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[Sublease of Non-Profit Office Space Under City's Master Lease - At The Crossroads - 167 Jessie Street - \$1 per Year Base Rent]

Resolution authorizing the Sublease between the City and County of San Francisco, as Tenant and Sublandlord, and At The Crossroads, as Subtenant, of 4,124 rentable square feet in the building located at 167 Jessie Street, for an initial term of five years at a base rent of \$1 per year, to commence upon approval by the Board of Supervisors and Mayor, in their respective sole and absolute discretion.

WHEREAS, The City's Working Group on Nonprofit Displacement issued a report and recommendations on May 13, 2014; and

WHEREAS. Page 27 of the report included a finding that City property could potentially be made available to nonprofit organizations at low cost to be used for administrative offices, performance spaces, educational sites and other purposes relevant to the organization's missions; and

WHEREAS, On April 1, 2017, by Resolution No. 20-15, the City and County of San Francisco ("City" or "Tenant" or "Sublandlord") entered into a lease with Third and Mission Associates, LLC ("Landlord") of 4,124 rentable square feet on the third and fourth floors of the building located at 167 Jessie Street in San Francisco (the "Premises") for a term of 87 years ("Master Lease") at a nominal annual rent expense of \$1.00; and

WHEREAS, Through a competitive request for proposal process, At The Crossroads ("Subtenant"), a nonprofit organization that reaches out to homeless youth and young adults at their point of need, and works with them to build healthy and fulfilling lives, was selected to negotiate a sublease of the Premises under the City's Master Lease; and

WHEREAS, City and Subtenant, through its Real Estate Division, the Mayor's Office of Housing and Community Development ("MOHCD") and with consultation from the Office of

the City Attorney, have negotiated a sublease with an initial term of five years at the nominal annual rent expense of \$1.00, a copy of which is on file with the Clerk of the Board of Supervisors under File No. 160751 and is incorporated herein by reference (the "Sublease"); and

WHEREAS, Subtenant shall be responsible for its actual utility usage, services, improvements, maintenance and repair within the Premises (collectively, "Premises Costs") and shall also be responsible for its proportionate share of costs assessed by Landlord for common area utility usage, services, maintenance, repairs, taxes and insurance (collectively, "Common Costs"); and

WHEREAS, Subtenant shall be solely responsible, at no cost to City, for payment of Premises Costs and Common Costs; and

WHEREAS, Subtenant has one (1) five-year option to extend the term of the Sublease;

WHEREAS, The Planning Department found the Master Lease to be, on balance, inconformity with the General Plan in a letter dated December 9, 2014, to the Director of Property (a copy of which is on file with the Clerk of the Board of Supervisors in File No. 160751); now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Director of Property and the Director of MOHCD, that the Director of Property on behalf of the City, as Sublandlord, be and is hereby authorized to take all actions necessary to execute the Sublease; and, be it

FURTHER RESOLVED, That the Director of Property shall be authorized to enter into any additions, amendments or other modifications to the Sublease (including, without limitations, the exhibits) that the Director of Property determines, in consultation with MOHCD and the City Attorney, are in the best interests of the City, do not materially increase the

obligations or liabilities of the City, and are necessary or advisable to complete the transaction and effectuate the purpose and intent of this resolution; and, be it

FURTHER RESOLVED, That any action taken by the Director of Property and other officers of the City with respect to the Sublease are hereby approved, confirmed and ratified; and be it

FURTHER RESOLVED, That within thirty (30) days of the agreements being fully executed by all parties, the Director of Real Estate shall provide the agreements to the Clerk of the Board for inclusion into the official file.

RECOMMENDED:

Director

Mayor's Office of Housing and Community Development

RECOMMENDED:

Director of Property Real Estate Division



City and County of San Francisco Tails

City Hall 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102-4689

Resolution

File Number:

160751

Date Passed: July 26, 2016

Resolution authorizing the Sublease between the City and County of San Francisco, as Tenant and Sublandlord, and At The Crossroads, as Subtenant, of 4,124 rentable square feet in the building located at 167 Jessie Street, for an initial term of five years at a base rent of \$1 per year, to commence upon approval by the Board of Supervisors and Mayor, in their respective sole and absolute discretion.

July 25, 2016 Land Use and Transportation Committee - RECOMMENDED AS **COMMITTEE REPORT**

July 26, 2016 Board of Supervisors - ADOPTED

Ayes: 10 - Avalos, Breed, Campos, Cohen, Farrell, Kim, Peskin, Tang, Wiener and Yee Absent: 1 - Mar

File No. 160751

I hereby certify that the foregoing Resolution was ADOPTED on 7/26/2016 by the Board of Supervisors of the City and County of San Francisco.

Clerk of the Board