

1 [Real Property Lease - Lombard Hotel Group - Monarch Hotel - 1015 Geary Street - Non-  
2 Congregate Temporary Shelter - Initial Annual Base Rent of \$1,597,320]

3 **Resolution approving and authorizing the Director of Property, on behalf of the**  
4 **Department of Homelessness and Supportive Housing, to execute a lease of real**  
5 **property with Lombard Hotel Group, for use of the Monarch Hotel located at 1015 Geary**  
6 **Street for a non-congregate temporary shelter program with 102 units for an initial term**  
7 **of one year, effective upon approval of this Resolution, with four one-year options to**  
8 **extend and an annual base rent of \$1,597,320 with 3% annual increases if the City**  
9 **exercises the options to extend; affirming the Planning Department’s determination**  
10 **under the California Environmental Quality Act, and adopting the Planning**  
11 **Department’s findings of consistency with the General Plan, and the eight priority**  
12 **policies of the Planning Code, Section 101.1; and authorizing the Director of Property**  
13 **to execute any amendments, options to extend the agreement term, make certain**  
14 **modifications and take certain actions that do not materially increase the obligations or**  
15 **liabilities to the City, do not materially decrease the benefits to the City and are**  
16 **necessary or advisable to effectuate the purposes of the lease agreement or this**  
17 **Resolution.**

18  
19 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

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22  
23 WHEREAS, With the adoption of Resolution No. 319-18 in October 2018, the Board of  
24 Supervisors and Mayor London N. Breed declared a shelter crisis and affirmed San  
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1 Francisco’s commitment to combatting homelessness and creating or augmenting a  
2 continuum of shelter and service options for those experiencing homelessness; and

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

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

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

19 WHEREAS, On July 23, 2024, the Board of Supervisors adopted Ordinance No. 185-  
20 24, which approved the fifth amendment to the Monarch Hotel Booking Agreement, increasing  
21 the not-to-exceed amount by \$4,189,900 for a new not-to-exceed amount of \$21,661,300, and  
22 extending the term by seven months, from August 31, 2024, through March 31, 2025; and

23 WHEREAS, The Booking Agreement extension allowed HSH to maintain critical non-  
24 congregate shelter capacity during the period of lease negotiations; and

1           WHEREAS, On behalf of HSH, the Real Estate Division (“RED”) negotiated a lease  
2 with the Landlord for an initial term of one year effective upon approval of this Resolution,  
3 from approximately April 1, 2025, through March 31, 2026, with an initial annual base rent of  
4 \$1,597,320, with four one-year options to extend with annual increases of 3% if the City  
5 exercises the options to extend (the “Lease”); a copy of the Lease is on file with the Clerk in  
6 File No. 250193; and

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

9           WHEREAS, The Planning Department, through a letter dated October 23, 2024,  
10 (“Planning Letter”) determined that the Lease of the Property for use as a low-barrier  
11 temporary shelter program is not subject to the California Environmental Quality Act (“CEQA”)  
12 pursuant to Assembly Bill 101, California Government Code, Sections 65660 - 65668, and  
13 that the Lease of the Property is consistent and on balance with the General Plan, and the  
14 eight priority policies of the Planning Code, Section 101.1, a copy of the Planning Letter is on  
15 file with the Clerk in File No. 250193; now, therefore, be it

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

20           FURTHER RESOLVED, That the Board of Supervisors affirms the Planning  
21 Department’s CEQA Determination and General Plan Findings, for the same reasons as set  
22 forth in the Planning Letter, and hereby incorporates such findings by reference as though  
23 fully set forth in this Resolution; and, be it

24           FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
25 Property, or their designee, to take all actions on behalf of the City to enter into, execute, and

1 perform its obligations under the Lease (including without limitation, the exhibits to the Lease)  
2 and any other documents that are necessary or advisable to effectuate the purpose of this  
3 Resolution and the Lease; and, be it

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

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

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

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

/s/ Michelle Allersma  
Budget and Analysis Division Director  
on behalf of Greg Wagner, Controller

RECOMMENDED:

/s/ Leslie Giovannelli  
Andrico Penick  
Director of Property  
Real Estate Division

/s/  
Shireen McSpadden  
Executive Director  
Department of Homelessness and Supportive Housing