

City & County of San Francisco
Daniel Lurie, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

March 21st, 2025

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

RE: Lease Agreement – Human Services Agency, 3801 3rd Street, Suites 200, 205, 210, 220, 235, 240, and 250

Dear Board Members:

Attached for your consideration is a resolution authorizing and approving a lease agreement on behalf of the Human Services Agency ("HSA") for the operation of its Family and Children's Services (Child Welfare) program. The program provides a wide range of services such as foster care, counseling, parent education, child visitation, case management and other activities that promote healthy family development and help prevent child abuse and neglect.

The existing lease previously approved by the Board in 2014 is between the City (as tenant) and Bayview Plaza, LLC (as landlord) for 15,947 rentable square feet which includes suites 200, 205, 210, 220, 230, 235, 240, and 250 at 3801 3rd Street, San Francisco. The lease expired November 30th, 2024 and is currently in holdover status.

At the request the Human Services Agency, the Real Estate Division negotiated the proposed new lease agreement with the Landlord, Bayview Plaza, LLC, for an initial term of three years with one option of five years to extend the term at 95% of the prevailing market rent for the area.

The full-service, fair market annual base rent for the initial term is \$526,251.00 (\$33.00 per square foot annually), with no annual rent increases throughout the agreement. The current rent is \$647,201.76 annually (\$40.58 per square foot) with this proposed new lease agreement realizing an annual cost reduction of \$120,950.76 annually or \$362,852.28 over the three-year term.

If you have any questions regarding this proposed lease agreement, please get in touch with Michael Halpren of our office at 415-554-9865 or email at Michael.halpren@sfgov.org

The Human Services Agency recommends approval of the proposed lease agreement.

Respectfully,

A handwritten signature in blue ink, appearing to read "Andrico Q. Penick".

Andrico Q. Penick
Director of Real Estate