

1 [Real Property Lease Amendment - KLW Investments, LLC - 3119, 3125, and 3127 Mission
2 Street - Annual Base Rent of \$410,145]

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 11,085**
5 **square feet of office space at 3119, 3125, and 3127 Mission Street, from KLW**
6 **Investments, LLC, a California limited liability corporation; extending the term by four**
7 **years and six months from March 31, 2026, for a total term from, July 1, 2015, through**
8 **September 30, 2030, and granting a five year option to renew the lease, at an annual**
9 **base rent of \$410,145 for continuing use by the Human Services Agency; and**
10 **authorizing the Director of Property to enter into any additions, amendments or other**
11 **modifications to the lease that do not otherwise materially increase the obligation or**
12 **liabilities of the City to effectuate the purposes of the lease and this Resolution.**

13
14 WHEREAS, The City and County of San Francisco (the "City") leases 11,085 square
15 feet of office space located at 3119, 3125, and 3127 Mission Street ("HSA Offices"); the
16 Human Services Agency ("HSA") operates a range of programs from the HSA Offices,
17 including Workforce Development, CalWORKs, MediCal and CalFresh eligibility, and Family
18 and Children's Services; and

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

21 WHEREAS, The Executive Director of HSA and the City's Director of Property
22 recommend that the existing lease of HSA Offices with KLW Investments, LLC, a California
23 limited liability corporation (the "Lease") be amended to extend the term of the Lease for four
24 years and six months, retroactively reduce the annual base rent from \$513,773 to \$410,145
25 (\$37.00 per square foot), effective September 15, 2025, for an annual savings of \$103,628

1 (\$9.35 per square foot), or 20.2% per year; increase the base rent by 3% annually, beginning
2 March 1, 2027; and grant the City a five year option to extend the Lease at 95% of fair market
3 rent (collectively, the "Amendment Terms"); and

4 WHEREAS, A rent credit of \$56,131.60 the amount of the reduction in base rent to
5 accrue between September 15, 2025, and April 1, 2026, may be applied to the cost of tenant
6 improvements made by K LW Investments, LLC, in the City's premises at 3120 Mission Street;
7 and

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

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

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

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

25

Available: \$102,536.25
(base rent for period from 4/1/2026
through 6/30/2026)

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

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

HUMAN SERVICES AGENCY

/s/
Trent Rhorer
Executive Director
San Francisco Human Services Agency

REAL ESTATE DIVISION

/s/
Sarah R. Oerth
Director of Property