

1 [Real Property Lease Extension - Opera Plaza, L.P. - Administrative Offices - 601 Van
2 Ness Avenue - \$363,132 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 **approximately 8,646 rentable square feet of office space located at 601 Van Ness**
6 **Avenue, Suite P, with Opera Plaza L.P., for use as administrative offices, for an**
7 **extended term to commence on the later of August 1, 2021, or approval of this**
8 **Resolution, and terminating on July 31, 2026, at the monthly base rent of \$30,261 for**
9 **a total annual base rent of \$363,132 in the initial year of the extended term, plus an**
10 **annual \$1 per square foot increase each August 1 thereafter; and authorizing the**
11 **Director of Property to execute documents, make certain modifications and take**
12 **certain actions in furtherance of exercising the Lease Extension Option and this**
13 **Resolution, as defined herein.**

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15 WHEREAS, The City and County of San Francisco (“City”) entered into a five-year
16 (“Initial Term”) lease dated April 11, 2016 (“Lease”) with Opera Plaza, L.P. (“Landlord”) for
17 8,646 square feet of office space located in Suite P (the “Premises”), in the building located
18 at 601 Van Ness Avenue (the “Building”), for the original purpose of locating administrative
19 offices of the City’s Human Services Agency (“HSA”), a copy of the Lease is on file with the
20 Clerk of the Board of Supervisors in File No. 210773; and

21 WHEREAS, The Lease provides for one option (“Lease Extension Option”) to extend
22 the term of the Lease for an additional five years (“Extended Term”); and

23 WHEREAS, HSA no longer requires use of the Premises as its functions at the
24 Premises are relocating to a City-owned facility upon expiration of the Initial Term; and

1 WHEREAS, The Department of Homelessness and Supportive Housing (“HSH”)
2 seeks to make homelessness a rare, brief and one-time experience through coordinated,
3 compassionate and high-quality services; and

4 WHEREAS, With the closure of the COVID-19 Central Command (CCC), HSH
5 requires this lease for immediate office space for temporary staff assigned to HSH in Fiscal
6 Year (FY) 2021-2022 to support the continued operation of COVID-19 response programs
7 as there is currently insufficient space at its current offices at 440 Turk Street; and

8 WHEREAS, Subject to future budget appropriations, HSH plans to continue to use
9 the space to support HSH’s permanent staffing expansion in FY2022-2023 as there is
10 currently insufficient space at its current location at 440 Turk Street; and

11 WHEREAS, City and Landlord have agreed, in a countersigned letter (the “Letter
12 Agreement”), to establish the base rent at \$363,132 per year (\$42 per sq. ft.) (\$30,261 per
13 month) beginning August 1, 2021, and to establish the Base Year, as defined in the Lease,
14 during the Extended Term as calendar year 2021, a copy of the Letter Agreement is on file
15 with the Clerk of the Board of Supervisors in File No. 210773; and

16 WHEREAS, All other terms and conditions of the Lease will continue in full force and
17 effect, including that the City will pay for its own electrical utilities and Base Rent will
18 increase annually by \$1 per square foot each August 1 beginning in 2022; and

19 WHEREAS, Upon approval of this Resolution by this Board, the term of the Lease
20 will be extended through July 31, 2026; and

21 WHEREAS, The Director of Property determines the proposed rent payable under
22 the Extended Term to be at or below fair market rental value; now, therefore, be it

23 RESOLVED, That in accordance with the recommendation of the Director of HSH,
24 the Director of Property is hereby authorized to take all actions on behalf of the City to

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1 exercise the Lease Extension Option to extend the term of the Lease through
2 July 31, 2026; and, be it

3 FURTHER RESOLVED, That commencing upon August 1, 2021 and continuing
4 through the first year of the Extended Term, the annual base rental rate shall be \$42 per
5 square foot, increasing each subsequent August 1 by \$1 per square foot; and, be it

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

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
9 Property to take any actions in furtherance of the exercise of the Lease Extension Option and
10 Lease, if said action is, determined by the Director of Property, in consultation with the City
11 Attorney, in the best interest of the City, does not increase the rent or otherwise materially
12 increase the obligations or liabilities of the City, necessary or advisable to effectuate the
13 purposes of the Lease Extension Option, the Lease or this Resolution, and in compliance with
14 all applicable laws, including the City's Charter.

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\$332,871 available
(Base Rent August 1, 2021 – June 30, 2022)

Fund ID:	10020
Department ID:	203646
Project ID:	10036575
Authority ID:	21481
Account ID:	530110
Activity ID:	0010

/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



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
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Tails Resolution

File Number: 210773

Date Passed: July 20, 2021

Resolution authorizing the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to exercise a Lease Extension Option for approximately 8,646 rentable square feet of office space located at 601 Van Ness Avenue, Suite P, with Opera Plaza L.P., for use as administrative offices, for an extended term to commence on the later of August 1, 2021, or approval of this Resolution, and terminating on July 31, 2026, at the monthly base rent of \$30,261 for a total annual base rent of \$363,132 in the initial year of the extended term, plus an annual \$1 per square foot increase each August 1 thereafter; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of exercising the Lease Extension Option and this Resolution, as defined herein.

July 15, 2021 Government Audit and Oversight Committee - RECOMMENDED AS COMMITTEE REPORT

July 20, 2021 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Haney, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 210773

I hereby certify that the foregoing Resolution was ADOPTED on 7/20/2021 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

7/30/2021

Date Approved