

1 [Real Property Lease - Chinese Hospital Association - 845 Jackson Street, 4th Floor - Initial
2 Base Rent \$499,548]

3 **Resolution approving and authorizing the Director of Property to enter into a lease of**
4 **approximately 11,894 square feet of real property located at 845 Jackson Street on the**
5 **4th Floor with Chinese Hospital Association, as Landlord, for an initial term of three**
6 **years with one option to extend the term for one-year, effective upon approval of this**
7 **Resolution, for an initial annual base rent of \$499,548 (or \$42 per square foot annually)**
8 **("Lease"); authorizing the Director of Property, on behalf of the Department of Public**
9 **Health, to execute the Lease; and authorizing the Director of Property to enter into**
10 **other amendments or modifications to the Lease that do not materially increase the**
11 **obligations or liabilities to the City and are necessary to effectuate the purposes of the**
12 **Lease or this Resolution.**

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14 WHEREAS, The Department of Public Health ("DPH") strives to protect and promote
15 the health of all San Franciscans by providing a wide range of public health services and
16 programs; and

17 WHEREAS, DPH is seeking to lease a temporary relocation space located at 845
18 Jackson Street while its leased space at Chinatown Public Health Center undergoes a full
19 renovation and seismic retrofit under the 2024 Healthy, Safe & Vibrant General Obligation
20 Bond Program; and

21 WHEREAS, DPH's goal is to continue to provide services as the primary care clinic for
22 approximately 4,400 San Franciscans who are mainly low-income, elderly or new immigrants
23 residing in the Chinatown area; and

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1 WHEREAS, The Real Estate Division (“RED”) on behalf of DPH, negotiated a new
2 Lease Agreement (“Lease”) for space with Chinese Hospital Association (Landlord) for 11,894
3 square feet primarily located on the 4th Floor at 845 Jackson Street (the “Premises”); and

4 WHEREAS, The Lease proposes a three-year term with one option to extend the term
5 for one-year, at a base rent of \$499,548 annually (or \$42 per square foot), increasing annually
6 at 3%, a copy of the proposed lease is on file with the Clerk of the Board in File No. 250984;
7 and

8 WHEREAS, In accordance with Section 23.27 of the Administrative Code, an appraisal
9 is not required because the base rent is less than \$45 per square foot, and the Director of
10 Property has determined the base rent is at or below Fair Market Value; and

11 WHEREAS, DPH shall reimburse Landlord for tenant improvements related to
12 construction work necessary to obtain temporary change of use permits required by California
13 Department of Health Care Access and Information (HCAI), formerly Office of Statewide
14 Health Planning and Development (OSHPD) and California Department of Public Health, in an
15 amount not to exceed \$300,000; and

16 WHEREAS, DPH shall pay its pro-rata share of the building’s common area
17 maintenance expenses at \$8,636 monthly, escalating annually at actual building costs, not to
18 exceed 3%, net of electricity, water, and sewer (the “Utilities”), janitorial, wireless access and
19 interior facility maintenance services; and

20 WHEREAS, The Utilities for the Premises shall be set at a fixed monthly amount of
21 \$10,780 and shall increase by 3% annually; and

22 WHEREAS, The wireless access points expenses for the Premises shall be set at a
23 fixed annual cost of \$3,900; and

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1 WHEREAS, The Landlord will be responsible to repair and maintain the interior
2 portions of the Premises in response to maintenance requests from DPH; those repairs shall
3 be invoiced by the Landlord to the City as additional charges; now, therefore, be it

4 RESOLVED, That in accordance with the recommendation of the Director of the
5 Department of Public Health, in consultation with the City Attorney, the Director of Property is
6 hereby authorized to take all actions on behalf of the City and County of San Francisco, as
7 Tenant, to execute the Lease and, as needed, the Option; and, be it

8 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
9 Property to enter into any other amendments or modifications to the Lease that the Director of
10 Property determines, in consultation with DPH and the City Attorney, are in the best interest of
11 the City, do not increase the rent or otherwise materially increase the obligations or liabilities
12 of the City; are necessary or advisable to effectuate the purposes of the Lease Agreement
13 and this Resolution; and are in compliance with all applicable laws, including City's Charter;
14 and, be it

15 FURTHER RESOLVED, That within 30 days of the Lease Amendment being fully
16 executed by all parties, the Real Estate Division will provide the fully executed copy to the
17 Clerk of the Board for inclusion into the official file.

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1 Available: \$ 374,661
2 (base rent for period 10/01/2025
through 6/30/26)

3	Fund ID:	10000 - GF Continuing 4 Authority Ctrl
5	Department 6 ID:	251984 – HBH Mental health Adult
7	Project ID:	10001792 – HB Adult Care
8	Authority ID:	10000 - Operating
9	Account ID:	530110 – Property Rent
10	Activity ID:	0001 – Adult Admin
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15 /s/
16 Michelle Allersma, Budget and Analysis
17 Division Director on behalf of
Greg Wagner, Controller

18 Funding for Fiscal Year 2025/2026 is
19 subject to the enactment of the Annual
20 Appropriation Ordinance for Fiscal Year
21 2025/2026

1 RECOMMENDED:

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

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