



HOMELESS CHILDREN'S NETWORK

3450 3rd Street, San Francisco

PROJECT DIRECTOR

Kirk Usher, Jr., SIOR



SITUATION

- HCN: a key San Francisco non-profit agency for the past 22 years, currently providing mental health and family support to homeless children and their families in SF through 34 partner organizations which rely on HCN's services.
- After 10 years in former location, new owner proposed a renewal rental rate 400% higher than last year of existing lease, an increase from \$12 to \$48 sf annually.
- August, 2013, Usher retained as advisor and broker to locate suitable replacement facility providing an occupancy cost as close to the last year's rent as possible with minimal "out of pocket" expense to HCN prior to existing lease expiration August 31, 2014.
- New facility preferably with new owner who sympathizes and supports the HCN mission.

ACTION

- 9-month extensive search process utilizing all conceivable resources to uncover and investigate all aspects of a new "affordable" HQ facility that supports all operational and financial constraints of the organization.
- Follow-up brokerage activities to investigate numerous "dead-end" alternative before finding 3450 3rd Street.
- Coordinated transaction support services; eg. architectural, construction, legal services
- Provided rationale/support to new landlord for accepting HCN's financials
- Created effective management decision-making tools including financial analysis and market studies for staff and board action

RESULT

- Located and secured favorable "under market" terms in the new 11,000 sf HQ lease at 3450 3rd Street, satisfying all the locational, operational and economic objectives of HCN, including a sympathetic owner.
- In SF's \$40-90 sf annual "super heated" 2013/2014 rental market, negotiated new lease commitment at under \$18 sf annually with only ~\$3 sf "out of pocket" remodeling expense (where many alternatives would require \$20-\$50 sf in tenant out of pocket costs).
- New facility includes "in+out" parking for 6-8 vehicles - a big bonus over existing facility with 1-car parking
- Received a "Perfect - 5 out of 5" client service evaluation from April Silas, Executive Director who wrote, "Thank you for the opportunity to highlight the amazing support and heart-felt brilliance of Kirk Usher. Homeless Children's Network is forever honoring of Kirk's gentle and compassionate guidance, boundless integrity, unending determination, and unmatched skill and expertise."

