FILE NO. 250984 RESOLUTION NO.

[Real Property Lease - Chinese Hospital Association - 845 Jackson Street, 4th Floor - Initial Base Rent $499,548]

Resolution approving and authorizing the Director of Property to enter into a lease of approximately 11,894 square feet of real property located at 845 Jackson Street on the 4th Floor with Chinese Hospital Association, as Landlord, for an initial term of three years with one option to extend the term for one-year, effective upon approval of this Resolution, for an initial annual base rent of $499,548 (or $42 per square foot annually) ("Lease"); authorizing the Director of Property, on behalf of the Department of Public Health, to execute the Lease; and authorizing the Director of Property to enter into other 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.

WHEREAS, The Department of Public Health ("DPH") strives to protect and promote the health of all San Franciscans by providing a wide range of public health services and programs; and

WHEREAS, DPH is seeking to lease a temporary relocation space located at 845 Jackson Street while its leased space at Chinatown Public Health Center undergoes a full renovation and seismic retrofit under the 2024 Healthy, Safe & Vibrant General Obligation Bond Program; and

WHEREAS, DPH's goal is to continue to provide services as the primary care clinic for approximately 4,400 San Franciscans who are mainly low-income, elderly or new immigrants residing in the Chinatown area; and

WHEREAS, The Real Estate Division ("RED") on behalf of DPH, negotiated a new Lease Agreement ("Lease") for space with Chinese Hospital Association (Landlord) for 11,894 square feet primarily located on the 4th Floor at 845 Jackson Street (the "Premises"); and

WHEREAS, The Lease proposes a three-year term with one option to extend the term for one-year, at a base rent of $499,548 annually (or $42 per square foot), increasing annually at 3%, a copy of the proposed lease is on file with the Clerk of the Board in File No. 250984; and

WHEREAS, In accordance with Section 23.27 of the Administrative Code, an appraisal is not required because the base rent is less than $45 per square foot, and the Director of Property has determined the base rent is at or below Fair Market Value; and

WHEREAS, DPH shall reimburse Landlord for tenant improvements related to construction work necessary to obtain temporary change of use permits required by California Department of Health Care Access and Information (HCAI), formerly Office of Statewide Health Planning and Development (OSHPD) and California Department of Public Health, in an amount not to exceed $300,000; and

WHEREAS, DPH shall pay its pro-rata share of the building's common area maintenance expenses at $8,636 monthly, escalating annually at actual building costs, not to exceed 3%, net of electricity, water, and sewer (the "Utilities"), janitorial, wireless access and interior facility maintenance services; and

WHEREAS, The Utilities for the Premises shall be set at a fixed monthly amount of $10,780 and shall increase by 3% annually; and

WHEREAS, The wireless access points expenses for the Premises shall be set at a fixed annual cost of $3,900; and

WHEREAS, The Landlord will be responsible to repair and maintain the interior portions of the Premises in response to maintenance requests from DPH; those repairs shall be invoiced by the Landlord to the City as additional charges; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of the Department of Public Health, in consultation with the City Attorney, the Director of Property is hereby authorized to take all actions on behalf of the City and County of San Francisco, as Tenant, to execute the Lease and, as needed, the Option; and, be it

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of Property to enter into any other amendments or modifications to the Lease that the Director of Property determines, in consultation with DPH and the City Attorney, are in the best interest of the City, do not increase the rent or otherwise materially increase the obligations or liabilities of the City; are necessary or advisable to effectuate the purposes of the Lease Agreement and this Resolution; and are in compliance with all applicable laws, including City's Charter; and, be it

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

Available: $ 374,661
(base rent for period 10/01/2025 through 6/30/26)

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

/s/
Michelle Allersma, Budget and Analysis Division Director on behalf of
Greg Wagner, Controller

Funding for Fiscal Year 2025/2026 is subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2025/2026

RECOMMENDED:

/s/
Jenny Louie
Chief Operating Officer for
Department of Public Health

RECOMMENDED:

/s/
Sarah R. Oerth
Director of Property
Real Estate Division