

1 [Real Property Lease Amendment - Retroactive - William J. Piedmonte - 729 Filbert Street -
2 Annual Base Rent \$437,146.50]

3 **Resolution retroactively approving and authorizing an amendment to the lease of**
4 **approximately 11,067 square feet of real property located at 729 Filbert Street with**
5 **William J. Piedmonte, as landlord, extending the term for approximately five years from**
6 **February 1, 2024, for a total term of December 1, 2018, through January 31, 2029,**
7 **effective upon approval of this Resolution, for a total annual base rent of \$437,146.50**
8 **(or \$39.50 per square foot) (“Lease Amendment”); authorizing the Director of Property,**
9 **on behalf of the San Francisco Department of Public Health, to execute the Lease**
10 **Amendment; and authorizing the Director of Property to enter into other amendments**
11 **or modifications to the Lease that do not materially increase the obligations or**
12 **liabilities to the City and are necessary to effectuate the purposes of the Lease or this**
13 **Resolution.**

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15 WHEREAS, The Department of Public Health (“DPH”) currently operates an outpatient
16 mental health clinic at 729 Filbert Street, providing valuable services to the community under
17 that certain Office Lease, dated for reference purposes only, December 1, 2018 (the “Lease”),
18 the Lease is on file with the Clerk of the Board of Supervisors in File No. 190073; and

19 WHEREAS, The initial term of the Lease expired on January 31, 2024, and is currently
20 on a month to month holdover at a rate of \$39.50 per square foot or approximately
21 \$437,146.50 annually; and

22 WHEREAS The Real Estate Division (“RED”) on behalf of DPH, negotiated an
23 amendment to the Lease (“Lease Amendment”) retroactive to February 1, 2024, after
24 approval by the Board of Supervisors and terminates on January 31, 2029, at a yearly base
25 rent of \$437,146.50 (or \$39.50 per square foot), increasing annually at Consumer Price Index

1 (CPI) not to be less than 2% or greater than 5% net of utilities, custodial and other services for
2 the Premises ("Rent"); and

3 WHEREAS, It took the parties seven months to negotiate the Lease extension due to
4 an impasse on the market rental rate; and

5 WHEREAS, The holdover rate was \$55.30 but reduced to \$39.50 during negotiations;
6 and

7 WHEREAS, By entering into a retroactive lease, City will receive a rent credit of
8 \$102,001.69; and

9 WHEREAS, DPH seeks to continue operating its programs at this central community
10 serving location; now, therefore, be it

11 RESOLVED, That in accordance with the recommendation of the Director of the
12 Department of Public Health and the Director of Property, the Director of Property is hereby
13 authorized to take all actions on behalf of the City and County of San Francisco, as Tenant, to
14 enter into the Lease Amendment extending the term of the Lease through January 31, 2029;
15 and, be it

16 FURTHER RESOLVED, That commencing upon approval by the Board and
17 Supervisors and Mayor, the rent for the extended term will be \$437,146.50 (or \$39.50 per
18 square foot) retroactive to February 1, 2024, for the first year; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
20 Property to enter into any other amendment or modification to the Lease that the Director of
21 Property determines, in consultation with DPH and the City Attorney, are in the best interest of
22 the City, do not increase the rent or otherwise materially increase the obligations or liabilities
23 of the City, are in compliance with all applicable laws, including City's Charter; and, be it

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

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5 Available: \$ 446,276.78
6 (base rent for period 07/01/2024
7 through 6/30/25)

Fund ID:	10000 - GF Continuing Authority Ctrl
Department ID:	251984 – HBH Mental health Adult
Project ID:	10001792 – HB Adult Care
Authority ID:	10000 - Operating
Account ID:	530110 – Property Rent
Activity ID:	0001 – Adult Admin

18 /s/

19 Michelle Allersma, Budget and Analysis
20 Division Director on behalf of
21 Greg Wagner, Controller

22 Funding for Fiscal Year 2024/2025 is
23 subject to the enactment of the Annual
24 Appropriation Ordinance for Fiscal Year
25 2024/2025

1 RECOMMENDED:
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3
4 /s/
5 Jenny Louie
6 Chief Operating Officer for
7 Dr. Grant Colfax
8 Director of Health
9 Department of Public Health

10 RECOMMENDED:
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12 /s/
13 Andrico Q. Penick
14 Director of Property
15 Real Estate Division
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