

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

June 29, 2021

Through City Administrator Carmen Chu

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 – Homeless Resource Center – 165 Capp Street

Dear Board Members:

Attached for your consideration is a resolution authorizing the exercise of the first of two options to extend the term of the existing lease (“Lease”) between the City’s Department of Homelessness and Supportive Housing (“HSH”) and BC Capp, LLC (“Landlord”). If approved, this resolution would allow for the continued use of the two-story commercial building located at 165 Capp Street as the Mission Neighborhood Resource Center (“MNRC”) by extending the term of the Lease to September 30, 2026.

MNRC is a neighborhood drop-in center that provides supportive services including lockers, laundry facilities, showers, food, and a safe environment, as well as accessible and integrated services for people experiencing homelessness. The site also provides administrative offices for Mission Neighborhood Health Center, the City contracted non-profit provider of the drop-in center.

The current Lease expires on September 21, 2021 and sets the extended term base rent at 95% of the current Fair Market Value, but in no event less than the current base rent. On behalf of HSH, the Real Estate Division (“RED”) negotiated a continuation of the current monthly base rent (\$22,557), with no rent payable in October 2021. The base rent will escalate 3% annually on October 1, beginning 2022.

HSH and the Real Estate Division recommend approval of this resolution. Please contact Dylan Schneider from HSH at dylan.schneider@sfgov.org if you have questions about anything programmatic in nature. Alternatively, reach out to Josh Keene of my office at joshua.keene@sfgov.org if you have any questions or concerns about the transaction itself.

Sincerely,

A handwritten signature in blue ink, appearing to read "Andrico Q. Penick".

Andrico Q. Penick
Director of Real Estate