



November 8, 2024

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 – Department of Child Support Services, 101 New Montgomery/617 Mission Street

Dear Board Members,

Attached for your consideration is a Resolution authorizing a new lease at 101 New Montgomery Street/617 Mission Street, for use by the San Francisco Department of Child Support Services (SFDCSS) to facilitate the payment of child support for over 7,033 children per year.

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 by the local level by each county's District Attorney's 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 well-being of San Francisco children by establishing and then delivering child support collection services, that help both the 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 public outreach.

SFDCSS operated in a premises formerly comprising of 33,998 square feet. They consolidated their offices due to increased costs of salaries and benefits along with a

reduction in staffing. The new Lease comprises of approximately 5,296 sq. ft on the first floor, 10,149 sq. ft. on the second floor and certain basement storage space comprising of 2,000 sq. ft.

SFDCSS has been located and leased at 109 New Montgomery Street/617 Mission Street since March 1995. The lease was last extended by Board Resolution No. 204-18 and expires on December 31, 2024. The new lease will commence on January 1, 2025 and expire on December 31, 2032.

The proposed Base Rent for the reduced space is \$580,020 for the initial year (approximately \$36.00 per square foot per year) and increased annually by 3%. The Base Rent is fully serviced except for electricity, which is separately metered. The new base year shall be 2025. The term of the lease is seven (7) years with one (1) option to extend for an additional five (5) years.

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.

We recommend approval of the proposed new lease. If you have any questions regarding this matter, please get in touch with me or our office at 415-554-9860.

Sincerely,

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

Andrico Penick  
Director of Property

cc: Karen Roye, Director, SFDCSS