

1 [Grant Agreement Amendment - Tenderloin Housing Clinic, Inc. - Master Lease Hotels - Not
2 to Exceed \$241,657,513]

3 **Resolution approving the second amendment to the grant agreement between the**
4 **Tenderloin Housing Clinic, Inc. and the Department of Homelessness and Supportive**
5 **Housing (“HSH”) for master lease stewardship, property management, and support**
6 **services at 16 permanent supportive housing sites; extending the grant term by 24**
7 **months for a total term of July 1, 2020, through June 30, 2026; increasing the**
8 **agreement amount by \$108,753,662 for a total amount not to exceed \$241,657,513; and**
9 **authorizing HSH to enter into any additions, amendments, or other modifications to the**
10 **agreement that do not materially increase the obligations or liabilities, or materially**
11 **decrease the benefits to the City.**

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13 WHEREAS, The mission of the Department of Homelessness and Supportive Housing
14 (“HSH” or “Department”) is to prevent homelessness when possible and make homelessness
15 rare, brief, and one-time in the City and County of San Francisco (“the City”) through the
16 provision of coordinated, compassionate, and high-quality services; and

17 WHEREAS, Permanent supportive housing (“PSH”) is the most effective evidence-
18 based solution to chronic homelessness; and

19 WHEREAS, The nonprofit provider Tenderloin Housing Clinic, Inc. (“THC”) has
20 extensive experience providing supportive services and property management at PSH sites in
21 San Francisco; and

22 WHEREAS, THC is the longtime provider of supportive services and property
23 management at 16 master-leased PSH sites (the “Master Lease Hotels”); and

24 WHEREAS, The Human Services Agency (“HSA”) selected THC to provide services at
25 the Master Lease Hotels through Notice of Funding Opportunity #592 in 2014; and

1 WHEREAS, When HSH was created in 2016, the Department inherited HSA’s
2 agreement with THC for the Master Lease Hotels; and

3 WHEREAS, In July 2020, the Board of Supervisors adopted Resolution No. 261-22
4 approving HSH to enter into a new grant agreement (“Agreement”) for the term of July 1,
5 2020, to February 29, 2024, in an amount not to exceed \$89,400,486 with THC to continue to
6 provide master lease stewardship, property management, and support services at over 1,500
7 PSH units at the Master Lease Hotels for formerly homeless adults, a copy of which is on file
8 with the Clerk of the Board of Supervisors in File No. 200705; and

9 WHEREAS, In June 2022, the Board of Supervisors adopted Resolution No. 261-22
10 approving HSH to execute the first amendment to the Agreement, which extended the
11 Agreement term for THC to continue providing these services by four months to June 30,
12 2024, and increased the not to exceed amount by \$43,503,365 for a total amount not to
13 exceed \$132,903,851, a copy of which is on file with the Clerk of the Board of Supervisors in
14 File No. 220453; and

15 WHEREAS, The Master Lease Hotels served 1,652 tenants between July 1, 2022, and
16 June 30, 2023, including 278 new tenants who moved in during that period; and

17 WHEREAS, The proposed second amendment (“Amendment”) to the Agreement
18 would extend the Agreement for THC to continue to provide these services by 24 months to
19 June 30, 2026; and

20 WHEREAS, The Amendment would increase the not to exceed amount by
21 \$108,753,662 for a total amount not to exceed \$241,657,513 to cover the full fiscal year 2023-
22 24 budget amount, approved one-time funding for capital improvements in fiscal year 2023-
23 24, and the additional 24 months of services; and

1 WHEREAS, A copy of the Amendment is on file with the Clerk in File No. 230871,
2 substantially in final form, with all material terms and conditions included, and only remains to
3 be executed by the parties upon approval of this Resolution; and

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

6 RESOLVED, That the Board of Supervisors hereby authorizes the Executive Director
7 of HSH (“Director”) or their designee to execute the Amendment to extend the current term of
8 July 1, 2020, through June 30, 2024, to July 1, 2020, through June 30, 2026, and to increase
9 the not to exceed amount by \$108,753,662 for a total amount not to exceed \$241,657,513;
10 and, be it

11 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director or their
12 designee to enter into any amendments or modifications to the Amendment, prior to its final
13 execution by all parties, that HSH determines, in consultation with the City Attorney, are in the
14 best interest of the City, do not otherwise materially increase the obligations or liabilities of the
15 City, are necessary or advisable to effectuate the purposes of the grant, and are in
16 compliance with all applicable laws; and, be it

17 FURTHER RESOLVED, That within 30 days of the Amendment being executed by all
18 parties, HSH shall submit to the Clerk a completely executed copy for inclusion in File No.
19 230871; this requirement and obligation resides with HSH, and is for the purposes of having a
20 complete file only, and in no manner affects the validity of the approved agreement.

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Recommended:

/s/ _____

Shireen McSpadden
Executive Director
Department of Homelessness and Supportive Housing