

**City & County of San Francisco**  
London N. Breed, Mayor



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

November 10, 2022

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

**RE: Lease and Property Management Agreement – 333 12th Street – Permanent Supportive Housing**

Dear Honorable Board Members:

Attached for your consideration is a Resolution authorizing the Director of Property and the Executive Director of the Department of Homelessness and Supportive Housing (“HSH”) to enter into a Lease and Property Management Agreement (“Agreement”) with Housing for Independent People, Inc. (“Tenant”). The Agreement authorizes Tenant to lease, operate, and maintain the real property and residential improvements for the property located at 333 12th Street (“Property”).

In Spring of 2022, the Board of Supervisors adopted Resolution #147-22, approving the acquisition of the Property then consisting of a 200-unit multi-family residential building which is to be converted into Permanent Supportive Housing for families exiting homelessness.

The Agreement is for an initial five-year term, with an option to extend for up to an additional five years and base rent of \$1.00 per year with no annual rent increases, commencing on February 1, 2023. Annual net property management and operating costs will be paid by the City in a total five-year amount not to exceed \$20,080,000.

The City, through HSH and the Real Estate Division, and in consultation with the Office of the City Attorney, has negotiated the Agreement with the Tenant. The below market rent payable under the Agreement will serve a public purpose by providing Permanent Supportive Housing for low-income households in need, in accordance with Section 23.33 of the Administrative Code.

Along with the recommendation of the Director of Property, HSH recommends approval of the proposed resolution authorizing the Agreement. If you have questions regarding the property management and operations services, please contact Dylan Schneider of HSH at 628.652.7742 or [Dylan.schneider@sfgov.org](mailto:Dylan.schneider@sfgov.org); if you have questions regarding the lease, please contact me at 415.554.9871 or [claudia.gorham@sfgov.org](mailto:claudia.gorham@sfgov.org).

Respectfully,

Claudia J. Gorham  
Deputy Managing Director