

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

June 21, 2021

Department of Public Health
Lease of Real Property
1360 Mission Street

Through Carmen Chu
City Administrator

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

RE: 1360 Mission Floors 1 & 2

Dear Board Members:

Attached for consideration is a Resolution authorizing the lease of approximately 16,958 rentable square feet of office space located at 1360 Mission Street, for use by the Department of Public Health (DPH) for Mental Health SF staff as well as COVID relocated staff.

The Human Services Agency (HSA), terminated their lease of the space as of September 21, 2020. The Lease rate at the time was \$49.17 per square foot, \$833,825 annually and \$69,485 monthly. The Department of Public Health has offices on the 4th floor of this building and found the space vacated by HSA as desirable for their expanding Mental Health SF program and Covid related staffing needs.

The Department of Public Health would use the 1st floor for COVID-related hires, including for use by staff previously located at the COVID Command Center at the Moscone Convention Center as needed.

The second floor would provide for approximately 73 BHS/Mental Health SF staff, including teams from the Office of Coordinated Care, Street and Justice Services, and Utilization Management. The teams at 1360 Mission Street will be responsible for managing and monitoring access, flow and service utilization throughout the behavioral health system; providing streamlined access to behavioral health services; supporting people experiencing homelessness with connecting to care and providing direct community-based behavioral health services for people experiencing homelessness; providing care coordination services; and providing important behavioral health managed care functions.

The Real Estate Division, in response to the impact of the COVID-19 pandemic and direction from the Board of Supervisors in recent transactions, negotiated the following:

- Rent: \$38.00 per rentable square foot per year (a 33% reduction over previous HSA Lease); \$644,024 annually
- Free rent for 8 months

- Landlord to complete tenant improvements, City to reimburse, not to exceed \$200,000

The lease will commence on delivery of the premises, estimated to be September 1, 2021, for a term of 4 years, with two additional 1-year options, which Landlord may rescind with proper notice. Landlord to provide all utilities and custodial.

We recommend approval of the proposed Lease. If you have any questions regarding this matter, please contact Andrico Penick at 415-554-9860.

Respectfully,



Andrico Penick
Director of Property

cc. Dr. Grant Colfax, Director DPH