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San Diego Housing Commission (SDHC)

Lease Agreement at Hotel Sandford for BB's Delicatessen

Presentation to the SDHC Board of Commissioners

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SDHC – Lease Agreement at Hotel Sandford for BB's Delicatessen

Introduction

- Hotel Sandford
 - Four-story building with 130 Single-Room Occupancy (SRO) units
 - Includes approximately 7,663 square feet of first-floor commercial space.
- BB's Delicatessen (BB's Deli) has occupied one of the commercial suites at Hotel Sandford continuously since February 1995.
- SDHC executed a one-year lease with BB's Deli for October 1, 2025, through September 30, 2026, at the end of the prior lease.
- BB's Deli has expressed interest in extending the current lease for four additional years and adding one option for an additional extension of five years.





SDHC – Lease Agreement at Hotel Sandford for BB's Delicatessen Proposed Lease Extension

- Lease term will be extended for four years.
- SDHC will have one option to extend the lease for an additional five years, if the lessee requests an extension.
- Rent:
 - \$2.19 per square foot per month at inception
 - An annual increase of 3% per square foot through the duration of the lease.

Term	Monthly Rent	Rental Rate sf/mo.
10/1/2025 – 9/30/2026	\$1,693.51	\$2.19/sf/mo.
10/1/2026 – 9/30/2027	\$1,744.32	\$2.26/sf/mo.
10/1/2027 – 9/30/2028	\$1,796.65	\$2.32/sf/mo.
10/1/2028 – 9/30/2029	\$1,850.54	\$2.39/sf/mo.
10/1/2029 – 9/30/2030	\$1,906.06	\$2.47/sf/mo.





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Staff Recommendations

That the SDHC Board of Commissioners take the following actions:

- 1) Approve a four-year extension of the lease with BB's Delicatessen for the period of October 1, 2026, through September 30, 2030, with a 3 percent rent increase each year, to occupy the commercial space at 1321 Fifth Ave. on the first floor of Hotel Sandford, 1301 Fifth Ave., San Diego, CA 92101.
- 2) Approve one option to extend the lease with BB's Delicatessen for an additional five years, from October 1, 2030, through September 30, 2035, with a 3% rent increase each year, to occupy the commercial space at 1321 Fifth Ave. on the first floor of Hotel Sandford, 1301 Fifth Ave., San Diego, CA 92101.
- 3) Authorize the President and Chief Executive Officer (President and CEO), or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.



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Questions & Comments

