

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

May 16, 2024

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

RE: Real Property Lease – Retroactive – APA Family Support Services – 1099 Sunnydale

Dear Board Members:

Attached for your consideration is a Resolution authorizing and approving a real property lease with APA Family Support Services for a portion of 1099 Sunnydale (3,267 square feet), San Francisco, for continued use as a family counseling, enhanced visitation, case management and free food distribution site at The Village Community Facility.

The City and County of San Francisco (City) owns 1099 Sunnydale under the jurisdiction of the Real Estate Division. In 1995, the City, as authorized by Resolution No. 10-95, entered into an MOU with the United States Department of Housing and Urban Development (HUD) to establish a mutual plan for investment in housing and community development in Visitacion Valley. In furtherance of the Project, in 1997, the City, HUD and several non-profits entered into agreements to build and operate a community facility for at least 30 years. (See Resolution No. 1008-00.) In 2012, after the “reopening” of the community facility, the Department of Public Health, the Human Services Agency and the Real Estate Division issued a request for proposals from non-profits desiring to lease and provide services within the community facility (known as The Village).

Tenant APA Family Support Services (APA) responded to the solicitation, was selected, and has been a tenant at the facility since 2013. APA has continued to expand its operations at the site. RED negotiated a new five-year lease, with two five-year options to extend, with additional square feet for a total of approximately 3,267 square feet at \$4,377.78 per month, or \$52,533.36 per year, with a 3% annual increase. The City will continue to pay for utilities and custodial services which total approximately \$1,536 per month. The total rent is below fair market rent. In light of the use and services provided by APA, we ask the Board find that the Lease to APA furthers a proper public purpose sufficient to meet SF Administrative Code, Chapter 23, Section 23.30 market value requirements.

In addition, in light of APA’s continued and growing presence in the community and the services it provides at the site, we ask the Board to find that the competitive bidding procedures required under SF Administrative Code, Chapter 23, Section 23.33 are impractical or impossible.

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As APA commenced occupying and paying rent for the additional space in December 2023, we request the lease be retroactive to December 2023.

RED recommends the Lease and requests a positive recommendation to the Board. If you have any questions regarding this matter, please get in touch with Claudia J. Gorham of our office at 415-554-9871.

Respectfully,

A handwritten signature in blue ink, appearing to read "Andrico Q. Penick". The signature is fluid and cursive, with a large initial "A" and "P".

Andrico Q. Penick
Director of Real Estate