

1 [Real Property Lease Extension - BC Capp, LLC - Homeless Resource Center - 165 Capp
2 Street - \$270,685 Annual Base Rent]

3 **Resolution authorizing the Director of Property, on behalf of the Department of**
4 **Homelessness and Supportive Housing, to exercise a Lease Extension Option for**
5 **the real property located at 165 Capp Street, with BC Capp, LLC for continued**
6 **operation of an approximately 6,500 square foot building as a neighborhood drop-in**
7 **and referral center and administrative offices serving people experiencing**
8 **homelessness, for an approximately five-year term commencing on September 22,**
9 **2021, through September 30, 2026, at the monthly base rent of \$22,557 for a total**
10 **annual base rent of \$270,685 with no rent payable for the month of October 2021.**

11
12 WHEREAS, The Department of Homelessness and Supportive Housing ("HSH")
13 funds a neighborhood drop-in and referral center, with administrative offices used by
14 Mission Neighborhood Health Center staff, a non-profit service provider funded by the City,
15 serving people experiencing homelessness, in the two-story commercial building located at
16 165 Capp Street consisting of approximately 6,500 rentable square feet (the "Premises");
17 and

18 WHEREAS, HSH occupies the Premises through a lease dated February 25, 2016
19 (the "Lease"), between the City and County of San Francisco (the "City" as "Tenant") and
20 BC Capp, LLC (as "Landlord"), that expires on September 21, 2021, a copy of the Lease is
21 on file with the Clerk of the Board of Supervisors in File No. 210774; and

22 WHEREAS, The Lease provides for two options, each for the City to extend the term
23 of the Lease for an additional five years (each an "Extended Term" and an "Option") on the
24 same terms and conditions, at a base rental amount of 95% of the then prevailing fair
25 market rent, but in no event lower than the immediately preceding term base rent; and

1 WHEREAS, The Real Estate Division (“RED”), on behalf of HSH, has sent notice
2 exercising its first Option to extend the term, subject to approval by the Board of
3 Supervisors and the Mayor; and

4 WHEREAS, Landlord has countersigned a Letter Agreement establishing an
5 extended term commencing on September 22, 2021, and expiring on September 30, 2026;
6 at a base monthly amount of \$22,557 (the current monthly rate); providing for no rental
7 payment for the month of October 2021; and an annual increase of 3% each subsequent
8 October 1, beginning in 2022, a copy of the countersigned Letter Agreement is on file with
9 the Clerk of the Board of Supervisors in File No. 210774; and

10 WHEREAS, All other terms and conditions of the Lease will continue in full force and
11 effect; now, therefore, be it

12 RESOLVED, That in accordance with the recommendation of the Director of HSH,
13 the Director of Property is hereby authorized to take all actions on behalf of the City to
14 exercise the Option to extend the term of the Lease until September 30, 2026; and, be it

15 FURTHER RESOLVED, That commencing upon the Extended Term, the monthly
16 base rent shall be \$22,557 increasing each subsequent October 1, beginning in 2022, by
17 3%; and, be it

18 FURTHER RESOLVED, That any action taken by any City employee or official with
19 respect to the exercise of this extension is hereby ratified and affirmed; and be it

20 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
21 Property to take any actions in furtherance of the extension, if said action is, determined by
22 the Director of Property, in consultation with the City Attorney, in the best interest of the City,
23 does not increase the rent or otherwise materially increase the obligations or liabilities of the
24 City, necessary or advisable to effectuate the purposes of the Lease or this resolution, and in
25 compliance with all applicable laws, including the City's Charter.

\$187,224 available
(Base Rent September 22, 2021 – June 30, 2022)

Fund ID:	10000
Department ID:	203646
Project ID:	10026740
Authority ID:	10000
Account ID:	530110
Activity ID:	0012

/s/
Michelle Allersma, Budget and Analysis
Division Director on behalf of
Ben Rosenfield, Controller

Funding for Fiscal Year 2021/2022 is subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2021/2022

RECOMMENDED:

/s/ _____
Shireen McSpadden
Department of Homelessness and Supportive Housing
Executive Director

/s/
Andrico Q. Penick
Real Estate Division
Director of Property