



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

March 13, 2018

Angela Calvillo, Clerk of the Board
Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94102-4689

Subject: 51-UNIT SUPPORTIVE HOUSING PROPERTY – 10 YEARS

Dear Ms. Calvillo:

Attached please find the proposed resolution for Board of Supervisors approval, authorizing the master lease of the building located at 149 6th Street, San Francisco, California ("Building"), between the City and County of San Francisco ("City") and Shahina Holdings, LLC ("Landlord"), on behalf of the Department of Homelessness and Supportive Housing (HSH) for the purpose of creating supportive housing to serve adults experiencing homelessness in San Francisco. The Building contains 51 single occupancy units, lower-level operational support space, and commercial space. This proposed new lease was found to be in conformance with the City's General Plan via the enclosed letter dated June 5, 2016.

HSH seeks Board of Supervisors approval and authorization of the negotiated lease agreement for an initial ten (10)-year term at a base rent of \$765 per single occupancy unit per month (\$39,000 total per month or \$468,000 per year). The proposed lease terms state that annual rent shall increase at no less than two (2) percent and no greater than six (6) percent on each anniversary date of the lease. The lease includes two (2) options to extend the term for an additional five years each. The options to extend re-establish rent at the greater of either 95 percent of the fair market rent at the time of the extension or 103 percent above the previous year's rent amount. The total potential term under the proposed lease is twenty (20) years.

Please contact Nina Marinkovich, HSH Real Estate Development Analyst, at (415) 505-5139 if you need further information.

Sincerely,

Jeff Kositsky
Director

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