

1 [Agreement Amendment - Shin International, Inc. - Cova Hotel - Not to Exceed \$14,304,253 -
2 Waiver of Certain Administrative and Environment Code Requirements]

3 **Ordinance authorizing the Department of Homelessness and Supportive Housing (HSH)**
4 **to amend the booking agreement with Shin International, Inc., operator of the Cova**
5 **Hotel to increase the not to exceed amount by \$2,918,942 for a total amount not to**
6 **exceed \$14,304,253, and to extend the term of the agreement from August 31, 2023, for**
7 **a new term of May 26, 2020, through August 31, 2024; waiving for said agreement**
8 **certain requirements of the Administrative and Environment Codes; and authorizing**
9 **HSH to enter into amendments that do not increase the obligations or liabilities to the**
10 **City and are necessary to effectuate the purposes of the agreement.**

11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.
14 **Board amendment additions** are in double-underlined Arial font.
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.
16 **Asterisks (* * * *)** indicate the omission of unchanged Code
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. Background and Findings.

20 (a) On February 25, 2020, Mayor London Breed proclaimed a state of emergency in
21 response to the COVID-19 pandemic (the "Proclamation"). On May 11, 2020, the Mayor
22 issued the Thirteenth Supplement to the Proclamation, authorizing City departments to enter
23 into COVID-19 related contracts with a term of one year or less without following the
24 competitive solicitation and procurement procedures in the Administrative Code. Under the
25 authority of the Thirteenth Supplement to the Proclamation, the Human Services Agency
("HSA") entered into an Emergency Hotel Booking Agreement with Shin International Inc.,

1 operator of the Cova Hotel (“Cova Hotel Booking Agreement”), HSA Contract No.
2 1000018023.

3 (b) On February 19, 2021, the Mayor issued the Thirty-Fifth Supplement to the
4 Proclamation authorizing departments to extend the terms of COVID-19 related emergency
5 contracts up to 12 months, without including terms otherwise required by the Administrative
6 and Environment Codes. Under the Authority of the Thirty-Fifth Supplement, HSA extended
7 the Cova Hotel Booking Agreement until February 28, 2022 and increased the total not to
8 exceed amount to \$6,926,272.

9 (c) On February 10, 2022, the Mayor issued the Forty-Fifth Supplement to the
10 Proclamation, authorizing HSA to amend any emergency hotel booking agreement in place as
11 of February 10, 2022, to extend the term of such agreements to August 31, 2022. The Forty-
12 Fifth Supplement also provided that any further contract extensions would require approval by
13 the Board of Supervisors. Under the authority of the Forty-Fifth Supplement, HSA amended,
14 the Cova Hotel Booking Agreement to extend the term through August 31, 2022, and
15 increased the total not to exceed amount to \$8,514,330.

16 (d) In Ordinance No. 167-22, the Board of Supervisors authorized HSA to extend the
17 terms of several booking agreements through August 31, 2023. Under the Authority of Ord.
18 No.167-22, HSA amended the Cova Hotel Booking Agreement to increase the amount by
19 \$2,870,981 for a new not-to-exceed amount of \$11,385,311, with a term through August 31,
20 2023, and to extend the waiver of the provisions in the Administrative and Environment Codes
21 that HSA previously waived under the authority of the Mayor’s Supplements to the
22 Proclamation.

23 (e) On September 1, 2022, HSA executed a Fourth Amendment to the Cova Hotel
24 Booking Agreement that amended the Appendix B to add a surcharge of \$2.83 per room/day
25

1 for the period commencing on September 1, 2022, to be paid from contingency for a total not
2 to exceed amount of \$11,385,311 as authorized by Ordinance 167-22.

3 (f) On January 1, 2023, HSA assigned the Cova Hotel Booking Agreement to the
4 Department of Homelessness and Supportive Housing (“HSH”) for continued use as 95 units
5 of non-congregate shelter for adults experiencing homelessness.

6 (g) The Mayor’s proposed FY2023-24 and FY2024-25 budget makes critical
7 investments in new shelter, housing, and prevention as called for in the recently released
8 citywide strategic plan “Home by the Bay: An Equity-Driven Plan to Prevent and End
9 Homelessness in San Francisco.” The Plan calls for new investments and strategies to
10 reduce unsheltered homelessness by half over the next five years. In order to make progress
11 on these goals, it is critical that HSH maintain existing non-congregate shelter capacity.

12 (h) This ordinance extending the term of the Cova Hotel Booking Agreement for an
13 additional year is necessary to enable HSH to maintain its inventory of non-congregate
14 shelter. The ordinance thereby furthers the interests of the City by allowing for the
15 uninterrupted use of these hotel rooms, and avoiding the inevitable delay and expenditure of
16 limited staff resources that would be caused by restarting the procurement process to
17 reacquire the rooms.

18 (i) The Administrative Code and the Environment Code typically require that new and
19 amended contracts include provisions requiring the contractor to adhere to various City
20 policies. Requiring Shin International, Inc. to comply with these requirements as a condition
21 of extending the agreement would likely impose costs and delays that would further impede
22 HSH’s ability to provide uninterrupted non-congregate shelter units.

1 Section 2. Amendment of Existing Contract to Extend Term and Increase Not-To-
2 Exceed Amount; Continued Waiver Of Provisions of the Administrative and Environment
3 Codes.

4 (a) Pursuant to Charter Section 9.118(b), the Board of Supervisors hereby approves
5 the Fifth Amendment to the Cova Hotel Booking Agreement, to increase the not-to-exceed
6 amount by \$2,918,942 for a new not-to-exceed amount of \$14,304,253, and to extend the
7 contract term from August 31, 2023 to August 31, 2024.

8 (b) The Board of Supervisors authorizes HSH to amend the Cova Hotel Booking
9 Agreement without adherence to the requirements of Administrative Code Chapters 12K
10 (Salary History Ordinance), 12P (Minimum Compensation Ordinance), 12T (Consideration of
11 Criminal History in Hiring and Employment Decisions), 12Y (Slavery Era Disclosure
12 Ordinance), 14B (Local Business Enterprise and Non-Discrimination in Contracting
13 Ordinance), 83 (First Source Hiring Program), and 101 (Sugar-Sweetened Beverage Funding
14 Ban Ordinance), and Environment Code Chapters 8 (Tropical Hardwood and Virgin Redwood
15 Ban), 13 (Arsenic Treated Wood Products), 16 (Food Service and Packaging Waste
16 Reduction Ordinance), and 24 (Bottled Water Ordinance).

17 (c) The Board of Supervisors authorizes HSH to enter into any additional amendments
18 to the Cova Hotel Booking Agreement approved pursuant to this Section 2 that the
19 department determines, in consultation with the City Attorney, are in the best interest of the
20 City, do not further extend the term of the agreement or increase the not-to-exceed amount
21 stated in this ordinance, do not otherwise materially increase the obligations or liabilities of the
22 City, are necessary or advisable to effectuate the purposes of the agreement, and are in
23 compliance with all applicable laws.

1 (d) Within 30 days of the Agreement being fully executed by all parties, HSH shall
2 provide the executed Agreement to the Clerk of the Board of Supervisors for inclusion in File
3 No. 230763.

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5 Section 3. Effective Date. This ordinance shall become effective 30 days after
6 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
7 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
8 of Supervisors overrides the Mayor's veto of the ordinance.

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11 APPROVED AS TO FORM:
12 DAVID CHIU, City Attorney

13 By: /S/ Adam Radtke
14 ADAM RADTKE
Deputy City Attorney

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