

1 [Real Property Lease - FACES SF - 1099 Sunnydale Avenue - \$48,867.12 Initial Yearly Base
2 Rent]

3 **Resolution approving and authorizing the Director of Property to enter into a real**
4 **property lease with Family & Child Empowerment Services (FACES SF), a California**
5 **nonprofit public benefit corporation for approximately 3,039 square feet of The Village**
6 **Community Facility located at 1099 Sunnydale Avenue, San Francisco, effective upon**
7 **approval of this Resolution for an initial term of five years with two five-year options to**
8 **extend, at an initial rent of \$48,867.12 per year (\$4,072.26 per month) with three percent**
9 **annual increases thereafter; the initial rent includes approximately 822 square feet of**
10 **office space in support of a temporary grant and programming collaboration with**
11 **Family Connections Centers, a California non-profit, providing services to the**
12 **community; should future grants for said collaboration not be funded after the first**
13 **year of the lease or any subsequent year thereafter, during the initial five-year term,**
14 **whereby the new adjusted rent will be \$2,970.78 per month, or \$35,649.36 per year, with**
15 **a three percent annual increase; a finding that competitive bidding procedures**
16 **required under San Francisco Administrative Code, Chapter 23, Section 23.33, are**
17 **impractical or impossible; a finding that the Lease furthers a proper public purpose**
18 **sufficient to meet Administrative Code, Section 23.30, market value requirements; and**
19 **authorizing the Director of Property to enter into any additions, amendments, or other**
20 **modifications to the Lease that do not materially increase the obligations or liabilities**
21 **of the City to effectuate the purposes of this Resolution.**

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23 WHEREAS, The City and County of San Francisco (“City”) owns the Village
24 Community Facility located at 1099 Sunnydale Avenue, San Francisco, which is under the
25 jurisdiction of the Real Estate Division (“RED”); and

1 WHEREAS, Over the last 11 years, Family and Child Empowerment Services (FACES
2 SF) (“Tenant”), has been and currently provides workforce development services such as
3 outreach/recruitment, hiring events, assessments, referrals, case management, supportive
4 services, and job readiness training; and

5 WHEREAS, Tenant’s current lease is on holdover since 2022; and

6 WHEREAS, The City seeks to have the Tenant’s programming continue in the
7 community by entering into the proposed lease with the Tenant for the Community Facility, for
8 a five-year term (the “Term”) commencing on approval of this Resolution, a copy of which is
9 on file with the Clerk of the Board of Supervisors in File No. 250086 (the “Lease”); and

10 WHEREAS, The Lease provides for an initial monthly base rent of \$4,072.26 for a total
11 annual base rent of \$48,867.12 (\$16.08 per square foot); and

12 WHEREAS, Approximately 822 square feet of office space is in support of the
13 temporary collaboration and funding with Family Connections Center, a California non-profit,
14 providing joint services to the community; and

15 WHEREAS, Should future grants for said collaboration with Family Connections Center
16 not receive funding after the first year of the lease or any subsequent year thereafter, Tenant
17 may surrender approximately 822 square feet of office space, whereby the new adjusted rent
18 will be \$2,970.78 per month, or \$35,649.36 per year; and

19 WHEREAS, The City is responsible for monthly utilities, including custodial services in
20 the approximate amount of \$0.47 per square foot or \$1,428 monthly; and

21 WHEREAS, The initial base rent will increase annually by three percent during the
22 Term; and

23 WHEREAS, Due to the Tenant’s long-term occupancy and use of the Community
24 Facility and the public benefit it provides, competitive bidding procedures were impractical;
25 and

1 WHEREAS, The Director of Property determined the proposed rent payable under the
2 Lease to be below fair market rental value and therefore requires a Board of Supervisors
3 finding that the Lease furthers a proper public purpose sufficient to meet the requirements of
4 San Francisco Administrative Code, Section 23.30; now, therefore, be it

5 RESOLVED, That in accordance with the recommendations of the Director of Property
6 after consultation with the City Attorney, the Board of Supervisors approves the Lease in
7 substantially the form presented to the Board, and authorizes the Director of Property to take
8 all actions necessary to execute the Lease and any other documents that are necessary or
9 advisable to effectuate the purpose of this Resolution; and, be it

10 FURTHER RESOLVED, That the Lease will commence upon the approval of this
11 Resolution and continue for five years; and, be it

12 FURTHER RESOLVED, That the initial base rent rate shall be \$48,867.12 per year, or
13 \$4,072.26 per month, with an annual three percent adjustment each subsequent year of the
14 Term; and, be it

15 FURTHER RESOLVED, Tenant may surrender approximately 822 square feet of office
16 space, after the first year or any subsequent year thereafter, during the initial five-year term,
17 whereby the new adjusted rent will be \$2,970.78 per month, or \$35,649.36 per year, with a
18 3% annual increase.

19 FURTHER RESOLVED, That the Board of Supervisors confirms that the below market
20 rental rate of the Lease furthers a proper public purpose sufficient to meet the requirements of
21 San Francisco Administrative Code, Section 23.30 and 23.33; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors finds that competitive bidding
23 procedures for award of the Lease were impractical or impossible due to Tenant's current
24 possession and occupancy of the space and the public benefit provided by Tenant; and, be it
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1 FURTHER RESOLVED, That all actions taken by any City employee or official with
2 respect to entering into this Lease are hereby approved, confirmed, and ratified; and, be it

3 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
4 Property to take any actions in furtherance of entering into, amending, or modifying the Lease,
5 if said action is, determined by the Director of Property, in consultation with the City Attorney,
6 are in the best interest of the City, do not materially increase the obligations or liabilities of the
7 City, do not materially decrease the benefits to the City, or are necessary or advisable to
8 effectuate the purposes of this Resolution, and are in compliance with all applicable laws; and,
9 be it

10 FURTHER RESOLVED, That within 30 days of the Lease being fully executed, the
11 Director of Property shall provide a final copy to the Clerk of the Board for inclusion in the
12 Board's file.

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1 RECOMMENDED:

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/s/

Andrico Q. Penick
Director of Property

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