[Real Property Lease Amendment - Townsend Associates, LLC - 650-5th Street, Suites 307-309 - $122,400 Annual Base Rent]

Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to execute a second amendment to the lease of real property located at 650-5th Street, Suites 307-309 from Townsend Associates, LLC, at an annual base rent of $122,400 with 3% annual increases, for an initial term commencing upon full execution of the lease amendment and expiring on July 31, 2031, plus one five-year option to extend; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the lease, as amended, and this Resolution.

WHEREAS, The Department of Public Health ("DPH") currently operates the Jail Health Services (JHS) Administration Center in approximately 3,060 square feet of space located at 650-5th Street, Suites 307-309 (the "Premises"), providing an overall comprehensive and integrated system of medical, psychiatric, and substance abuse services to inmates in the jails of the City and County of San Francisco ("City"); and

WHEREAS, The City, as Tenant, originally entered into an Office Lease dated May 9, 2016 ("Original Lease"), as amended by a Lease Amendment dated August 30, 2021 ("First Amendment" and, together with the Original Lease, the "Office Lease"), with Townsend Associates, LLC, a California limited liability company ("Landlord") for use of the Premises as the JHS; a copy of the Original Lease is on file with the Clerk of the Board in File No. 160710 and a copy of the First Amendment is on file with the Clerk of the Board in File No. 210737; and

WHEREAS, The Office Lease expired on June 30, 2026, and the City is currently a holdover Tenant of the Premises; and

WHEREAS, The City's Real Estate Division ("RED"), in consultation with DPH and the Office of the City Attorney, has negotiated a second amendment to the Office Lease ("Second Amendment") to amongst other things, extend the term of the Office Lease to July 31, 2031, with an option to extend the term for an additional five years (the "Option") at 95% of fair market rental value; and

WHEREAS, Base rent under the Second Amendment will be $122,400 per year, or $10,200 per month ($3.33 per square foot), increasing annually by 3%, with all utilities and services, except for electricity which will be separately metered and payable by the City, and the right to use four parking stalls on the property's parking facilities at all times included in the base rent; and

WHEREAS, All other terms and conditions of the Office Lease will remain in full force and effect; and

WHEREAS, In accordance with Section 23.27 of the Administrative Code, an appraisal is not required because the annual 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; now, therefore, be it

RESOLVED, That the Director of Property is hereby authorized to take all actions on behalf of the City to effectuate the Second Amendment (including exercising the Option), enter into any amendments or modifications to the Office Lease (including, without limitation, the exhibits) that the Director of Property determines, in consultation with the City Attorney, are in the best interest of the City, does not materially increase the base rent or otherwise materially increase the obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of the Office Lease or this Resolution, and are in compliance with all applicable laws, including City's Charter; and, be it

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

FURTHER RESOLVED, That within thirty (30) days of the Second Amendment being fully executed by all parties, RED shall provide the final Second Amendment to the Clerk of the Board for inclusion into the official file.

Available: $ 112,200
(base rent for period 8/01/2026 through 6/30/27)

Fund ID:	10000
Department ID:	251973
Project ID:	10026702
Authority ID:	10000
Account ID:	530110
Activity ID:	001

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

Funding for Fiscal Year 2026/2027 is subject to the enactment of the Annual Appropriation Ordinance for Fiscal Year 2026/2027

RECOMMENDED:

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

RECOMMENDED:

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

City and County of San Francisco
Tails
Resolution

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

File Number: 260832 **Date Passed:** September 22, 2026

Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to execute a second amendment to the lease of real property located at 650-5th Street, Suites 307-309 from Townsend Associates, LLC, at an annual base rent of $122,400 with 3% annual increases, for an initial term commencing upon full execution of the lease amendment and expiring on July 31, 2031, plus one five-year option to extend; and authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the lease, as amended, and this Resolution.

September 16, 2026 Budget and Finance Committee - RECOMMENDED

September 22, 2026 Board of Supervisors - ADOPTED

Ayes: 11 - Chan, Chen, Dorsey, Fielder, Mahmood, Mandelman, Melgar, Sauter, Sherrill, Walton and Wong

File No. 260832

I hereby certify that the foregoing Resolution was ADOPTED on 9/22/2026 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

9/25/2026
Date Approved