

From: [Wong, Linda \(BOS\)](#)
To: [Wong, Linda \(BOS\)](#)
Subject: FW: 7/21 Budget & Finance: DPH Leases (agenda items #12, #13, and #14)
Date: Tuesday, July 20, 2021 9:34:21 AM

From: Lindsay, Claire (DPH) <claire.lindsay@sfdph.org>
Sent: Monday, July 19, 2021 3:51 PM
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Hello Supervisors Haney, Safai and Mar,

The Department of Public Health (DPH) and Real Estate and respectfully requesting approval for three (3) leases at the July 21st Budget & Finance Committee meeting. Please see below for lease details, a brief description of each program, and the DPH representatives who may be contacted should you have any questions about the programs.

Agenda item #12 - Lease of Real Property - SFSPE TG, LLC, SFSPE T1, LLC, SFSPE MH, LLC and SFSPE OBI LLC - 1360 Mission Street - \$644,404 Annual Base Rent - Up to \$200,000 in Tenant

Improvements - Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to lease real property located at 1360 Mission Street, for an initial term of four years, from SFSPE TG, LLC, SFSPE T1, LLC, SFSPE MH, LLC and SFSPE OBI LLC, at a base rent of \$644,404 per year with 3% annual increases; authorizing the City to contribute up to an additional \$200,000 in tenant improvements to commence upon substantial completion of the installation of the Tenant Improvements necessary for the City's occupancy, which is expected to occur on or around August 1, 2021; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Lease and this Resolution, as defined herein.

• **Summary of Lease Details:**

- Term: 4 years, two (1) year options to extend, that can be rescinded by notice by Landlord
- Premises: Floors 1 & 2 comprised of 16,958 sf.
- Rent: \$38 psf. Initial rate, escalating at 3% per year. \$644,404 base year

- T.I. up to \$200,000 in work to be done prior to rent commencement
- Other concessions: 8 Months of free rent
- Notes: Landlord had been planning redevelopment of this site when the pandemic hit, they have now put their plans on hold and are willing to lease at a steep discount to retain the city as a tenant. The actual rate negotiated was lower than their lender would approve, so free rent was exchanged to make up the difference.
- **Description of Programs:** The 1st floor would be used by approximately 60 grant funded Population Health Covid-related staff, assigned to support the COVID Task Force in the short term as well as continue to manage COVID-19 as an ongoing endemic disease. The 2nd floor would be used by approximately 73 Behavioral Health Services staff, including teams from the Office of Coordinated Care, Street and Justice Services, and Utilization Management. These teams would be responsible for managing and monitoring access, flow, and service utilization throughout the behavioral health system; providing streamlined access to behavioral health services; supporting homeless people with connecting to care and providing direct community-based behavioral health services; providing care coordination services; and providing behavioral health managed care functions.
- **DPH Representatives:**
 - Rita Nguyen, M.D. | Acting Deputy Director, Population Health Division | Rita.Nguyen@sfdph.org
 - Marlo Simmons, Deputy Director, Behavioral Health Services | Marlo.Simmons@sfdph.org
 - Lisa Zayas-Chien, DPH Facilities and Capital Planning | Lisa.Zayas-Chien@sfdph.org

Agenda item #13 - Real Property Lease Amendment - Townsend Associates, LLC - 650-5th Street - \$159,200 Annual Base Rent - Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to amend the lease of real property located at 650-5th Street, with Townsend Associates, LLC, at a base rent of \$159,200 per year with 3% annual increases, for an initial term commencing upon approval of this Resolution and expiring on June 30, 2026, plus two one-year options to extend; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the First Amendment, the Lease and this Resolution, as defined herein.

- **Summary of Lease Details:**
 - Term: 5 years, with two one (1) year options.
 - Premises: Approximately 3,600 sf and four (4) dedicated parking spaces
 - Rent: \$52 psf. \$12,260 monthly, \$159,200 annually
 - Notes: This is an amendment that was made in place of exercising the renewal option. The original option had rent at \$58 psf. and 3 years of term. DPH is looking to relocate this site to owned space, this additional term provides flexibility to do this, while reducing current rent.
- **Description of Program:** The Department of Public Health currently operates its Jail Health Services (JHS) Administration at 650-5th Street, Suites 309. The offices serve as the main leadership hub that serves to provide overall comprehensive and integrated system of

medical, psychiatric and substance abuse services to inmates in the San Francisco Jails. As the main Jail Health Services Office, it serves to co-locate the Director of Jail Health, other Leadership and Executive Staff as well as staff who serve as part of the JHS Administration & Operations Team.

- **DPH Representative:** Martin C. Soto | Manager, Administration and Operations, Jail Health Services | Martin.Soto@sfdph.org

Agenda item #14 - Real Property Lease Extension - Mattison Family Trust - 555-575 Polk Street -

\$500,364 Annual Base Rent - Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to extend the lease of real property located at 555-575 Polk Street, with Mattison Family Trust, at a base rent of \$500,364 per year with no annual increases, commencing upon the later of August 1, 2021, or approval of this Resolution and expiring on July 31, 2026; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the Lease and this Resolution, as defined herein.

- **Summary of Lease Details:**
 - Term: 5 years
 - Premises: 18,000 sf
 - Rent: 27.80 psf., \$500,364 annually, with no annual increases.
 - Notes: The annual base rent of \$27.80 per square foot is below fair market rate, and the lack of annual escalation makes the lease more favorable to the City.
- **Description of Program:** DPH operates the Community Justice Center (CJC) on the second floor, providing court authorized alternatives to incarceration, in partnership with the Superior Court of San Francisco. The CJC includes both a courtroom and social services center. Social services include drug treatment, mental health programs, support groups, counseling, career development, and job training. The AOC and Superior Court are co-occupants of the ground floor premises.
- **DPH Representatives:**
 - Angelica M. Almeida, Ph.D. | Director, Street Based and Justice Involved Behavioral Health Services | Angelica.Almeida@sfdph.org
 - Marlo Simmons | Deputy Director, Behavioral Health Services | Marlo.Simmons@sfdph.org

Thank you for your time and consideration,
Claire

Claire Lindsay, MPH

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