



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

New Lease: 2177 Jerrold Avenue

Government Audit & Oversight Committee | December 7, 2023



Resolution

- **Resolution:** Authorizes and approves the Director of Property to enter into a **new lease** agreement for the real property located at 2177 Jerrold Avenue for use as a **Temporary Shelter Program** and adopts the Planning Department's determinations.
- **Term:** **15-year term** with **two five-year options to extend**.
 - Term will commence following approval by the Board of Supervisors.
- **Amount:**
 - Annual Base Rent: **\$2,469,606**
 - Tenant Improvements: **\$5,866,869**

Homelessness in District 10

- 2022 PIT Count estimates **4,397** people were experiencing **unsheltered homelessness** in San Francisco, **25%** of which were in District 10.
- The City's July 2023 tent, structure and vehicle count found **609 tents/structures** and **1,058 inhabited vehicles** in the city.
 - **507 or 48%** of inhabited vehicles were in District 10.
- Bayview VTC is currently the City's only safe parking program.



- The proposed Temporary Shelter Program would serve ~95 people experiencing homelessness through **60 non-congregate cabins and 20 safe parking spaces**, with prioritization for unhoused people in District 10.
- HSH conducted a **community engagement process** starting in July 2023 to engage the community in this proposal.
- HSH will conduct a solicitation process to identify **culturally competent non-profit operator** of the program that is anticipated to open in late 2024 and will include:
 - **24/7 staffing**, including housing-focused case managers.
 - Roving **Behavioral Health and Medical Services** provided by DPH.
 - Restrooms, Showers, Privacy Fencing, Wi-Fi, Staff Offices, Community Space, Warming Kitchen, Storage, etc.
 - Two meals a day, laundry services and black/gray water pumping.

Cost Overview

	City Contribution	Landlord Contribution	Total
One-Time Tenant Improvement Costs	\$5,866,869	\$1,628,221	\$7,495,090
Monthly Amortization for Restroom and Shower Construction <i>City to pay back landlord over 180 months with 6% interest.</i>	\$15,063 monthly payment	n/a	\$2,711,340
Rent <i>Begins 9 months after commencement of Lease, 3% annual increase will begin in 2024.</i>	\$205,800 monthly rent (\$25.20 / sqft)	n/a	\$2,469,606 base annual rent
Estimated Cost for Operations/Services <i>Operations and services to serve ~95 guests.</i>	\$132/guest/night	n/a	\$4,596,400 annual budget



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Questions?

Thank you.