



June 21, 2024

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, Room 244  
1 Carlton B. Goodlett Place  
San Francisco, CA 94102

RE: Lease – San Francisco Human Services Agency, Department of Adult Services (HSA and DAS), 240 Van Ness Avenue ground floor

Dear Board Members:

### Background

Submitted for your consideration is a Resolution proposing a lease (“Lease”) on behalf of the Human Services Agency (“HSA”), Department of Adult Services (“DAS”) for the ground floor premises (the “Premises”) within the 112 residential unit property located at 240 Van Ness Avenue (the “Building”). The Premises consist of approximately 1,707 square feet of meeting, event and administrative space, and will house a Disability Cultural Center (“DCC”) under the guidance of DAS.

The DCC will provide programming and resources to the disabled within the San Francisco community. The Building will provide affordable housing, with an emphasis on the disabled community, and is being developed by a non-profit entity, with the cooperation of the City.

### Lease

RED negotiated the proposed Lease, commencing after approval by the Board of Supervisors and Mayor and complete execution by the parties. If the Lease is executed, the rent will be abated until the first day following substantial completion of Tenant Improvements (“Rent Commencement Date”). The design of the Tenant Improvements has been done in cooperation with the Developer and HSA/DAS, and the lease provides a City contribution of no more than \$1,167,500 towards the Tenant Improvements to be constructed by the Developer. Initial Annual Base Rent will be \$60,352.92 (\$34.10 per square foot), with increases each January 1<sup>st</sup>, beginning in 2026. The initial term ends fifteen years following the Rent Commencement Date, and there are three extension options, of five years each, available to the City.

The Health Services Agency and the Real Estate Division recommend approval.

If you should have any questions regarding this matter, please contact Sandi Levine of our office at 415-361-1555.

Respectfully,

A handwritten signature in blue ink, appearing to read "Andrico Q. Penick", is written over a light blue horizontal line.

Andrico Q. Penick  
Director of Real Estate