

1 [Real Property Lease - Retroactive - Lombard Hotel Group – Monarch Hotel - 1015 Geary
2 Street – Non-Congregate Temporary Shelter – Annual Base Rent of \$1,597,320 and a Final
3 Payment of \$100,000]

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 Lombard Hotel Group, for use of the Monarch Hotel located at 1015 Geary**
7 **Street for a non-congregate temporary shelter program with 102 units for a term of 1**
8 **year, to commence on April 1, 2025, through March 31, 2026, with an annual base rent**
9 **of \$1,597,320, and a final payment of \$100,000 upon surrender of the property;**
10 **affirming the Planning Department’s determination under the California Environmental**
11 **Quality Act; and authorizing the Director of Property to execute any amendments, make**
12 **certain modifications and take certain actions that do not materially increase the**
13 **obligations or liabilities to the City, do not materially decrease the benefits to the City**
14 **and are necessary or advisable to effectuate the purposes of the lease agreement or**
15 **this Resolution.**

16
17 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, compassionate, and high-quality services; and

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

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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 Monarch Hotel
10 located at 1015 Geary Street (APN 0715-011), consisting of the entire building including 102
11 guest rooms, excepting a portion of the basement and kitchen space on the first floor (the
12 “Property”) since 2020, as part of the City’s response to the COVID-19 pandemic pursuant to
13 the Emergency Agreement entered into by and between the City and the Lombard Hotel
14 Group (the “Landlord”), dated July 23, 2020 (the “Booking Agreement”), a copy of which is on
15 file with the Clerk of the Board of Supervisors (“Clerk”) in File No. 240634; and

16 WHEREAS, On July 23, 2024, the Board of Supervisors adopted Ordinance No. 185-
17 24, which approved the fifth amendment to the Monarch Hotel Booking Agreement, increasing
18 the not-to-exceed amount by \$4,189,900 for a new not-to-exceed amount of \$21,661,300, 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 the Landlord for an initial term of 1 year with no options to extend to commence on
24 April 1, 2025, through March 31, 2026, with an annual base rent of \$1,597,320, and a final
25

1 payment of \$100,000 upon surrender of the property (“final payment”) (the “Lease”); a copy of
2 the Lease is on file with the Clerk in File No. 250193; and

3 WHEREAS, The final payment of \$100,000 is to compensate the landlord for the short-
4 term use of the property and any incidental expenses related to the exit from the Property;
5 and

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

8 WHEREAS, The Planning Department, through a letter dated October 23, 2024,
9 (“Planning Letter”) determined that the Lease of the Property for use as a low-barrier
10 temporary shelter program is not subject to the California Environmental Quality Act (“CEQA”)
11 pursuant to Assembly Bill 101, California Government Code, Sections 65660 - 65668, a copy
12 of the Planning Letter is on file with the Clerk in File No. 250193; now, therefore, be it

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

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

21 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
22 Property, or their designee, to take all actions on behalf of the City to enter into, execute, and
23 perform its obligations under the Lease (including without limitation, the exhibits to the Lease)
24 and any other documents that are necessary or advisable to effectuate the purpose of this
25 Resolution and the Lease; and, be it

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

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

