

1 [Real Property Lease Amendment - Townsend Associates, LLC - 650-5th Street, Suites 307-  
2 309 - \$122,400 Annual Base Rent]

3 **Resolution approving and authorizing the Director of Property, on behalf of the**  
4 **Department of Public Health, to execute a second amendment to the lease of real**  
5 **property located at 650-5th Street, Suites 307-309 from Townsend Associates, LLC, at**  
6 **an annual base rent of \$122,400 with 3% annual increases, for an initial term**  
7 **commencing upon full execution of the lease amendment and expiring on July 31,**  
8 **2031, plus one five-year option to extend; and authorizing the Director of Property to**  
9 **execute documents, make certain modifications and take certain actions in furtherance**  
10 **of the lease, as amended, and this Resolution.**

11  
12 WHEREAS, The Department of Public Health ("DPH") currently operates the Jail  
13 Health Services (JHS) Administration Center in approximately 3,060 square feet of space  
14 located at 650-5th Street, Suites 307-309 (the "Premises"), providing an overall  
15 comprehensive and integrated system of medical, psychiatric, and substance abuse services  
16 to inmates in the jails of the City and County of San Francisco ("City"); and

17 WHEREAS, The City, as Tenant, originally entered into an Office Lease dated May 9,  
18 2016 ("Original Lease"), as amended by a Lease Amendment dated August 30, 2021 ("First  
19 Amendment" and, together with the Original Lease, the "Office Lease"), with Townsend  
20 Associates, LLC, a California limited liability company ("Landlord") for use of the Premises as  
21 the JHS; a copy of the Original Lease is on file with the Clerk of the Board in File No. 160710  
22 and a copy of the First Amendment is on file with the Clerk of the Board in File No. 210737;  
23 and

24 WHEREAS, The Office Lease expired on June 30, 2026, and the City is currently a  
25 holdover Tenant of the Premises; and

1           WHEREAS, The City's Real Estate Division ("RED"), in consultation with DPH and the  
2 Office of the City Attorney, has negotiated a second amendment to the Office Lease ("Second  
3 Amendment") to amongst other things, extend the term of the Office Lease to July 31, 2031,  
4 with an option to extend the term for an additional five years (the "Option") at 95% of fair  
5 market rental value; and

6           WHEREAS, Base rent under the Second Amendment will be \$122,400 per year, or  
7 \$10,200 per month (\$3.33 per square foot), increasing annually by 3%, with all utilities and  
8 services, except for electricity which will be separately metered and payable by the City, and  
9 the right to use four parking stalls on the property's parking facilities at all times included in the  
10 base rent; and

11           WHEREAS, All other terms and conditions of the Office Lease will remain in full force  
12 and effect; and

13           WHEREAS, In accordance with Section 23.27 of the Administrative Code, an appraisal  
14 is not required because the annual base rent is less than \$45 per square foot, and the  
15 Director of Property has determined the base rent is at or below fair market value; now,  
16 therefore, be it

17           RESOLVED, That the Director of Property is hereby authorized to take all actions on  
18 behalf of the City to effectuate the Second Amendment (including exercising the Option),  
19 enter into any amendments or modifications to the Office Lease (including, without limitation,  
20 the exhibits) that the Director of Property determines, in consultation with the City Attorney,  
21 are in the best interest of the City, does not materially increase the base rent or otherwise  
22 materially increase the obligations or liabilities of the City, are necessary or advisable to  
23 effectuate the purposes of the Office Lease or this Resolution, and are in compliance with all  
24 applicable laws, including City's Charter; and, be it

1           FURTHER RESOLVED, That all actions heretofore taken by the officers of the City  
2 with respect to the Office Lease are hereby approved, confirmed and ratified; and, be it

3           FURTHER RESOLVED, That within thirty (30) days of the Second Amendment being  
4 fully executed by all parties, RED shall provide the final Second Amendment to the Clerk of  
5 the Board for inclusion into the official file.

Available: \$ 112,200  
(base rent for period 8/01/2026 through 6/30/27)

|                |          |
|----------------|----------|
| Fund ID:       | 10000    |
| Department ID: | 251973   |
| Project ID:    | 10026702 |
| Authority ID:  | 10000    |
| Account ID:    | 530110   |
| Activity ID:   | 001      |

/s/ Michelle Allersma for  
Michelle Allersma, Budget and Analysis  
Division Director on behalf of  
Greg Wagner, Controller

Funding for Fiscal Year 2026/2027 is  
subject to the enactment of the Annual  
Appropriation Ordinance for Fiscal Year  
2026/2027

1 RECOMMENDED:

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3 /s/ Jenny Louie  
4 Jenny Louie  
5 Chief Operating Officer for  
6 Department of Public Health

7 RECOMMENDED:

8

9 /s/ Sarah R. Oerth  
10 Sarah R. Oerth  
11 Director of Property  
12 Real Estate Division

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