

City and County of San Francisco
Micki Callahan
Human Resources Director



Department of Human Resources
Connecting People with Purpose
www.sfdhr.org

February 12, 2019

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

RE: Department of Human Resources – Lease Renewal – 1740 Cesar Chavez

Dear Board members:

Attached for your consideration is a resolution authorizing the execution of a lease amendment extending the lease of the City's Department of Human Resources testing facility located at 1740 Cesar Chavez. The existing lease expires on March 31, 2019. This proposed resolution would extend the lease by five years, terminating in 2024. The City's Real Estate Division negotiated the amendment, including an additional five-year extension option beyond 2024.

Beginning on April 1, 2019, the monthly rent for the 11,000 sq. ft. premises in the extended term will be \$34,980 (or \$3.18 per sq. ft. per year) and increase annually at 3%. At an annual rate of \$38.16 per sq. ft., it is below the threshold required for an appraisal and is an amount the Real Estate Division determines to be at or below 95% of the current fair market rent.

If you have any programmatic questions, please contact Susanna Luong at 415-557-4864. If you have any questions regarding the lease itself or deal terms, please contact Josh Keene of the Real Estate Division office by phone at 415-554-9859.

Sincerely,

Kate Howard
Deputy Managing Director
Department of Human Resources