Resolution authorizing the Director of Property, on behalf of the Department of Public Health, to extend the term of an existing City lease with 1170 Market Street LLC, for a building located at 1170 Market Street, from June 30, 2022, for a total term of January 3, 2022, through December 31, 2022, at a base rent of $75,000 per month, for a total amount of $450,000 for six months; authorizing the Director of Property to execute documents and take certain actions in furtherance of this Resolution; as defined herein; and to authorize the Director of Property to enter into 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, Deaths attributable to drug overdose in San Francisco have increased over 200% since 2018; and

WHEREAS, A main contributor to the rapid rise in drug overdoses and deaths in San Francisco is the recent increase in the prevalence of fentanyl in the illegal drug market which is highly addictive and potent, and it is more likely to lead to overdose than other drugs; and

WHEREAS, On December 17, 2021, Mayor London N. Breed issued a Proclamation Declaring the Existence of a Local Emergency - Drug Overdoses in the Tenderloin which, among other things, (1) allowed departments to procure services, goods, and public works relating to the emergency using emergency procurement procedures, and waive any applicable requirement of Civil Service Commission approval of such contracts, and (2) allowed for the implementation in the Tenderloin of temporary facilities for purposes of offering services as part of the emergency response ("Mayor's Declaration"); and
WHEREAS, On December 23, 2021, the Board of Supervisors by Motion No. M21-183 concurred with the Mayor’s Declaration of a Local Emergency; and

WHEREAS, Under the authority provided by the Mayor’s Declaration, the Director of Property, in consultation with the Director of the Department of Emergency Management (“DEM”) and the City Attorney’s Office, executed a six-month lease of the building located at 1170 Market Street (the “Premises”), for the period from January 3, 2022, through June 30, 2022, with 1170 Market Street, LLC, for City’s use of the Premises as a Tenderloin Center in the Tenderloin (the “Lease”); and

WHEREAS, A copy of the Lease is on file with the Clerk of the Board of Supervisors in File No. 220451; and

WHEREAS, The Lease includes three extension options for the benefit of the City, each for a term of two months, that are exercisable by the City subject to the approval of the City’s Board of Supervisors by Resolution; and

WHEREAS, The Tenderloin Center is a component of the Tenderloin Emergency Initiative that aims to mitigate the widespread open-air drug use and lack of easily accessible resources for people in the Tenderloin; and

WHEREAS, The Tenderloin Center is a services-focused location where people can voluntarily go to find respite from the streets and gain access to a wide variety of resources from the City and its partners; and

WHEREAS, The Tenderloin Center provides a safe, welcoming space for people who suffer from substance use disorder in the Tenderloin to go where they can access dignity services, social space, and help navigate City health and human services resources to link to those services easily and quickly; and
WHEREAS, The Tenderloin Center was originally managed under the direction of DEM, but DEM will now transfer management to the Department of Public Health ("DPH"); and

WHEREAS, DPH has determined that the Premises continue to be an ideal space and location for the Tenderloin Center in furtherance of the City’s Tenderloin Emergency Intervention Plan; and

WHEREAS, DPH desires to continue the operations at the Tenderloin Center through December 31, 2022; and

WHEREAS, Under the Lease, base rent payable by City will remain at $75,000 per month ($2.022 per square foot) during this extension period; and

WHEREAS, The Director of Property has determined that an appraisal is not required under Administrative Code, Section 23.27, because the Director of Property has determined that the base rent will be at or below the fair market rental value of the Premises, and is below $45 per square foot; and

WHEREAS, Funding in Fiscal Year 2022-2023 is subject to the enactment of the annual appropriation Ordinance; and

WHEREAS, The Planning Department has determined that the Premises' temporary use as The Tenderloin Linkage Center is consistent with the Eight Priority Policies of Planning Code Section 101.1 and is, on balance, in conformity with the Objectives and Policies of the General Plan; and

WHEREAS, The City, at its cost, will be responsible for maintenance of the interior of the Premises, and for certain utilities and services, as set forth in the Lease; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of Health and the Director of Property, the Board of Supervisors approves the exercise of all three
Lease extension options, and authorizes the Director of Property to take all actions necessary
to extend the Lease and to take such additional actions that are necessary or advisable to
effectuate the purpose of this Resolution; and, be it

FURTHER RESOLVED, That as set forth in the Lease, City will indemnify, defend, and
hold harmless Landlord from and against any and all claims, losses, and damages resulting
from the City's use of the Premises, any default by City of its obligations under the Lease, and
any negligent acts or omissions of City, its agents or invitees in or about the Premises; and,
be it

FURTHER RESOLVED, That the Board of Supervisors affirms and adopts as its own,
the findings made by the Planning Department in the General Plan Determination, on file with
the Clerk of the Board of Supervisors in File No. 220451 and is incorporated herein by
reference; and, be it

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

FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
Property to enter into any extensions, amendments, or modifications to the Lease (including
without limitation, the exhibits) that the Director of Property determines, in consultation with
the Director of Health and the City Attorney's Office, are in the best interest of the City, do not
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.
RECOMMENDED:

/s/
Department of Public Health
Director of Health

/s/
Real Estate Division
Director of Property
Resolution authorizing the Director of Property, on behalf of the Department of Public Health, to extend the term of an existing City lease with 1170 Market Street LLC, for a building located at 1170 Market Street, from June 30, 2022, for a total term of January 3, 2022, through December 31, 2022, at a base rent of $75,000 per month, for a total amount of $450,000 for six months; authorizing the Director of Property to execute documents and take certain actions in furtherance of this Resolution; as defined herein; and to authorize the Director of Property to enter into 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.