

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

February 20, 2025

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Real Property Lease – Monarch Hotel – Non-Congregate Temporary Shelter

Dear Honorable Board Members:

Attached for your consideration is a resolution authorizing and approving a lease of real property with Lombard Hotel Group, for use of the Monarch Hotel, located at 1015 Geary Street ("Lease"). The Lease has a term of one year, with four one-year options to extend. If legislatively approved, the lease will commence on April 1, 2025. Initial annual base rent is \$1,597,320, with 3% annual increases if the City exercises the options to extend.


The Department of Homelessness and Supportive Housing ("HSH") proposes to use the property to continue to provide non-congregate shelter to adults experiencing homelessness. The City has operated non-congregate shelter at the property since July 2020, as part of the City's response to the COVID-19 pandemic.

The Real Estate Division ("RED"), on behalf of HSH negotiated an initial annual base rent of \$1,597,320 (\$15,660 per unit, \$41.27/per square foot). The rent payable under the Lease was determined to be at or below fair market rental value by the Director of Property.

Both the Executive Director of HSH and I recommend approval of the proposed Resolution. If you have questions regarding the Lease, please contact me at 415.554.9850 or Andrico.penick@sfgov.org. If you have questions regarding the proposed use of the property by HSH, please contact Dylan Schneider at 628.652.7742 or dylan.schneider@sfgov.org.

Respectfully,

Signed by:


Andrico Q. Penick
Director of Property