

1 [Real Property Lease Amendment - RACHRIS, LLC - 2 Gough Street - Human Services Agency
2 - Initial Base Rent of \$260,090]

3 **Resolution approving and authorizing the Director of Property on behalf of the Human**
4 **Services Agency, to amend the lease of real property at 2 Gough Street, with RACHRIS,**
5 **LLC, a California limited liability corporation, adding 7,938 square feet for a total of**
6 **21,876 square feet for the remainder of the term expiring on June 30, 2025, at an initial**
7 **base rent of \$260,090 per year, with one option to extend for three years, effective upon**
8 **approval of this Resolution; and authorizing the Director of Property to enter into any**
9 **additions, amendments or other modifications to the lease that do not materially**
10 **increase the obligation or liabilities of the City to effectuate the purposes of the Lease**
11 **or this Resolution.**

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13 WHEREAS, The Department of Disability and Aging Services (“DAS”) of the City and
14 County of San Francisco's Human Services Agency ("HSA") operates programs which
15 collaborate with community partners to deliver services that promote health, safety, and
16 independence for older people, veterans, and adults with disabilities; and

17 WHEREAS, The Board of Supervisors approved Resolution No. 29-15 on February 3,
18 2015, authorizing the lease of 13,938 square feet of real property at 2 Gough Street for the
19 DAS department; a copy of which is on file with the Clerk of the Board of Supervisors in File
20 No. 150006 (“Lease”); and

21 WHEREAS, The Board of Supervisors approved Resolution No. 213-20 on May 12,
22 2020, authorizing the Director of Property to exercise a five-year option to extend the Lease
23 commencing July 1, 2020, and expiring June 30, 2025; a copy of which is on file with the
24 Clerk of the Board of Supervisors in File No. 200316; and

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1 WHEREAS, HSA desires to vacate facilities with a Seismic Hazard Rating of “4”
2 (“Facilities Plan”), including its offices located at 170 Otis Street; and

3 WHEREAS, The first phase of the Facilities Plan involves moving DAS executive staff
4 and DAS’s Office of Community Partnerships from City owned property located at 1650
5 Mission Street to 2 Gough Street (“The Property”), consolidating operations with other DAS
6 staff currently located The Property; and

7 WHEREAS This initial phase will also move staff from 170 Otis into the vacated space
8 at 1650 Mission; and

9 WHEREAS, On behalf of HSA, the Real Estate Division (“RED”) negotiated an
10 agreement (“Amendment”), expanding the premises under the existing Lease at The Property
11 with property owner, RACHRIS, LLC, a California limited liability corporation (“Landlord”) by
12 7,938 square feet; and

13 WHEREAS, The Lease Amendment provides a Base Rent of \$26,009 per month ; and

14 WHEREAS, The Amendment provides for a one month rent abatement for the
15 additional square feet (7,938 sf) upon commencement of the Amendment; and;

16 WHEREAS, The Base Rent, equals to \$39.32 per square foot excluding the one month
17 rent abatement, is below the appraised fair market rate of \$45.16 per square foot, and

18 WHEREAS, The Amendment provides a three-year option (“Option”) to extend the term
19 from July 1, 2025, through June 30, 2028; and

20 WHEREAS, The Amendment provides for new floor coverings, new paint, additional
21 power and HVAC upgrades in both the existing and new space at landlord’s sole cost; and

22 WHEREAS, The Amendment, a copy of which is on file with the Clerk of the Board of
23 Supervisors in File No. 240471, will commence upon approval by the Board of Supervisors
24 and Mayor; now, therefore, be it

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1 RESOLVED, That in accordance with the recommendations of the Director of Property
2 and the Director of the Human Services Agency after consulting with the City Attorney, the
3 Board of Supervisors authorizes the Director of Property on behalf of the City, as Tenant, to
4 take all actions to effectuate the proposed Lease Amendment and the option to extend the
5 amended lease term at 2 Gough Street, San Francisco; and, be it

6 FURTHER RESOLVED, That the Board of Supervisors approves the Lease
7 Amendment and its terms and authorizes the Director of Property, on behalf of the City, to
8 enter into any further amendments or modifications to the existing Lease (including without
9 limitation, the exhibits) that the Director of Property determines, in consultation with the City
10 Attorney, are in the best interests of the City, do not materially increase the rent or otherwise
11 materially increase the obligations or liabilities of the City; are necessary or advisable to
12 effectuate the purposes of the Lease Amendment and this Resolution; and are in compliance
13 with all applicable laws, including the City Charter; and, be it

14 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
15 with respect to the Lease Amendment are hereby approved, confirmed and ratified; and, be it

16 FURTHER RESOLVED, That within thirty (30) days of the Lease Amendment being
17 fully-executed by all parties, RED shall provide a copy of the Lease Amendment to the Clerk
18 of the Board for inclusion into the official file.

