

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

January 24, 2025

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

RE: Real Property Lease – FACES SF (Family & Child Empowerment Services – San Francisco)
1099 Sunnydale Avenue, San Francisco

Dear Board Members:

Attached for your consideration is a Resolution authorizing and approving a real property lease with Family & Child Empowerment Services San Francisco (FACES SF) for a portion of 1099 Sunnydale Avenue (3,039 square feet), San Francisco, for continued use as a workforce development services site providing outreach/recruitment, hiring events, assessments, referrals, case management, supportive services, and job readiness training at The Village Community Facility.

The City and County of San Francisco (City) owns 1099 Sunnydale Avenue under the jurisdiction of the Real Estate Division. In 1995, the City, as authorized by Resolution No. 10-95, entered into an MOU with the United States Department of Housing and Urban Development (HUD) to establish a mutual plan for investment in housing and community development in Visitacion Valley. In furtherance of the Project, in 1997, the City, HUD and several non-profits entered into agreements to build and operate a community facility for at least 30 years. (See Resolution No. 1008-00.) In 2012, after the “reopening” of the community facility, the Department of Public Health, the Human Services Agency and the Real Estate Division issued a request for proposals from non-profits desiring to lease and provide services within the community facility (known as The Village).

Tenant FACES SF responded to the solicitation, was selected, and has been a tenant at the facility since 2013 and has been on holdover since 2022. RED negotiated a new five-year lease, with two five-year options to extend, at \$4,072.26 per month, or \$48,867.12 per year, with a 3% annual increase which includes approximately 822 square feet of office space in support of the temporary grant and programming collaboration with Family Connections Centers, a California non-profit, serving the community. If grant funding is not approved after the initial year of the lease or at any time thereafter, Tenant may surrender approximately 822 square feet of office space, whereby the new adjusted rent will be \$2,970.78 per month, or \$35,649.36 per year, with a 3% annual increase. The City will continue to pay for utilities and custodial services which total approximately \$1,428 per month. The total rent is below fair market rent and consistent with the rental rate (\$16.08 per square foot) of two prior leases approved by the Board under Resolution No. 411-24 approved on August 1, 2024. In light of the use and services provided by FACES SF for the community, we ask the Board find that the Lease to FACES SF

further a proper public purpose sufficient to meet SF Administrative Code, Chapter 23, Section 23.30 market value requirements.

In addition, in light of FACES SF's continued presence and need in the community and the services it provides at the site, we ask the Board to find that the competitive bidding procedures required under SF Administrative Code, Chapter 23, Section 23.33 are impractical or impossible.

RED recommends the Lease and requests a positive recommendation to the Board. If you have any questions regarding this matter, please contact Elsa Lamb of our office at 415-554-9861.

Respectfully



Andrico Q. Penick
Director of Real Estate