

(Human Services Agency's letterhead)  
July \_\_, 2016

Honorable Board of Supervisors  
City and County of San Francisco  
City Hall, 1 Dr. Carlton B. Goodlett Place  
San Francisco, California 94102

Re: Proposed lease of 1360 Mission St., 1<sup>st</sup> and 2<sup>nd</sup> Floors, San Francisco

Dear Board Members:

Attached for your consideration is a Resolution authorizing the lease of 1360 Mission St., comprising approximately 16,958 square feet on the first and second floors for the Human Services Agency.

The Human Services Agency (the "HSA") requires additional administrative office space for current and new staff and during the renovation of its office space at 170 Otis St., 2<sup>nd</sup>, 3<sup>rd</sup>, and 5<sup>th</sup> Floors, 3120 Mission St., 1235 Mission St., and 1650 Mission St.

The proposed lease is for an initial term of four (4) years commencing on August 18, 2016 upon approval by the Board of Supervisors and Mayor. City shall have a single one (1) year option term to extend the lease at 3% above the base rent in effect at the end of the initial term, subject to the enactment of a resolution by the Board of Supervisors and Mayor, in their respective sole and absolute discretion, approving and authorizing the same.

On behalf of the Human Services Agency, the Real Estate Division negotiated a lease at a fair market rent of \$63,592.50 per month (\$3.75 psf), subject to 3% annual rent adjustments. The base fair market monthly rent includes utilities and janitorial services. In addition, HSA will be responsible for its pro rata share of operating expenses that exceed the 2016 base year expenses except for property taxes.

The Human Services Agency and Real Estate Division recommend approval of the proposed lease. Funds are available in Appropriation No. 45ADOH/03011 for fiscal year 2016-2017.

If you have any questions in this regard, please contact Robert Walsh of my staff at 415-557-5644.

Respectfully,

Trent Rhorer  
Executive Director

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Attachments

cc: Daniel Kaplan, Robert Walsh, Human Services Agency  
John Updike, Claudia Gorham, Real Estate Division  
Naomi Kelly, City Administrator