



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 – 730 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 LE NAIN SF, LLC (“Landlord”), providing 92 units of permanent supportive housing at the property located at 730 Eddy Street. The Lease expires on January 31, 2021 and approval of this resolution would extend the term of the Lease for ten years beginning on February 1, 2021.

Per the terms of the Lease, the initial base rent in the upcoming extended term was scheduled to be \$99,658.08 per month. On behalf of HSH, the Real Estate Division (“RED”) and Landlord instead agreed to a reduced base rent of \$74,743.56 per month beginning on February 1, which is approximately twenty-five percent (25%) less than the base rent otherwise due. Base rent will continue to escalate annually at the Consumer Price Index limited to within (3.5 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