

1 [Real Property Lease Amendment - Opera Plaza, L.P. - Administrative Offices - 601 Van
2 Ness Avenue - \$345,840 Annual Base Rent]

3 **Resolution authorizing the Director of Property, on behalf of the Department of**
4 **Homelessness and Supportive Housing, to enter into a Lease Amendment for**
5 **approximately 8,646 rentable square feet of office space located at 601 Van Ness**
6 **Avenue, Suite P, with Opera Plaza L.P., for use as administrative offices, for an**
7 **extended term to commence on August 1, 2026, and terminate on July 31, 2029, at**
8 **the annual base rent of \$345,840 (\$40 per square foot) in the initial year of the**
9 **extended term, plus an annual \$1 per square foot increase each August 1 thereafter;**
10 **and authorizing the Director of Property to execute documents, make certain**
11 **modifications and take certain actions in furtherance of Lease Amendment and this**
12 **Resolution, as defined herein.**

13
14 WHEREAS, The City and County of San Francisco ("City") and Opera Plaza L.P.
15 ("Landlord") are parties to that certain lease, dated for reference purposes only as April 11,
16 2016 ("Lease") for 8,646 square feet of office space located in Suite P (the "Premises"), in
17 the building located at 601 Van Ness Avenue (the "Building"), for the administrative offices
18 of the City's Department of Homelessness and Supportive Housing ("HSH"), a copy of the
19 Lease, is on file with the Clerk of the Board of Supervisors in File No. 210773; and

20 WHEREAS, The initial Lease term was extended through July 31, 2026, by the
21 Board of Supervisors' Resolution No. 367-21; and

22 WHEREAS, HSH would like to extend the current Lease term to July 31, 2029,
23 which would enable HSH to maintain the Lease in place while it continues its search for a
24 larger site that would accommodate the consolidation of its administrative offices; and
25

1 WHEREAS, Real Estate Division ("RED") negotiated a Lease amendment with the
2 Landlord (the "Amendment"), that extends the Lease term to July 31, 2029 ("Extended
3 Term"), resets the current base rent from \$46 per square foot per year (\$397,716 annual
4 total base rent) to \$40 per square foot per year (\$345,840) ("Base Rent"), a copy of the
5 proposed Amendment is on file with the Clerk of the Board of Supervisors in File No.
6 _____ ; and

7 WHEREAS, All other terms and conditions of the Lease will continue in full force and
8 effect, including that the City will pay for its own electrical utilities and Base Rent will
9 increase annually by \$1 per square foot each August 1 beginning in 2027; and

10 WHEREAS, The Director of Property determines the proposed Base Rent to be at or
11 below fair market rental value, and with a price per square foot below the threshold
12 requiring appraisal as set forth in Administrative Code, Section 23.27; now, therefore, be it

13 RESOLVED, That in accordance with the recommendation of the Director of HSH,
14 the Director of Property is hereby authorized to take all actions on behalf of the City to enter
15 into the Amendment; and, be it

16 FURTHER RESOLVED, That commencing upon August 1, 2026, and continuing
17 through the first year of the extended term, the annual base rent shall be \$40 per square
18 foot, increasing each subsequent August 1 by \$1 per square foot; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
20 Property to take any actions in furtherance of the Amendment, if said action is, determined by
21 the Director of Property, in consultation with the City Attorney, in the best interest of the City,
22 does not increase the rent or otherwise materially increase the obligations or liabilities of the
23 City, necessary or advisable to effectuate the purposes of the Amendment, the Lease or this
24 Resolution, and in compliance with all applicable laws, including the City's Charter; and, be it

1 FURTHER RESOLVED, That within thirty (30) days of the Lease being signed by all
2 parties, RED shall provide the fully executed agreement to the Clerk of the Board for inclusion
3 into the official file.

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5 \$317,020.00 available
6 [11 months X \$28,820.00/month]
(Base Rent August 1, 2026 – June 30, 2027)

Fund ID:	10000
Department ID:	203645
Project ID:	10026736
Authority ID:	10000
Account ID:	530110
Activity ID:	0001

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

15
16 RECOMMENDED:

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19 /s/
20 Michael Levine
21 Department of Homelessness and Supportive Housing
Executive Director

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23
24 Sarah R. Oerth
25 Real Estate Division
Director of Property