

1 [Grant Agreement Amendment - Episcopal Community Services - Master Lease Hotels - Not
2 to Exceed \$72,297,684]

3 **Resolution approving the second amendment to the grant agreement between**
4 **Episcopal Community Services and the Department of Homelessness and Supportive**
5 **Housing (“HSH”) for support services, property management, and master lease**
6 **stewardship at the Alder, Crosby, Elm, Hillside, and Montone Hotels for permanent**
7 **supportive housing for formerly homeless adults; extending the grant term by 24**
8 **months from June 30, 2025, for a total term of January 1, 2021, through June 30, 2027;**
9 **increasing the agreement amount by \$25,138,285 for a new total amount not to exceed**
10 **\$72,297,684; and authorizing HSH to enter into any amendments or other modifications**
11 **to the amendment that do not materially increase the obligations or liabilities, or**
12 **materially decrease the benefits to the City and are necessary or advisable to**
13 **effectuate the purposes of the agreement.**

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

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

21 WHEREAS, As of the 2024 Point-in-Time Count, there were approximately 8,323
22 people experiencing homelessness in San Francisco on any given night, 52% of whom were
23 unsheltered; and

1 WHEREAS, Episcopal Community Services (“ECS”) has operated the Elm and
2 Mentone Hotels as PSH since 2004, the Hillsdale Hotel since 2005, and the Alder and Crosby
3 Hotels since 2006; and

4 WHEREAS, In Fiscal Year 2023-24 ECS served 512 tenants across the Elm, Mentone,
5 Hillsdale, Alder, and Crosby PSH sites (“Master Lease Sites”); and

6 WHEREAS, HSH awarded the Agreement to ECS through the Department’s
7 streamlined contracting authority for homeless services under Administrative Code, Chapter
8 21.B; and

9 WHEREAS, In October 2020, HSH and ECS entered into an Agreement for support
10 services, property management, and master lease stewardship for Master Lease Sites
11 (“Original Agreement”); and

12 WHEREAS, The Original Agreement has a term of January 1, 2021, through February
13 29, 2024, and a not to exceed amount of \$26,329,610; and

14 WHEREAS, The Original Agreement is on file with the Clerk of the Board of
15 Supervisors (“Clerk”) in File No. _____, which is hereby declared to be part of this Resolution
16 as if set forth fully herein; and

17 WHEREAS, In November 2023, HSH and ECS entered into a First Amendment to
18 continue these services (“First Amendment”); and

19 WHEREAS, The First Amendment extended the term by 20 months from February 29,
20 2024, for a total term of January 1, 2021, through June 30, 2025, and increased the not to
21 exceed amount by \$20,829,789 for a total amount not to exceed of \$47,159,399; and

22 WHEREAS, On June 6, 2023, the Board of Supervisors adopted Resolution No. 307-
23 23, approving the First Amendment; and

24 WHEREAS, The First Amendment is on file with the Clerk in File No. _____, which is
25 hereby declared to be part of this Resolution as if set forth fully herein; and

1 WHEREAS, HSH intends to enter into a Second Amendment to continue these
2 services, extending the grant term by 24 months from June 30, 2025, for a total term of
3 January 1, 2021, through June 30, 2027, and increasing the maximum expenditure by
4 \$25,138,285 for a total not to exceed amount of \$72,297,684 (the "Amendment"); and

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

7 RESOLVED, The proposed Amendment contained in File No. _____, is
8 substantially in final form, with all materials terms and conditions included, and only remains
9 to be executed by the parties upon approval of this Resolution; and, be it

10 FURTHER RESOLVED, That the Board of Supervisors authorizes HSH to make any
11 modifications to the Amendment, prior to its final execution by all parties, that HSH
12 determines, in consultation with the City Attorney, are consistent with this Resolution, in the
13 best interest of the City, do not materially increase the obligations or liabilities of the City, are
14 necessary or advisable to effectuate the purposes of the Amendment, and are in compliance
15 with all applicable laws, including City's Charter; and, be it

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

_____/s/____

Shireen McSpadden
Executive Director
Department of Homelessness and Supportive Housing