2022.

4 (k) This ordinance is necessary to enable HSA to expeditiously amend its hotel
5 booking agreements to extend the duration of such agreements beyond August 31, 2022 to
6 maintain stable housing for individuals who might otherwise be discharged to the streets. The
7 ordinance thereby furthers the interests of the City, by avoiding the inevitable delay and
8 expenditure of limited staff resources that would be caused by restarting the procurement
9 process to reacquire hotel rooms. The ordinance will enable the uninterrupted use of hotel
10 rooms by authorizing HSA to negotiate a term extension quickly to ensure the best use of the
11 rooms.

12 (l) HSA intends to wind down the majority of hotel booking agreements by December
13 31, 2022. However, HSA may also assign a limited number of agreements to HSH so that
14 HSH can continue to operate non-congregate shelters after December 31, 2022 through
15 August 31, 2023, contingent upon the availability of funding to do so. HSA may also assign a
16 limited number of agreements to the Department of Public Health (“DPH”) so that DPH can
17 provide ongoing isolation or quarantine sites. Any future extensions beyond August 31, 2023
18 would require either further approval of the Board to extend the term of such agreements and
19 to waive any relevant provisions of the Municipal Code, or inclusion of such Code provisions.

20 (m) The Administrative Code and the Environment Code typically require that new and
21 amended contracts include provisions requiring the contractor to adhere to various policies
22 enacted by the Board. Requiring hotels to comply with these requirements as a condition of
23 extending the agreements would likely impose costs and delays that would further impede
24 HSA’s ability to provide uninterrupted housing.

1 Section 2. For purposes of Sections 3 and 4 of this ordinance, “Hotel Booking
2 Agreement” shall mean any hotel booking agreement executed between HSA and a hotel or
3 motel on or before February 10, 2022 for the use of rooms as isolation and quarantine
4 facilities, or to house individuals experiencing homelessness and/or who are at risk of
5 developing severe COVID-19. A list of all Hotel Booking Agreements is on file with the Clerk
6 of the Board of Supervisors in File No. 220703.

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8 Section 3. Amendment of Existing Contracts to Extend Term; Waiver of Requirements
9 for Board of Supervisors Approval.

10 (a) HSA may amend a Hotel Booking Agreement to extend the term of the agreement,
11 or may exercise an option to extend the term of an existing agreement, beyond August 31,
12 2022 for an additional twelve months up to and including August 31, 2023.

13 (b) Hotel Booking Agreements amended as authorized by Section 3(a), above, shall
14 continue to be exempt from the requirements of Administrative Code Chapters 12K (Salary
15 History Ordinance), 12P (Minimum Compensation Ordinance), 12T (Consideration of Criminal
16 History in Hiring and Employment Decisions), 12Y (Slavery Era Disclosure Ordinance), 14B
17 (Local Business Enterprise and Non-Discrimination in Contracting Ordinance), 83 (First
18 Source Hiring Program), and 101 (Sugar-Sweetened Beverage Funding Ban Ordinance), and
19 Environment Code Chapters 8 (Tropical Hardwood and Virgin Redwood Ban), 13 (Arsenic
20 Treated Wood Products), 16 (Food Service and Packaging Waste Reduction Ordinance), and
21 24 (Bottled Water Ordinance).

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23 Section 4. Authorization to Enter into Amendments Pursuant to Charter Section 9.118.

24 (a) Existing Agreements.
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1 (1) On May 7, 2020, HSA entered into an Emergency Hotel Booking Agreement
2 with Sayana Corporation (operator of the “Adante Hotel”), for an amount not to exceed
3 \$5,460,053, HSA Contract No. 1000017957. The Adante Hotel Emergency Hotel Booking
4 Agreement was amended pursuant to the First Amendment to the Adante Hotel Emergency
5 Hotel Booking Agreement, dated March 23, 2021, and was further amended by the Second
6 Amendment to the Adante Hotel Emergency Hotel Booking Agreement, dated March 1, 2022.
7 The First and Second Amendments did not cause the total agreement amount to exceed \$10
8 million. HSA desires to enter into a Third Amendment (the “Third Adante Amendment”), dated
9 retroactively to April 18, 2022, to exercise an option to extend the term of the agreement
10 consistent with Section 3 of this ordinance and to increase the agreement amount by
11 \$4,918,351 for a new not to exceed amount of \$14,856,866.

12 (2) On May 23, 2020, HSA entered into an Emergency Hotel Booking
13 Agreement with KHP II SF Sutter LLC (operator of the “Kimpton Buchanan Hotel”) for an
14 amount not to exceed \$8,551,713, HSA Contract No. 1000018159. The Kimpton Buchanan
15 Hotel Emergency Hotel Booking Agreement was amended pursuant to the First Amendment
16 to the Kimpton Buchanan Hotel Emergency Hotel Booking Agreement, dated as of May 2021,
17 and was further amended by the Second Amendment to the Kimpton Buchanan Hotel
18 Emergency Hotel Booking Agreement, dated March 1, 2022. The First and Second
19 Amendments did not cause the total agreement amount to exceed \$10 million. HSA desires
20 to enter into a Third Amendment (the “Third Kimpton Amendment”), dated retroactively to April
21 3, 2022, to exercise an option to extend the term of the agreement consistent with Section 3
22 of this ordinance and increase the contract amount by \$4,071,617 for a new not to exceed
23 amount of \$14,064,232.

24 (3) On April 23, 2020, HSA entered into an Emergency Hotel Booking
25 Agreement with SF Vertigo LLC (operator of the “Hotel Vertigo”), for an amount not to exceed

1 \$4,571,078, HSA Contract No. 1000017798. The Hotel Vertigo Emergency Hotel Booking
2 Agreement was amended pursuant to the First Amendment to the Hotel Vertigo Emergency
3 Hotel Booking Agreement, dated March 22, 2021 and was further amended by the Second
4 Amendment to the Hotel Vertigo Emergency Hotel Booking Agreement, dated March 1, 2022.
5 The First and Second Amendments did not cause the agreement amount to exceed \$10
6 million. HSA desires to enter into a Third Amendment (the "Third Vertigo Amendment"), dated
7 retroactively to July 3, 2022, to exercise an option to extend the term of the agreement
8 consistent with Section 3 of this ordinance and increase the contract amount by \$2,279,277
9 for a new not to exceed amount of \$12,273,030.

10 (4) On July 23, 2020, HSA entered into an Emergency Hotel Booking
11 Agreement with Lombard Hotel Group (operator of the "Monarch Hotel"), for an amount not to
12 exceed \$5,871,025, HSA Contract No. 1000019022. The Monarch Hotel Emergency Hotel
13 Booking Agreement was amended pursuant to the First Amendment to the Monarch Hotel
14 Emergency Hotel Booking Agreement, dated March 23, 2021 and was further amended by the
15 Second Amendment to the Monarch Hotel Emergency Hotel Booking Agreement, dated
16 March 1, 2022. The First and Second Amendments did not cause the agreement amount to
17 exceed \$ 10 million. HSA desires to enter into a Third Amendment (the "Third Monarch
18 Amendment"), dated retroactively to May 27, 2022, to exercise an option to extend the term of
19 the agreement consistent with Section 3 of this ordinance and increase the contract amount
20 by \$5,019,360 for a new not to exceed amount of \$15,005,460.

21 (5) On May 15, 2020, HSA entered into an Emergency Hotel Booking
22 Agreement with Shin International, Inc. (operator of the "Cova Hotel"), for an amount not to
23 exceed \$5,230,724, HSA Contract No. 1000018023. The Cova Emergency Hotel Booking
24 Agreement was amended pursuant to the First Amendment to the Cova Emergency Hotel
25 Booking Agreement, dated March 22, 2021 and was further amended by the Second

1 Amendment to the Cova Emergency Hotel Booking Agreement, dated March 1, 2022. The
2 First and Second Amendments did not cause the agreement amount to exceed \$10 million.
3 HSA desires to enter into a Third Amendment (the “Third Cova Amendment”), dated
4 September 1, 2022, to exercise an option to extend the term of the agreement consistent with
5 Section 3 of this ordinance and increase the contract amount by \$2,870,981 for a new not to
6 exceed amount of \$11,385,311.

7 (b) Copies of the agreements listed in subsection (a)(1) through (a)(5) are on file with
8 the Clerk of the Board of Supervisors in File No. 220703.

9 (c) Approval. Charter Section 9.118(b) provides that the agreements entered into by a
10 department, board, or commission requiring anticipated expenditures by the City and County
11 of ten million dollars, shall be subject to approval by the Board of Supervisors. Pursuant to
12 Section 9.118(b), the Board of Supervisors approves the agreements described in Section
13 4(a) of this ordinance, as follows:

14 (1) The Board of Supervisors hereby approves the Third Adante Amendment to
15 HSA Contract No. 1000017957 to increase the amount by \$4,918,351 for a new not to exceed
16 amount of \$14,856,866.

17 (2) The Board of Supervisors hereby approves the Third Kimpton Amendment
18 to HSA Contract No. 1000018159 to increase the amount by \$4,071,617 for a new not to
19 exceed amount not of \$14,064,232.

20 (3) The Board of Supervisors hereby approves the Third Vertigo Amendment to
21 HSA Contract No. 1000017798 to increase the amount by \$2,279,277 for a new not to exceed
22 amount of \$12,273,030.

23 (4) The Board of Supervisors hereby approves the Third Monarch Amendment
24 to HSA Contract No. 1000019022 to increase the amount by \$5,019,360 for a new not to
25 exceed amount of \$15,005,460.

1 (5) The Board of Supervisors hereby approves the Third Cova Amendment to
2 HSA Contract No. 1000018023 to increase the amount by \$2,870,981 for a new not to exceed
3 amount of \$11,385,311.

4 (d) The Board of Supervisors recognizes and provides retroactive approval of the Third
5 Adante Amendment, dated April 18, 2022, the Third Kimpton Amendment, dated April 3,
6 2022, the Third Vertigo Amendment, dated July 3, 2022, and the Third Monarch Amendment,
7 dated May 27, 2022.

8 (e) The Board of Supervisors authorizes HSA to enter into any modifications to the
9 agreements approved pursuant to this Section 4, prior to their final execution by all parties,
10 that HSA determines, in consultation with the City Attorney, are in the best interest of the City,
11 do not otherwise materially increase the obligations or liabilities of the City, are necessary or
12 advisable to effectuate the purposes of the agreement, and are in compliance with all
13 applicable laws.

14 (f) Within 30 days of the agreements referenced in Section 4(c), above, being fully
15 executed by all parties, HSA shall provide the executed agreements to the Clerk of the Board
16 of Supervisors for inclusion in File No. 220703.

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

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7 APPROVED AS TO FORM:
8 DAVID CHIU, City Attorney

9 By: /s/ Henry L. Lifton
10 HENRY L. LIFTON
Deputy City Attorney

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