

City & County of San Francisco
Daniel Lurie, Mayor



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

March 14, 2025

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 to the Chinatown Community Children's Center at City Hall

Dear Board Members:

Attached for your consideration is a conditional Resolution to lease suites 068 and 080 by the north vestibule entrance to City Hall and an outdoor play area in front of the McAllister Street side of the building, to the Chinatown Community Children's Center (CCCC) for a new childcare facility. The proposed lease is for a 10-year term and two 10-year renewal options on a total area of 6,372 square feet, and at an annual base rent of one dollar. The prior child care operator licensed the same space from the City, also for \$1.00 per year. The Resolution authorizes the Director of Property to execute the lease upon CCCC's receipt of approved permits from the Department of Building Inspection (DBI), for tenant improvement construction.

CCCC brings childcare service back to City Hall, providing City employees and those in the Civic Center community with family and caregiver responsibilities, a supportive, well-regarded and convenient amenity. CCCC's non-profit childcare operations rely primarily on grant funding by the City and other organizations. Pre-requisite to obtaining some grant funding was completion of a signed 30-year lease. Given the long-term limit to flexible planning for the location, size and adjacencies of critical government services at City Hall, the City proposed an initial 10-year term and two 10-year options.

CCCC's tenant improvement design and construction schedule estimates a project timeline of 30 months. Though inclusive of contingency time for permit and other required approvals, the schedule can be expected to encounter delays. Real Estate (RED) included language in the lease offering to use its best efforts to assist CCCC in obtaining reasonable turnaround timeframes for plan review and permitting. That said, the design phase of the project alone is expected to take up to approximately 20 months and rather than sign the lease at this time, with assistant from Supervisor Melgar, CCCC has agreed to take on the design phase

of the project prior to lease execution, which still preserves their grant eligibility.

The City would execute the lease once permits are issued, giving CCCC a reasonable level of security prior to committing to construction contracts.

This resolution requests conditional authorization by the Board to enter into a lease agreement with CCCC under the arrangement described by the proposed Resolution and this letter.

Should you have any questions regarding the proposed resolution or lease, please contact me at (415) 554-9860.

Respectfully,



Andrico Q. Penick
Director of Real Estate