

1 [Grant Agreement Amendment - Urban Alchemy - 33 Gough Cabin Program - Not to Exceed  
2 \$11,575,467]

3 **Resolution approving the second amendment to the grant agreement between Urban**  
4 **Alchemy and the Department of Homelessness and Supportive Housing (“HSH”) for**  
5 **shelter operations and services at the 33 Gough Cabin Program; extending the grant**  
6 **term by nine months from June 30, 2024, for a total term of December 1, 2021, through**  
7 **March 31, 2025; increasing the agreement amount by \$2,146,990 for a total amount not**  
8 **to exceed \$11,575,467; authorizing HSH to enter into any amendments or other**  
9 **modifications to the agreement that do not materially increase the obligations or**  
10 **liabilities or materially decrease the benefits to the City and are necessary or advisable**  
11 **to effectuate the purposes of the agreement; affirming the Planning Department's**  
12 **determination under the California Environmental Quality Act; and adopting the**  
13 **Planning Department's findings that the program is consistent with the General Plan,**  
14 **and the eight priority policies of Planning Code, Section 101.1.**

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

20 WHEREAS, With the enactment of Resolution No. 319-18 in October 2018, the Board  
21 of Supervisors and Mayor London N. Breed declared a shelter crisis and affirmed San  
22 Francisco’s commitment to a continuum of shelter and service options for people experiencing  
23 homelessness; and

24 WHEREAS, On March 3, 2020, the Board of Supervisors adopted Resolution No. 95-  
25 20 approving and authorizing the Director of Property, on behalf of HSH, to enter into a three-

1 year lease (“Lease”) with 33 Gough, LLC for the real property of approximately 49,000 square  
2 feet and adjacent parking areas located at 33 Gough Street (“Property”) to operate a low-  
3 barrier shelter program, and a copy of the lease is on file with the Clerk of the Board of  
4 Supervisors (“Clerk”) in File No. 200044; and

5 WHEREAS, In spring 2020, the City opened a Safe Sleep Village at the Property as  
6 part of the initial response to the COVID-19 pandemic; and

7 WHEREAS, In spring 2022, HSH opened the City’s first non-congregate cabin program  
8 (“Program”) that serves adults experiencing homelessness in 70 private, stand-alone shelter  
9 units at the Property; and

10 WHEREAS, Urban Alchemy has extensive experience operating shelter programs; and

11 WHEREAS, HSH entered into a grant agreement (“Agreement”) in December 2021 for  
12 the term of December 1, 2021, through March 31, 2023, in an amount not to exceed  
13 \$5,022,514 with Urban Alchemy to provide shelter operations and services at the Program, a  
14 copy of which is on file with the Clerk in File No. 240265; and

15 WHEREAS, On February 28, 2023, the Board of Supervisors adopted Resolution  
16 No. 75-23 approving and authorizing the Director of Property, on behalf of HSH, to enter into a  
17 two-year lease extension from March 14, 2023, to March 13, 2025, with an additional one-  
18 year option to extend, a copy of which is on file with the Clerk of the Board of Supervisors  
19 (“Clerk”) in File No. 230067; and

20 WHEREAS, In April 2023 HSH executed a first amendment to the Agreement that  
21 extended the term for Urban Alchemy to continue providing these services by 15 months to  
22 June 30, 2024, and increased the not to exceed amount by \$4,405,963 for a total amount not  
23 to exceed \$9,428,477, a copy of which is on file with the Clerk in File No. 240265; and

24 WHEREAS, In fiscal year 2022-23 the Program served 178 clients from 155  
25 households; and

1           WHEREAS, The proposed second amendment (“Amendment”) to the Agreement  
2 would extend the Agreement for Urban Alchemy to continue to provide these services by nine  
3 months to March 31, 2025, to align with the Lease, and would increase the not to exceed  
4 amount by \$2,146,990 for a total amount not to exceed \$11,575,467; and

5           WHEREAS, The Board of Supervisors approved using Proposition C (2018) (Gross  
6 Receipts Tax for Homelessness Services) (“Prop C”), passed by San Francisco voters in  
7 November 2018, to fund the Our City, Our Home (“OCOH”) Fund, in order to expand and  
8 complement existing funding and strategic efforts to prevent and end homelessness for San  
9 Franciscans, including shelter programming; and

10           WHEREAS, 85 percent of the Agreement is funded with Prop C dollars and the  
11 remaining 15% is funded through the State of California’s Encampment Resolution Fund; and

12           WHEREAS, The Planning Department, by letter dated March 7, 2024 (“CEQA  
13 Determination Letter”), determined that the Program is not subject to the California  
14 Environmental Quality Act (“CEQA”) pursuant to California law set forth in Assembly Bill 101,  
15 California Government Code, Sections 65660-65668, and a copy of the CEQA Determination  
16 Letter is on file with the Clerk in File No. 240265; and

17           WHEREAS, The Planning Department, by letter dated March 7, 2024 (“Planning  
18 Letter”), has determined that the Program is consistent, on balance, with the General Plan,  
19 and the eight priority policies of Planning Code, Section 101.1 (“General Plan Findings”), and  
20 a copy of the Planning Letter is on file with the Clerk in File No. 240265; and

21           WHEREAS, A copy of the Amendment is on file with the Clerk in File No. 240265,  
22 substantially in final form, with all material terms and conditions included, and only remains to  
23 be executed by the parties upon approval of this Resolution; and

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

1           RESOLVED, That the Board of Supervisors hereby authorizes the Executive Director  
2 of HSH (“Director”) or their designee to execute the Amendment to extend the current term of  
3 December 1, 2021, through June 30, 2024, to December 1, 2021, through March 31, 2025,  
4 and to increase the not to exceed amount by \$2,146,990 for a total amount not to exceed  
5 \$11,575,467; and, be it

6           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director or their  
7 designee to enter into any amendments or modifications to the Amendment, prior to its final  
8 execution by all parties, that HSH determines, in consultation with the City Attorney, do not  
9 materially increase the obligations or liabilities of the City or materially decrease the benefits  
10 to the City, are necessary or advisable to effectuate the purposes of the grant, and are in  
11 compliance with all applicable laws; and, be it

12           FURTHER RESOLVED, The Board of Supervisors affirms the Planning Department's  
13 CEQA Determination and General Plan Findings, for the same reasons as set forth in the  
14 CEQA Determination Letter and Planning Letter, and hereby incorporates such findings by  
15 reference as though fully set forth in this Resolution; and, be it

16           FURTHER RESOLVED, That within 30 days of the Amendment being executed by all  
17 parties, HSH shall submit to the Clerk a completely executed copy for inclusion in File  
18 No. 240265; this requirement and obligation resides with HSH, and is for the purposes of  
19 having a 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