FILE NO. 240632

LEGISLATIVE DIGEST

[Agreement Amendment - Shin International, Inc. - Cova Hotel - Waiver of Certain Administrative, Labor and Employment, and Environment Code Requirements - Not to Exceed $16,032,443]

Ordinance authorizing the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with Shin International, Inc., the operator of the Cova Hotel, to increase the not to exceed amount by $3,414,393 for a total amount not to exceed $16,032,443 and to extend the term of the agreement by seven months from August 31, 2024, for a new term of May 26, 2020, through March 31, 2025; waiving certain requirements of the Administrative, Labor and Employment, and Environment Codes for said agreement; and authorizing HSH to enter into amendments that do not increase the City's obligations or liabilities and are necessary to effectuate the purposes of the agreement.

Amendments to Current Law

This uncodified Proposed Ordinance would authorize the Department of Homelessness and Supportive Housing ("HSH") to amend the booking agreement with Shin International, Inc., the operator of the Cova Hotel to provide non-congregate shelter to people experiencing homelessness by extending the term from August 31, 2024, to March 31, 2025; waive certain requirements in the Administrative and Environment Codes; and authorize HSH to enter into amendments that do not increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the agreement.

Background Information

On February 25, 2020, Mayor London Breed proclaimed a state of emergency in response to the COVID-19 pandemic (the "Proclamation"). On May 11, 2020, the Mayor issued the Thirteenth Supplement to the Proclamation, authorizing City departments to enter into COVID-19 related contracts with a term of one year or less and that exempted the departments from certain contracting requirements. On February 19, 2021, the Mayor issued the Thirty-Fifth Supplement to the Proclamation authorizing a term extension of up to 12 months for the COVID-19 related emergency contracts initially authorized by the Thirteenth Supplement.

Under the authority of the Thirteenth Supplement, the Human Services Agency ("HSA") entered into hotel booking agreements with 30 hotels to provide rooms for shelter-in-place, isolation and quarantine, and first responders.

On February 10, 2022, the Mayor issued the Forty-Fifth Supplement to the Proclamation authorizing HSA to amend any hotel booking agreement the agency had in place as of February 10, 2022 for the use of hotel rooms to house individuals experiencing homelessness

or individuals who are at risk of developing severe COVID-19 to extend the term of any such agreements up to and including August 31, 2022. The Supplement also provided that if any such amendment included an option to further extend the term beyond August 31, 2022, HSA must first have obtained approval of the Board of Supervisors by ordinance waiving any applicable restrictions in the Municipal Code before exercising such extension.

On July 28, 2022, in Ordinance No. 167-22, the Board of Supervisors authorized HSA to extend the terms of several booking agreements through August 31, 2023, and to extend the waiver of the provisions in the Administrative and Environment Codes that HSA previously waived under the authority of the Mayor's Supplements to the Proclamation. On September 1, 2022, HSA executed a Fourth Amendment to the Cova Hotel Booking Agreement. On January 1, 2023, HSA assigned the Cova Hotel agreement to HSH to continue to provide 95 units of non-congregate shelter to adults experiencing homelessness.

On July 27, 2023, in Ordinance No. 148-23, the Board of Supervisors authorized HSH to enter into the Fifth Amendment for the Cova Hotel Booking Agreement, to extend the term through August 31, 2024, and to extend the waiver of the provisions in the Administrative and Environment Codes that HSA previously waived under the authority of the Mayor's Supplements to the Proclamation

The Fiscal Year 2023-24 and Fiscal Year 2024-25 budget made critical investments in new shelter, housing, and prevention as called for in the citywide strategic plan "Home by the Bay: An Equity-Driven Plan to Prevent and End Homelessness in San Francisco." The Plan calls for new investments and strategies to reduce unsheltered homelessness by half over the next five years. In order to make progress on these goals, it is critical that HSH maintain existing non-congregate shelter capacity.

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