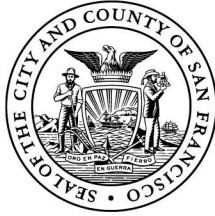


City & County of San Francisco
Daniel Lurie, Mayor



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

April 3, 2025

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: Real Property Lease – Retroactive - Adante Hotel – Non-Congregate Temporary Shelter

Dear Honorable Board Members:

Attached for your consideration is a resolution retroactively authorizing and approving a lease of real property with ROSHAN INVESTMENTS LLC, for use of the Adante Hotel, located at 610 Geary Street ("Lease"). The Lease has a term of one year, with one one-year option to extend. If legislatively approved, the lease will commence on April 1, 2025, with an initial annual base rent of \$1,484,280, with 3% annual increases if the City exercises the option to extend and a maximum final payment of \$100,000 upon surrender of the property. The final payment decreases to \$90,000 if the option to extend is exercised and the lease extended through March 31, 2027. The final payment is to compensate the landlord for the short-term use of the property and any incidental expenses related to the exit from the property.

The Department of Homelessness and Supportive Housing ("HSH") proposes to use the property to continue to provide non-congregate shelter to adults experiencing homelessness. The City has operated non-congregate shelter at the property since February 2020, as part of the City's response to the COVID-19 pandemic.

The Real Estate Division ("RED"), on behalf of HSH negotiated an initial annual base rent of \$1,484,280 (\$15,960 per unit, \$37.22/per square foot). The rent payable under the Lease was determined to be at or below fair market rental value by the Director of Property.

Both the Executive Director of HSH and I recommend approval of the proposed Resolution. If you have questions regarding the Lease, please contact me at 415.554.9850 or Andrico.penick@sfgov.org. If you have questions regarding the proposed use of the property by HSH, please contact Dylan Schneider at 628.652.7742 or dylan.schneider@sfgov.org.

Respectfully,

DocuSigned by:
A handwritten signature in black ink that reads "Andrico Q. Penick".
Andrico Penick
Director of Property