

1 [Lease of Property - 2789-25th Street - The San Francisco General Hospital Foundation - \$0  
2 Initial Base Rent]

3 **Resolution authorizing and approving the lease of a portion of the real property located**  
4 **at 2789-25th Street to The San Francisco General Hospital Foundation for an initial term**  
5 **of twenty years at an annual base rent of \$0 plus two 10-year extension options to**  
6 **extend, to commence upon execution of the Lease, after approval of this Resolution by**  
7 **the Board of Supervisors and Mayor, in their respective sole and absolute discretion;**  
8 **finding the proposed transaction is in conformance with the General Plan, and the**  
9 **eight priority policies of Planning Code, Section 101.1; adopting California**  
10 **Environmental Quality Act findings; and to authorize the Director of Property to enter**  
11 **into amendments or modifications to the Lease that do not materially increase the**  
12 **obligations or liabilities to the City and are necessary to effectuate the purposes of this**  
13 **Resolution.**

14  
15 WHEREAS, In 1993 the San Francisco General Hospital Foundation (“The  
16 Foundation”) was formed by a dedicated group of volunteers to support the Zuckerberg San  
17 Francisco General Hospital (“ZSFGH”); and

18 WHEREAS; The partnership between ZSFGH and The Foundation has for nearly 30  
19 years reflected the values that define San Francisco: Equity, Compassion, Respect and  
20 Commitment to care for everyone in the City; and

21 WHEREAS, The Foundation has raised over \$245,000,000 for ZSFGH, through public  
22 and private donations, supporting ZSFGH in solving the City’s most challenging health and  
23 social issues; and

24 WHEREAS, The Foundation funded the full suite of state-of-the-art furniture, fixtures  
25 and equipment for ZSFGH’s new hospital building; and

1           WHEREAS; The Foundation has provided over 500 Equity and Innovation “Hearts”  
2 grants, to seed new services and initiatives, totaling \$13,000,000; and

3           WHEREAS, The San Francisco General Hospital Foundation raised \$5,000,000 for  
4 ZSFGH critical response to the COVID-19 pandemic; and

5           WHEREAS, The Foundation created the Transforming Mental and Behavioral Health  
6 Fund to improve the delivery of ZSFGH systems to effectively treat this population; and

7           WHEREAS, As an independent 501(c)3 organization and pays for the majority of its  
8 own operating expenses; and

9           WHEREAS, The City through the Real Estate Division (RED) with consultation with the  
10 Department of Public Health, and the Office of the City Attorney, have negotiated the  
11 proposed lease (“Lease”) with The Foundation, which provides for a base rent of \$0; a copy of  
12 which can be found, substantially in the form on file with the Clerk of the Board of Supervisors  
13 in File No. 230967; and

14           WHEREAS, The City will continue to pay for all of its utilities and maintenance costs;  
15 and

16           WHEREAS, The initial term of the Lease shall be for twenty years, commencing upon  
17 approval of the Board off Supervisors and Mayor; and

18           WHEREAS, Under the proposed Lease, the tenant has two options to extend the initial  
19 term for an additional ten years; and

20           WHEREAS, On November 1, 2022, the San Francisco Health Commission  
21 unanimously and recommended that the Board of Supervisors approve this lease agreement;  
22 and

23           WHEREAS, The Planning Department, through General Plan Referral letter dated  
24 August 17, 2023, which is on file with the Clerk of the Board of Supervisors under File  
25 No. 230967, has verified that the Lease is consistent with the General Plan, and the eight

1 priority policies under Planning Code, Section 101.1, and that the project is categorically  
2 exempt under California Environmental Quality Act (CEQA) Guidelines, Section 15030; now,  
3 therefore, be it

4 RESOLVED, That the Board of Supervisors finds the Lease is consistent with the  
5 General Plan, and the eight priority policies of Planning Code, Section 101.1, and adopts  
6 CEQA findings and hereby incorporates such findings by reference as though fully set forth in  
7 this Resolution; and, be it

8 FURTHER RESOLVED, That in accordance with the recommendation of the Director  
9 of Property, the Director of Public Health and the San Francisco Health Commission, the  
10 Board of Supervisors approves the Lease Agreement and authorizes the Director of Property  
11 to take all actions on behalf of the City to enter into any additions, amendments or other  
12 modifications (including without limitation, the exhibits) to the Lease that the Director of  
13 Property determines, in consultation with, the Department of Public Health and the City  
14 Attorney, are in the best interests of the City, do not materially increase the obligations or  
15 liabilities of the City, and are necessary or advisable to complete the transaction and  
16 effectuate the purpose and intent of this resolution and are in compliance with all applicable  
17 laws, including City's Charter; and, be it

18 FURTHER RESOLVED, That the Lease contains language indemnifying and holding  
19 harmless the City from, and agreeing to defend the City against any and all claims, costs and  
20 expenses, including, without limitation, reasonable attorney's fees, incurred as a result of  
21 City's use of the Premises, any default by the City in the performance of any of its obligations  
22 under the Lease or any acts or omissions of City or its agents, in, on or about the Premises or  
23 the property on which the Premises are located, except those claims, costs and expenses  
24 incurred exclusively as a result of active gross negligence or willful misconduct of City or its  
25 agents; and, be it

