FILE NO. 260947 RESOLUTION NO. 564-26

[Real Property Lease Amendment - Retroactive - Mattison Family Trust - 555 Polk Street - $202,500 Annual Base Rent With 3% Annual Increases]

Resolution approving and authorizing the Director of Property, on behalf of the Department of Public Health, to execute a first amendment to a lease of real property located at 555 Polk Street from Mattison Family Trust, at an annual base rent of $202,500 with 3% annual increases, for an initial term commencing retroactively on August 1, 2026, upon full execution of the lease amendment and expiring on July 31, 2031, with one three-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 City and County of San Francisco (the "City") currently leases from Mattison Family Trust, a California Trust ("Landlord") 18,000 square feet of office space (the "CJC Offices"), located in the two-story building at 555-575 Polk Street (the "Building"), where the Department of Public Health ("DPH") occupies the second floor of the Building (the "Premises") for its Community Justice Center (the "CJC"), and provides programs as alternatives to incarceration, authorized by the California Superior Court, San Francisco, which occupies the first floor of the Building ("575 Polk Street") through a sublease ("Sublease") from the City to the Judicial Council of California ("JCC"); and

WHEREAS, The CJC connects clients and members of the community with appropriate on-site services, including the Violence Intervention Program, Drug Court Treatment Center, the Integrated Behavioral Health Program, as well as services offered through other City partner agencies; and

WHEREAS, DPH coordinates conservatorships through the State's CARE program from the CJC, as part of the implementation of California State Bill 43; and

WHEREAS, The Real Estate Division ("RED") negotiated a lease transaction that includes, at the landlord's expense, (i) the installation of a new heating, ventilation and air conditioning ("HVAC") system for the premises; (ii) replacement of all carpeting within the premises; and (iii) repainting of the premises; and

WHEREAS, The Director of DPH and the City's Director of Property recommend that the existing lease of the CJC Offices with landlord (the "Original Lease") be amended pursuant to a first amendment to the lease ("First Amendment to Lease" and, together with the Original Lease, the "Lease") to extend the term of the lease to July 31, 2031; reduce the annual base rent from $500,364 ($27.80 per square foot) to $202,500 ($22.50 per square foot); increase the annual base rent by 3% annually, beginning on month 14 of the term of the lease; grant the City a three-year option to extend the lease (the "Option") at 95% of fair market value; and granting the City the right to terminate the lease at any time after December 1, 2029, in exchange for payment by the City equal to the four months of abated rent and the cost of unamortized tenant improvements; and

WHEREAS, All other terms and conditions of the 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; and

WHEREAS, The sublease will co-terminate with the lease on July 31, 2026, after which JCC intends to enter into a direct lease with landlord for 575 Polk Street, so that delivery of CJC programs and services can continue to be conveniently coordinated with the City; 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 first amendment to the lease (including exercising the

Option), enter into any amendments or modifications to the 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 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 lease are hereby approved, confirmed, and ratified; and, be it

FURTHER RESOLVED, That within thirty (30) days of full execution of the first amendment to the lease, RED shall provide a copy to the Clerk of the Board for inclusion into the official file.

Available: $118,125
(base rent for period from 12/1/2026 through 6/30/2027)

Fund ID:	10000	Fund Name:	GF Annual Control
Department ID:	240646	Dept Name:	HBH Substance Use Disorder
Project ID:	10001681	Project Name:	HB SUD - Community Care
Authority ID:	10000	Authority Name:	HBH Substance Use Disorder
Account ID:	530110	Account Name:	Property Rent
Activity ID:	2	Activity Name:	SF Community Justice Center

/s/
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:

DEPARTMENT OF PUBLIC HEALTH

/s/
Jenny Louie
Chief Operating Officer

RECOMMENDED:

REAL ESTATE DIVISION

/s/
Sarah R. Oerth
Director of Property

City and County of San Francisco
Tails
Resolution

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

File Number: 260947 **Date Passed:** October 06, 2026

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September 30, 2026 Budget and Finance Committee - RECOMMENDED

October 06, 2026 Board of Supervisors - ADOPTED

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

File No. 260947

I hereby certify that the foregoing Resolution was ADOPTED on 10/6/2026 by the Board of Supervisors of the City and County of San Francisco.

Angela Calvillo
Clerk of the Board

Daniel Lurie
Mayor

10/16/2026
Date Approved