

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

January 24, 2025

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 – Felton Institute – 1099 Sunnydale Avenue, San Francisco

Dear Board Members:

Attached for your consideration is a Resolution authorizing and approving a real property lease with Felton Institute for a portion of 1099 Sunnydale Avenue (1,506 square feet), San Francisco, for continued use for adult employment training and job placement, tech training, community activities for local community at the 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 Felton Institute, formerly known as Family Service Agency of San Francisco, responded to the solicitation, was selected, and has been a tenant at the facility since 2013 and has been on holdover since 2022. RED negotiated a new five-year lease, with two five-year options to extend, at \$2,018.04 per month, or \$24,216.48 per year, with a 3% annual increase. The City will continue to pay for utilities and custodial services which total approximately \$708 per month. The total rent is below fair market rent and consistent with the rental rate (\$16.08 per square foot) of two prior leases approved by the Board under Resolution No. 411-24 approved on August 1, 2024 for the same location. In light of the use and services provided by Felton Institute for the community, we ask the Board find that the Lease to Felton Institute furthers a proper public purpose sufficient to meet SF Administrative Code, Chapter 23, Section 23.30 market value requirements.

In addition, in light of Felton Institutes' continued presence and need 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.

RED recommends the Lease and requests a positive recommendation to the Board. If you have any questions regarding this matter, please contact Elsa Lamb of our office at 415-554-9861.

Respectfully,



Andrico Q. Penick
Director of Real Estate