## 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

March 1, 2022

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: City as Landlord Five-year Lease for 50 and 66 Raymond Avenue (Community Center) – Human Services Agency (Department) – APA Family Support Services (Tenant)

## Dear Board Members:

Attached for your consideration is a Resolution authorizing a lease for the City owned, adjoining properties located at 50 and 66 Raymond Avenue ("Community Center") between the City ("Landlord") and APA Family Support Services, a California nonprofit benefit corporation ("Tenant") (the "Lease").

Under the guidance of the Department, over the last five years Tenant has delivered supportive programming, including meals, social engagement, education, counseling, case management and child care to an estimated 10,000 children, parents and elders of the Visitacion Valley community from the approximately 15,461 square feet of buildings and an approximately 12,475 open space containing a children's playground at the Community Center.

Initially, Tenant had two separate leases for the Community Center, one at 66 Raymond, currently in holdover, and the other at 50 Raymond, terminating April 30, 2022. Department and Tenant seek to consolidate the relationship in a new Lease with a five-year term beginning May 1, 2022 and terminating April 30, 2027.

The Department, assisted by the Real Estate Division ("RED"), negotiated an initial annual base rent of \$65,053.52 with a monthly utility reimbursement of \$1,595.00. The Lease provides an annual base rent adjustment of three percent.

Due to the Tenant's long-term occupancy and use of the Community Center and the public benefit it provides, competitive bidding procedures were impractical. The Resolution provides that the Board of Supervisors confirms the below market Lease rental rate furthers a proper public purpose sufficient to meet the requirements of San Francisco Administrative Code Section 23.33

Along with the recommendation of RED's Director, the Department recommends approval of the proposed resolution authorizing the Lease. If you have any questions regarding this matter, please contact Sandi Levine of RED at 415-361-1555 or by email at <a href="mailto:sandi.levine@sfgov.org">sandi.levine@sfgov.org</a>.

Respectfully,

Andrico Q. Penick Director of Property