

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sally Oerth, Director of Real Estate

March 26, 2026

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

RE: Lease Amendment – 845 Jackson Street, 4th Floor
San Francisco Department of Public Health, Tenant
Chinese Hospital Association, Landlord

Dear Board Members:

Attached for your consideration is a proposed Resolution authorizing and approving a First Amendment (the “Amendment”) to that certain lease agreement dated September 15, 2025, between the City on behalf of The Department of Public Health (“DPH”) as Tenant, and The Chinese Hospital Association, a nonprofit corporation, as (“Landlord”), for approximately 11,894 square of The Chinese Hospital, located at 845 Jackson Street (the “Hospital”) (the “Lease”).

DPH entered into the Lease to temporarily relocate its Chinatown Public Health Center operations (the “Clinic”) to the Hospital during the voter approved renovation and seismic retrofit of the Clinic’s permanent space (the “Project”). The Clinic serves as the primary care clinic for approximately 4,400 San Franciscans who are mainly low-income, elderly, or new immigrants residing in the Chinatown.

The Lease requires Landlord to obtain government agency approval from the California Department of Health Care Access and Information (“HCAI”), and California Department of Public Health allowing a temporary change of use at the Hospital from licensed hospital beds to a non-hospital-based clinic (“Change of Use Permit”).

The cost of obtaining the Change of Use Permit and making the requisite Tenant Improvements (the “TIs”), are reimbursable by the City. The Lease set a maximum reimbursement for the TIs at \$300,000. The Lease had an original termination date of October 29, 2028.

In the collaborative process of obtaining the Change of Use Permit, HCAI increased the TIs to include a major fire safety system upgrade. This will delay the originally planned start date for Clinic operations and increase the cost of the TIs.

The proposed Amendment effectively changes the Lease expiration date to the third anniversary from the date of issuance of the Change of Use Permit, which is estimated to be in June 2026, and extends the total lease term of the lease by approximately seven (7) months. Additionally, the Amendment increases the maximum amount of reimbursement by the City by \$500,000, for a new total of \$800,000 for the Project.

Should you have any questions regarding the transaction, please contact Rachan Anderson of the Real Estate Division at (415) 554-9850.

Respectfully,



Sally Oerth
Director of Property