



London N. Breed, Mayor  
Naomi M. Kelly, City Administrator

Andrico Q. Penick  
Director of Real Estate

September 23, 2020

Mr. Dhaval Panchal  
~~Hotel Le Nain, LLC~~ *LE NAIN SF, LLC DW*  
650 California Street, 31<sup>st</sup> Floor  
San Francisco, CA 94108  
Sent Via Email to: [dhpanchal001@gmail.com](mailto:dhpanchal001@gmail.com)

**Re: Extended Term Notice and Rent for Le Nain Hotel, 730 Eddy Street, San Francisco, CA - HSH**

Dear Mr. Panchal:

The City and County of San Francisco, on behalf of its Department of Homelessness and Supportive Housing (the "City"), leases the Le Nain Hotel located at 730 Eddy Street in San Francisco (the "Building") from ~~Hotel Le Nain, LLC~~ ("Landlord") under a lease dated February 1, 2011 (the "Master Lease"). *LE NAIN SF, LLC DW*

Pursuant to Section 3.2 of the Master Lease, the City hereby notifies Landlord of its Exercise of Option to Extend the Master Lease through February 1, 2031.

The Extended Term monthly rental rate is defined by the formula in Master Lease Section 4.3.

While Section 4.3 uses "Efficiency" unit rates in the formula, the parties agree that the units are in fact "SRO" and that this current, and any future applications, of the formula will use the SRO rate.

Section 4.3 refers to a "Governmental Rent Index". The parties agree that the latest available Mayor's Office of Housing and Community Development ("MOHCD") published "Maximum Monthly Rent by Unit Type", derived from the HUD Metro Fair Market Rent Area (HFMA) containing San Francisco shall be the applicable Rent Index. Please see the attached 2020 MOHCD Rent Index for your reference.

The Section 4.3 monthly base rent calculation is:

**The Greater of**

(a) 51% of the latest Governmental Rent Index for an SRO multiplied by 92 units =

$(.51) \times (\$1,593) \times (92) = \$74,743.56$  OR

(b) 100% of current monthly rent (\$74,675.96) = \$74,675; OR

Subject to adoption of a Resolution submitted to the Board of Supervisors and approval by the Mayor, the monthly base rent as of February 1, 2021 will be = **\$74,743.56**.

Kindly acknowledge Master Landlord's concurrence by signing this letter and returning to my staff member Sandi Levine at [sandi.levine@sfgov.org](mailto:sandi.levine@sfgov.org). Upon receipt of the countersigned letter, Sandi will promptly begin the process of obtaining Board and Mayoral approval.

Please contact Sandi with any questions you may have, she can be reached via email or telephone at (415) 361-1555.

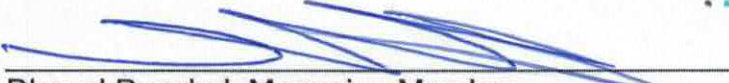
Respectfully,



Andrico Penick  
Director of Property

**Landlord Concurrence for Notice to Exercise Extended Term Option, Base Rent, SRO reclassification, and use of MOHCD published Maximum Rent Schedule:**

OR  
Le NAIN SF, LLC  
HOTEL LE NAIN, LLC

By:   
Dhaval Panchal, Managing Member

Date: 9/24/2020

cc: Gigi Whitley (HSH) [gigi.whitley@sfgov.org](mailto:gigi.whitley@sfgov.org)  
Salvador Menjivar (HSH) [salvador.menjivar1@sfgov.org](mailto:salvador.menjivar1@sfgov.org)  
Joanne Park (HSH) [joanne.park@sfgov.org](mailto:joanne.park@sfgov.org)  
Nicole Reams (HSH) [nicole.reams@sfgov.org](mailto:nicole.reams@sfgov.org)  
Sandi Levine (RED) [sandi.levine@sfgov.org](mailto:sandi.levine@sfgov.org)  
Joshua Keene (RED) [joshua.keene@sfgov.org](mailto:joshua.keene@sfgov.org)

2020  
**MAXIMUM MONTHLY RENT BY UNIT TYPE**  
for MOHCD Inclusionary Housing Below Market Rate (BMR) Programs  
derived from the  
Unadjusted Area Median Income (AMI)  
for HUD Metro Fair Market Rent Area (HMFA) that Contains San Francisco  
Published by the San Francisco Mayor's Office of Housing and Community Development

		SRO	STUDIO	1BR	2BR	3BR	4BR	5BR
<b>BASE RENT UTILITY ALLOWANCES</b>		\$88	\$117	\$181	\$236	\$284	\$341	\$390
<b>TIER 1 UTILITY ALLOWANCES</b>		\$38	\$51	\$71	\$91	\$112	\$142	\$163
<b>20% OF MEDIAN</b>	Base Rent	\$249	\$332	\$332	\$340	\$356	\$350	\$353
	Tier 1 = "Without Utilities"	\$298	\$398	\$442	\$485	\$528	\$549	\$580
	Tier 2 = "With Utilities"	\$337	\$449	\$513	\$576	\$640	\$691	\$743
<b>25% OF MEDIAN</b>	Base Rent	\$332	\$443	\$460	\$485	\$517	\$524	\$539
	Tier 1 = "Without Utilities"	\$382	\$509	\$570	\$630	\$689	\$723	\$766
	Tier 2 = "With Utilities"	\$420	\$560	\$641	\$721	\$801	\$865	\$929
<b>30% OF MEDIAN</b>	Base Rent	\$417	\$556	\$588	\$629	\$677	\$697	\$725
	Tier 1 = "Without Utilities"	\$466	\$622	\$698	\$774	\$849	\$896	\$952
	Tier 2 = "With Utilities"	\$504	\$673	\$769	\$865	\$961	\$1,038	\$1,115
<b>40% OF MEDIAN</b>	Base Rent	\$584	\$779	\$844	\$917	\$997	\$1,043	\$1,096
	Tier 1 = "Without Utilities"	\$634	\$845	\$954	\$1,062	\$1,169	\$1,242	\$1,323
	Tier 2 = "With Utilities"	\$672	\$896	\$1,025	\$1,153	\$1,281	\$1,384	\$1,486
<b>50% OF MEDIAN</b>	Base Rent	\$753	\$1,004	\$1,100	\$1,205	\$1,317	\$1,389	\$1,468
	Tier 1 = "Without Utilities"	\$803	\$1,070	\$1,210	\$1,350	\$1,489	\$1,588	\$1,695
	Tier 2 = "With Utilities"	\$841	\$1,121	\$1,281	\$1,441	\$1,601	\$1,730	\$1,858
<b>55% OF MEDIAN</b>	Base Rent	\$837	\$1,116	\$1,229	\$1,349	\$1,477	\$1,562	\$1,654
	Tier 1 = "Without Utilities"	\$886	\$1,182	\$1,339	\$1,494	\$1,649	\$1,761	\$1,881
	Tier 2 = "With Utilities"	\$924	\$1,233	\$1,410	\$1,585	\$1,761	\$1,903	\$2,044
<b>60% OF MEDIAN</b>	Base Rent	\$921	\$1,228	\$1,357	\$1,494	\$1,637	\$1,734	\$1,839
	Tier 1 = "Without Utilities"	\$971	\$1,294	\$1,467	\$1,639	\$1,809	\$1,933	\$2,066
	Tier 2 = "With Utilities"	\$1,009	\$1,345	\$1,538	\$1,730	\$1,921	\$2,075	\$2,229
<b>65% OF MEDIAN</b>	Base Rent	\$1,004	\$1,339	\$1,485	\$1,638	\$1,797	\$1,908	\$2,025
	Tier 1 = "Without Utilities"	\$1,054	\$1,405	\$1,595	\$1,783	\$1,969	\$2,107	\$2,252
	Tier 2 = "With Utilities"	\$1,092	\$1,456	\$1,666	\$1,874	\$2,081	\$2,249	\$2,415
<b>70% OF MEDIAN</b>	Base Rent	\$1,089	\$1,452	\$1,613	\$1,782	\$1,957	\$2,080	\$2,210
	Tier 1 = "Without Utilities"	\$1,138	\$1,518	\$1,723	\$1,927	\$2,129	\$2,279	\$2,437
	Tier 2 = "With Utilities"	\$1,177	\$1,569	\$1,794	\$2,018	\$2,241	\$2,421	\$2,600
<b>72% OF MEDIAN</b>	Base Rent	\$1,123	\$1,497	\$1,664	\$1,839	\$2,022	\$2,149	\$2,285
	Tier 1 = "Without Utilities"	\$1,172	\$1,563	\$1,774	\$1,984	\$2,194	\$2,348	\$2,512
	Tier 2 = "With Utilities"	\$1,210	\$1,614	\$1,845	\$2,075	\$2,306	\$2,490	\$2,675
<b>75% OF MEDIAN</b>	Base Rent	\$1,173	\$1,564	\$1,742	\$1,927	\$2,119	\$2,253	\$2,396
	Tier 1 = "Without Utilities"	\$1,223	\$1,630	\$1,852	\$2,072	\$2,291	\$2,452	\$2,623
	Tier 2 = "With Utilities"	\$1,261	\$1,681	\$1,923	\$2,163	\$2,403	\$2,594	\$2,786
<b>80% OF MEDIAN</b>	Base Rent	\$1,257	\$1,676	\$1,869	\$2,070	\$2,279	\$2,427	\$2,583
	Tier 1 = "Without Utilities"	\$1,306	\$1,742	\$1,979	\$2,215	\$2,451	\$2,626	\$2,810
	Tier 2 = "With Utilities"	\$1,344	\$1,793	\$2,050	\$2,306	\$2,563	\$2,768	\$2,973
<b>90% OF MEDIAN</b>	Base Rent	\$1,425	\$1,901	\$2,125	\$2,358	\$2,599	\$2,772	\$2,954
	Tier 1 = "Without Utilities"	\$1,475	\$1,967	\$2,235	\$2,503	\$2,771	\$2,971	\$3,181
	Tier 2 = "With Utilities"	\$1,513	\$2,018	\$2,306	\$2,594	\$2,883	\$3,113	\$3,344
<b>100% OF MEDIAN</b>	Base Rent	\$1,593	\$2,124	\$2,382	\$2,647	\$2,919	\$3,118	\$3,325
	Tier 1 = "Without Utilities"	\$1,643	\$2,190	\$2,492	\$2,792	\$3,091	\$3,317	\$3,552
	Tier 2 = "With Utilities"	\$1,681	\$2,241	\$2,563	\$2,883	\$3,203	\$3,459	\$3,715
<b>110% OF MEDIAN</b>	Base Rent	\$1,761	\$2,348	\$2,638	\$2,935	\$3,239	\$3,464	\$3,696
	Tier 1 = "Without Utilities"	\$1,811	\$2,414	\$2,748	\$3,080	\$3,411	\$3,663	\$3,923
	Tier 2 = "With Utilities"	\$1,849	\$2,465	\$2,819	\$3,171	\$3,523	\$3,805	\$4,086
<b>120% OF MEDIAN</b>	Base Rent	\$1,930	\$2,573	\$2,894	\$3,223	\$3,559	\$3,809	\$4,068
	Tier 1 = "Without Utilities"	\$1,979	\$2,639	\$3,004	\$3,368	\$3,731	\$4,008	\$4,295
	Tier 2 = "With Utilities"	\$2,018	\$2,690	\$3,075	\$3,459	\$3,843	\$4,150	\$4,458
<b>130% OF MEDIAN</b>	Base Rent	\$2,098	\$2,797	\$3,150	\$3,512	\$3,880	\$4,155	\$4,440
	Tier 1 = "Without Utilities"	\$2,147	\$2,863	\$3,260	\$3,657	\$4,052	\$4,354	\$4,667
	Tier 2 = "With Utilities"	\$2,185	\$2,914	\$3,331	\$3,748	\$4,164	\$4,496	\$4,830
<b>135% OF MEDIAN</b>	Base Rent	\$2,182	\$2,909	\$3,279	\$3,655	\$4,040	\$4,328	\$4,625
	Tier 1 = "Without Utilities"	\$2,231	\$2,975	\$3,389	\$3,800	\$4,212	\$4,527	\$4,852
	Tier 2 = "With Utilities"	\$2,270	\$3,026	\$3,460	\$3,891	\$4,324	\$4,669	\$5,015
<b>140% OF MEDIAN</b>	Base Rent	\$2,265	\$3,021	\$3,407	\$3,799	\$4,200	\$4,502	\$4,811