AMENDED IN COMMITTEE 3/26/2025 RESOLUTION NO. 153-25

FILE NO. 250193

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

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

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

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

WHEREAS, According to the 2024 Point-in-Time Count, there were 8,323 people experiencing unsheltered homelessness in San Francisco, 52% of which were unsheltered; and

WHEREAS, In April 2023, HSH released the five-year strategic plan "Home by the Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco" which calls for new investments and strategies to reduce unsheltered homelessness by half over the next five years; and in order to make progress on these goals, it is critical that HSH maintain existing non-congregate shelter capacity; and

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

WHEREAS, On July 23, 2024, the Board of Supervisors adopted Ordinance No. 185-24, which approved the fifth amendment to the Monarch Hotel Booking Agreement, increasing the not-to-exceed amount by \$4,189,900 for a new not-to-exceed amount of \$21,661,300, and extending the term by 7 months, from August 31, 2024, through March 31, 2025; and

WHEREAS, The Booking Agreement extension allowed HSH to maintain critical noncongregate shelter capacity during the period of lease negotiations; and

WHEREAS, On behalf of HSH, the Real Estate Division ("RED") negotiated a lease with the Landlord for an initial term of 1 year with no options to extend to commence on April 1, 2025, through March 31, 2026, with an annual base rent of \$1,597,320, and a final

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

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

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

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

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

FURTHER RESOLVED, That the Board of Supervisors affirms the Planning

Department's CEQA Determination, for the same reasons as set forth in the Planning Letter,

and hereby incorporates such determination by reference as though fully set forth in this

Resolution; and, be it

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

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

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

Mayor Lurie
BOARD OF SUPERVISORS

Funds Available for use in Fiscal Year 2024-2025: \$399,330

Fund ID:	10020 - GF Cont Authority Ctrl
Department	
ID:	203646 - HOM PROGRAMS
	10031196 - HO Shelter And
Project ID:	Navigation Cent
	17129 - HO Shelter And
Authority ID:	Navigation Cent
Account ID:	530110 - Property Rent
	88 - Programmatic Svcs
Activity ID:	Baseline

/s/ Michelle Allersma

Budget and Analysis Division Director on behalf of Greg Wagner, Controller

RECOMMENDED:

<u>/s/</u>

Andrico Penick Director of Property Real Estate Division

/S/

Shireen McSpadden Executive Director

Department of Homelessness and Supportive Housing



City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Resolution

File Number:

250193

Date Passed: April 15, 2025

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March 26, 2025 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING NEW TITLE

March 26, 2025 Budget and Finance Committee - CONTINUED AS AMENDED

April 09, 2025 Budget and Finance Committee - RECOMMENDED

April 15, 2025 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Engardio, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill and Walton

I hereby certify that the foregoing Resolution was ADOPTED on 4/15/2025 by the Board of Supervisors of the City and County of San Francisco.

> Angela Calvillo Clerk of the Board

Daniel Lurie Mayor Date Approved

4.25.25