

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Sally Oerth, Director of Real Estate

February 19, 2026

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Extension of HSA Lease at 3120 Mission Street

Dear Board Members:

Attached for your consideration is an amendment to extend the 39,251 square foot HSA lease at 3120 Mission Street by five years.

HSA has been an established presence in the Mission District since 2015, where it provides supportive services and programs, including Workforce Development, CalWORKs, MediCal and CalFresh eligibility, and Family and Children's Services. The offices also provide access to co-located staff from the State Employment Development Department.

The annual base rent in the proposed amendment is \$1,237,642, or \$31.54 per square foot, 32% below the base rent in the last year of the expired term. Other terms of the proposed amendment include:

- confirmed payment of rent from July 1, 2025, to the effective date of the extension term, on or about April 1, 2026, at the same rate paid during the last year of the expired term; waiving of the 200% holdover rent provided for by the lease;
- retroactive commencement of the fair market rent to September 15, 2025;
- establishment of a \$315,023.14 rent credit, the difference between the payments made and the fair market rent, between September 15, 2025, and April 1, 2026;
- one option to extend the lease by another 5 years, at 95% of fair market rent;

The proposed amendment also provides the terms and conditions for a tenant improvement project requested by HSA for a portion of the premises. The landlord will contract for the project, with a general contractor base bid of \$374,571. The City is responsible for the actual cost of the project which, with contingencies, permits and an allowance for minor change orders, is capped at a Guaranteed Maximum Price (GMP) of \$418,491. The rent credit in this lease and in the lease with the Landlord for 3119-27 Mission Street, totaling \$ 371,154.74, may be applied to the tenant improvement project. The net cost to the City will depend on permit approvals and contingencies, but will not exceed \$47,336.26.

Should you have any questions regarding this matter, please contact Burt Hirschfeld, Senior Real Property Officer in the Real Estate Division, at (415) 554-9862.

Respectfully,

A handwritten signature in blue ink, appearing to read "Sally Oerth", written over a horizontal line.

Sally Oerth
Director of Real Estate