



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



Andrico Q. Penick
Director of Real Estate

November 3, 2020

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

RE: HSH Lease Extension – Permanent Supportive Housing – 234 Eddy Street

Dear Board Members:

Attached for your consideration is a resolution authorizing the exercise of the first (of two) extension options to extend the term of the existing lease (“Lease”) between the City’s Department of Homelessness and Supportive Housing (“HSH”) and TJ-T, LLC (“Landlord”), providing 104 units of permanent supportive housing and a medical clinic at the property located at 234-238 Eddy Street. The Lease expires on December 31, 2020 and approval of this resolution would extend the term of the Lease for ten years beginning on January 1, 2021.

Per the terms of the Lease, the initial base rent in the upcoming extended term was scheduled to be \$112,656.96 per month. On behalf of HSH, the Real Estate Division (“RED”) and Landlord instead agreed to a reduced base rent of \$84,492.72 per month beginning on January 1, which is approximately thirty-three percent (33%) less than the base rent otherwise due. Base rent will continue to escalate annually with the Consumer Price Index, limited to between 3 and 6%.

Along with the recommendation of HSH’s Director, RED recommends approval of the proposed resolution authorizing the extension. If you have any questions regarding this matter, please contact Sandi Levine of my office at 415-361-1555 or by email at sandi.levine@sfgov.org.

Respectfully,

Andrico Q. Penick
Director of Property