

1 [Real Property Lease Amendment - K LW Investments, LLC - 3120 Mission Street - Annual
2 Base Rent of \$1,237,642]

3 **Resolution approving and authorizing the Director of Property, on behalf of the City**
4 **and County of San Francisco, to execute the second amendment to the lease of 39,251**
5 **square feet of office space at 3120 Mission Street, from K LW Investments, LLC, a**
6 **California limited liability corporation; extending the term by four years and six months**
7 **from March 31, 2026, for a total term from July 1, 2015, through September 30, 2030,**
8 **and granting a five year option to renew the lease, at an annual base rent of \$ 1,237,642**
9 **for continuing use by the Human Services Agency; and authorizing the Director of**
10 **Property to enter into any additions, amendments or other modifications to the lease**
11 **that do not otherwise materially increase the obligation or liabilities of the City to**
12 **effectuate the purposes of the lease and this Resolution.**

13
14 WHEREAS, The City and County of San Francisco (the “City”) leases 39,251 square
15 feet of office space located at 3120 Mission Street (“HSA Offices”); the Human Services
16 Agency (“HSA”) operates a range of programs from the HSA Offices, including Workforce
17 Development, CalWORKs, MediCal and CalFresh eligibility, and Family and Children’s
18 Services, and provides access from such space to co-located staff resources and services of
19 the state Employment Development Department; and

20 WHEREAS, HSA Offices have been an established presence in this part of the Mission
21 District for more than 10 years, conveniently accessible to clients by public transit; and

22 WHEREAS, The Executive Director of HSA and the City’s Director of Property
23 recommend that the existing lease of HSA Offices with K LW Investments, LLC, a California
24 limited liability corporation (the “Lease”) be amended to extend the term of the Lease to
25 September 30, 2030; retroactively reduce the annual base rent from \$1,819,223 (\$46.35 per

1 square foot) to \$1,237,642 (\$31.53 per square foot), effective September 15, 2025, for an
2 annual savings of \$581,582 (\$14.82 per square foot), or 32% per year; increase the annual
3 base rent by 3% annually, beginning March 1, 2027; and grant the City a five year option to
4 extend the Lease at 95% of fair market value (collectively, the "Amendment Terms"); and

5 WHEREAS, The cost of tenant improvements at 3120 Mission Street, at a Guaranteed
6 Maximum Price of \$418,491, will be offset by application of rent credits of \$371,154.74 the
7 combined amount of base rent reduction at 3119-27 Mission Street and 3120 Mission Street,
8 accrued between September 15, 2025, and April 1, 2026, for net tenant improvement cost of
9 no more than \$47,336.26; and

10 WHEREAS, The Director of Property has determined that the proposed rental rate set
11 forth in the Lease Amendment is equal to or less than fair market for the leased premises;
12 now, therefore, be it

13 RESOLVED, That the Board of Supervisors approve and authorize the Director of
14 Property, on behalf of the City, to execute an amendment to the Lease including the
15 Amendment Terms, and execute any further amendments or modifications to the Lease
16 (including without limitation, the exhibits) that the Director of Property determines, in
17 consultation with the City Attorney, are in the best interests of the City, do not materially
18 increase the rent or otherwise materially increase the obligations or liabilities of the City; are
19 necessary or advisable to effectuate the purposes of the Lease and this Resolution; and are in
20 compliance with all applicable laws, including the City Charter; and, be it

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

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1 FURTHER RESOLVED, That within thirty (30) days of full execution of the amendment
2 of the Lease, the Director of Property shall provide a copy to the Clerk of the Board for
3 inclusion into the official file.

4 Available: \$309,410.54
5 (base rent for period from 4/1/2026
6 through 6/30/26)

7 Fund ID:	10000	Fund Name:	GF Annual Account Ctrl
8 Department ID:	149657	Dept Name:	HSA AM Central Management
9 Project ID:	10001700	Project Name:	HS AD County Expense Claim
10 Authority ID:	10000	Authority Name:	Operating
11 Account ID:	530110	Account Name:	Property Rent
12 Activity ID:	0001	Activity Name:	Allocable Staff &Overhd

13
14 /s/ _____
15 Michelle Allersma, Budget and Analysis
16 Division Director on behalf of
17 Greg Wagner, Controller

18 HUMAN SERVICES AGENCY

19 /s/ _____
20 Trent Rhorer
21 Executive Director
22 San Francisco Human Services Agency

23 REAL ESTATE DIVISION

24 /s/ _____
25 Sarah R. Oerth
26 Director of Property