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Naomi M. Kelly, City Administrator

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John Updike
Director of Real Estate

August 18, 2014

Child Support Services
617 Mission Street/109 New Montgomery
Assignment #6818

Through Naomi Kelly,
City Administrator

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

Dear Board Members:

Attached for your consideration is a Resolution authorizing the renewal of a lease at 617 Mission Street, for use by the San Francisco Department of Child Support Services (SFDCSS) to facilitate the payment of child support for over 11,000 children each year.

According to SFDCSS, California's child support program formally began in 1975 with the enactment of Title IV-D of the Social Security Act of 1975. Until 1999, the child support program was administered by the State Department of Social Services and executed at the local level by each county's District Attorney Office. California's Child Support Reform Legislation of 1999 mandated the child support services program in its current form - administered by the California Department of Child Support Services (CA DCSS) and executed at the local level by the local child support agency (LCSA) also known as the San Francisco Department of Child Support Services.

SFDCSS promotes the wellbeing of San Francisco children by establishing and then delivering child support collection services that help both parents meet the financial, medical, and emotional needs of their children. Through the collection and distribution of funds, SFDCSS achieves cost savings to taxpayers by reducing dependency on public assistance and also improves the quality of life for affected San Francisco children who are not on assistance.

SFDCSS also locates absent parents and establishes paternity of and support for children – including medical insurance coverage. It reviews and adjusts support orders as appropriate,

collects and distributes support payments, monitors and enforces payment performance and provides public outreach.

SFDCSS has leased approximately 33,998 sq. ft. of space at 617 Mission Street/109 New Montgomery St. since March of 1995. The lease, as extended by Board Resolution No. 506-10, expires on December 31, 2014 and includes one remaining five (5) year option to extend the term. The proposed Resolution authorizes the exercise of the extension period (from January 1, 2015 through December 31, 2019).

The proposed Base Rent for the renewal is \$121,117.88 per month (approximately \$42.75 per sq. ft. per year) and is fixed for the entire extension term. The Base Rent is fully serviced, net of electricity. The City shall continue to pay for its own separately metered electricity at a current estimated cost of \$3,111.50 per month (approximately \$0.09 per sq. ft. monthly) and operating expense increases over a new 2014 Base Year.

According to the SFDCSS, the California Department of Child Support Services (CDCSS) provides 100% of the SFDCSS's funding and SFDCSS does not impact the City's General Fund. In addition, SFDCSS is cooperating with our Department to potentially co-locate other general fund departments should space become available and such use benefits the City's General Fund.

We recommend approval of the proposed lease renewal. If you have any questions regarding this matter, please contact Charlie Dunn of our office at 554-9861.

Sincerely,



John Updike
Director of Real Estate

cc. Karen Roye, Director, SFDCSS