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 25, 2022

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: City's Purchase of Real Property – 333 12th Street – Permanent Supportive Housing

Dear Honorable Board Members:

Attached for your consideration is a Resolution authorizing the execution of a Purchase and Sale Agreement for the acquisition of the property located at 333 12th Street (the "Property") for $145,000,000 (the "Purchase Price") plus an estimated $180,000 for typical closing costs, for a total aggregate amount not to exceed $145,180,000. The Property consists of a 200-unit multi-family residential building that will be converted into up to 200 units of Permanent Supportive Housing for families formerly experiencing homelessness.

In July 2020, Mayor London N. Breed announced her Homelessness Recovery Plan that includes the goal of acquiring and operating 1,500 new units of Permanent Supportive Housing over the next two years. To help meet that goal, the City is proposing to purchase the property located at 333 12th Street.

The City, through the Department of Homelessness and Supportive Housing ("HSH") and the Real Estate Division ("RED") and in consultation with the Office of the City Attorney, has negotiated the Purchase Agreement to acquire the property from City Gardens Bridge, LLC. I have determined the purchase price of $145,000,000 to be at or below fair market value.

Along with my recommendation, the Director of HSH recommends approval of the proposed resolution authorizing the purchase. If you have questions regarding the proposed use of the property, please contact Dylan Schneider of HSH at 628.652.7742 or Dylan.schneider@sfgov.org. If you have questions regarding the Purchase Agreement, please contact me at 415.554.9850 or Andrico.penick@sfgov.org .

Respectfully,

Andrico Q. Penick
Director of Property