

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

1 FURTHER RESOLVED, The base rent for the initial year shall be \$0 inclusive of the
2 cost of utilities; and, be it

3 FURTHER RESOLVED, That any action taken by the Director of Property and other
4 officers of the City with respect to the Lease are hereby approved, confirmed and ratified; and,
5 be it

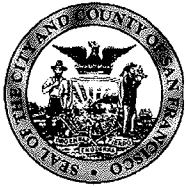
6 FURTHER RESOLVED, That within 30 days of the Lease Agreement being fully-
7 executed by all parties, the Director of Property shall provide the final Lease Agreement to the
8 Clerk of the Board for inclusion into the official file.

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15 RECOMMENDED:

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17 /s/
18 Greg Wagner, Chief Operating Officer
19 Department of Public Health

20
21 RECOMMENDED:

22 /s/
23 Andrico Penick, Director of Property
24 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: 230967

Date Passed: November 07, 2023

Resolution authorizing and approving the lease of a portion of the real property located at 2789-25th Street to The San Francisco General Hospital Foundation for an initial term of twenty years at an annual base rent of \$0 plus two 10-year extension options to extend, to commence upon execution of the Lease, after approval of this Resolution by the Board of Supervisors and Mayor, in their respective sole and absolute discretion; finding the proposed transaction is in conformance with the General Plan, and the eight priority policies of Planning Code, Section 101.1; adopting California Environmental Quality Act findings; 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 this Resolution.

November 01, 2023 Budget and Finance Committee - RECOMMENDED

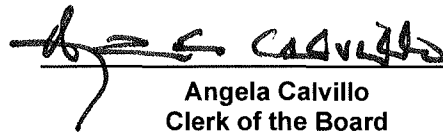
November 07, 2023 Board of Supervisors - ADOPTED

Ayes: 9 - Chan, Dorsey, Engardio, Mandelman, Peskin, Preston, Safai, Stefani and Walton

Excused: 2 - Melgar and Ronen

File No. 230967

I hereby certify that the foregoing Resolution was ADOPTED on 11/7/2023 by the Board of Supervisors of the City and County of San Francisco.


Angela Calvillo
Clerk of the Board



London N. Breed
Mayor

11/17/23

Date Approved