

1 [Lease Extension of Real Property - 1170 Market Street, LLC - 1170 Market Street - \$450,000  
2 Six Month Extension Rent]

3 **Resolution authorizing the Director of Property, on behalf of the Department of Public**  
4 **Health, to extend the term of an existing City lease with 1170 Market Street LLC, for a**  
5 **building located at 1170 Market Street, from June 30, 2022, for a total term of January 3,**  
6 **2022, through December 31, 2022, at a base rent of \$75,000 per month, for a total**  
7 **amount of \$450,000 for six months; authorizing the Director of Property to execute**  
8 **documents and take certain actions in furtherance of this Resolution; as defined**  
9 **herein; and to authorize the Director of Property to enter into amendments or**  
10 **modifications to the Lease that do not materially increase the obligations or liabilities**  
11 **to the City and are necessary to effectuate the purposes of the Lease or this**  
12 **Resolution.**

13  
14 WHEREAS, Deaths attributable to drug overdose in San Francisco have increased  
15 over 200% since 2018; and

16 WHEREAS, A main contributor to the rapid rise in drug overdoses and deaths in San  
17 Francisco is the recent increase in the prevalence of fentanyl in the illegal drug market which  
18 is highly addictive and potent, and it is more likely to lead to overdose than other drugs; and

19 WHEREAS, On December 17, 2021, Mayor London N. Breed issued a Proclamation  
20 Declaring the Existence of a Local Emergency - Drug Overdoses in the Tenderloin which,  
21 among other things, (1) allowed departments to procure services, goods, and public works  
22 relating to the emergency using emergency procurement procedures, and waive any  
23 applicable requirement of Civil Service Commission approval of such contracts, and  
24 (2) allowed for the implementation in the Tenderloin of temporary facilities for purposes of  
25 offering services as part of the emergency response ("Mayor's Declaration"); and

1           WHEREAS, On December 23, 2021, the Board of Supervisors by Motion No. M21-183  
2 concurred with the Mayor's Declaration of a Local Emergency; and

3           WHEREAS, Under the authority provided by the Mayor's Declaration, the Director of  
4 Property, in consultation with the Director of the Department of Emergency Management  
5 ("DEM") and the City Attorney's Office, executed a six-month lease of the building located at  
6 1170 Market Street (the "Premises"), for the period from January 3, 2022, through June 30,  
7 2022, with 1170 Market Street, LLC, for City's use of the Premises as a Tenderloin Center in  
8 the Tenderloin (the "Lease"); and

9           WHEREAS, A copy of the Lease is on file with the Clerk of the Board of Supervisors in  
10 File No. 220451; and

11           WHEREAS, The Lease includes three extension options for the benefit of the City,  
12 each for a term of two months, that are exercisable by the City subject to the approval of the  
13 City's Board of Supervisors by Resolution; and

14           WHEREAS, The Tenderloin Center is a component of the Tenderloin Emergency  
15 Initiative that aims to mitigate the widespread open-air drug use and lack of easily accessible  
16 resources for people in the Tenderloin; and

17           WHEREAS, The Tenderloin Center is a services-focused location where people can  
18 voluntarily go to find respite from the streets and gain access to a wide variety of resources  
19 from the City and its partners; and

20           WHEREAS, The Tenderloin Center provides a safe, welcoming space for people who  
21 suffer from substance use disorder in the Tenderloin to go where they can access dignity  
22 services, social space, and help navigate City health and human services resources to link to  
23 those services easily and quickly; and

1           WHEREAS, The Tenderloin Center was originally managed under the direction of  
2 DEM, but DEM will now transfer management to the Department of Public Health (“DPH”);  
3 and

4           WHEREAS, DPH has determined that the Premises continue to be an ideal space and  
5 location for the Tenderloin Center in furtherance of the City’s Tenderloin Emergency  
6 Intervention Plan; and

7           WHEREAS, DPH desires to continue the operations at the Tenderloin Center through  
8 December 31, 2022; and

9           WHEREAS, Under the Lease, base rent payable by City will remain at \$75,000 per  
10 month (\$2.022 per square foot) during this extension period; and

11           WHEREAS, The Director of Property has determined that an appraisal is not required  
12 under Administrative Code, Section 23.27, because the Director of Property has determined  
13 that the base rent will be at or below the fair market rental value of the Premises, and is below  
14 \$45 per square foot; and

15           WHEREAS, Funding in Fiscal Year 2022-2023 is subject to the enactment of the  
16 annual appropriation Ordinance; and

17           WHEREAS, The Planning Department has determined that the Premises’ temporary  
18 use as The Tenderloin Linkage Center is consistent with the Eight Priority Policies of Planning  
19 Code Section 101.1 and is, on balance, in conformity with the Objectives and Policies of the  
20 General Plan; and

21           WHEREAS, The City, at its cost, will be responsible for maintenance of the interior of  
22 the Premises, and for certain utilities and services, as set forth in the Lease; now, therefore,  
23 be it

24           RESOLVED, That in accordance with the recommendation of the Director of Health  
25 and the Director of Property, the Board of Supervisors approves the exercise of all three

1 Lease extension options, and authorizes the Director of Property to take all actions necessary  
2 to extend the Lease and to take such additional actions that are necessary or advisable to  
3 effectuate the purpose of this Resolution; and, be it

4 FURTHER RESOLVED, That as set forth in the Lease, City will indemnify, defend, and  
5 hold harmless Landlord from and against any and all claims, losses, and damages resulting  
6 from the City's use of the Premises, any default by City of its obligations under the Lease, and  
7 any negligent acts or omissions of City, its agents or invitees in or about the Premises; and,  
8 be it

9 FURTHER RESOLVED, That the Board of Supervisors affirms and adopts as its own,  
10 the findings made by the Planning Department in the General Plan Determination, on file with  
11 the Clerk of the Board of Supervisors in File No. 220451 and is incorporated herein by  
12 reference; and, be it

13 FURTHER RESOLVED, That all actions previously taken by the officers of the City with  
14 respect to the Lease are hereby approved, confirmed, and ratified; and, be it

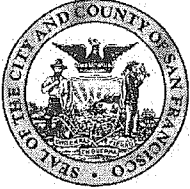
15 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of  
16 Property to enter into any extensions, amendments, or modifications to the Lease (including  
17 without limitation, the exhibits) that the Director of Property determines, in consultation with  
18 the Director of Health and the City Attorney's Office, are in the best interest of the City, do not  
19 materially increase the obligations or liabilities of the City, are necessary or advisable to  
20 effectuate the purposes of the Lease or this Resolution, and are in compliance with all  
21 applicable laws, including City's Charter.

RECOMMENDED:

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/s/  
Department of Public Health  
Director of Health

/s/  
Real Estate Division  
Director of Property



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails
Resolution

File Number: 220451

Date Passed: May 24, 2022

Resolution authorizing the Director of Property, on behalf of the Department of Public Health, to extend the term of an existing City lease with 1170 Market Street LLC, for a building located at 1170 Market Street, from June 30, 2022, for a total term of January 3, 2022, through December 31, 2022, at a base rent of \$75,000 per month, for a total amount of \$450,000 for six months; authorizing the Director of Property to execute documents and take certain actions in furtherance of this Resolution; as defined herein; and to authorize the Director of Property to enter into amendments or modifications to the Lease that do not materially increase the obligations or liabilities to the City and are necessary to effectuate the purposes of the Lease or this Resolution.

May 18, 2022 Budget and Finance Committee - AMENDED, AN AMENDMENT OF THE WHOLE BEARING SAME TITLE

May 18, 2022 Budget and Finance Committee - RECOMMENDED AS AMENDED

May 24, 2022 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Dorsey, Mandelman, Mar, Melgar, Peskin, Preston, Ronen, Safai, Stefani and Walton

File No. 220451

I hereby certify that the foregoing Resolution was ADOPTED on 5/24/2022 by the Board of Supervisors of the City and County of San Francisco.

Handwritten signature of Angela Calvillo
Angela Calvillo
Clerk of the Board

Handwritten signature of London N. Breed
London N. Breed
Mayor

6/3/22
Date Approved