

1 [Lease of Property – Empress Hotel]

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3 **Resolution authorizing and approving the lease by and between the City and County of**  
4 **San Francisco, for the Department of Public Health, as Tenant, and Empress, LLC, as**  
5 **Landlord, for the Empress Hotel located at 144 Eddy Street, San Francisco, CA 94102.**

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7 WHEREAS, The Department of Public Health has created a “Direct Access to Housing”  
8 program, which is designed to secure supportive housing for chronically homeless San  
9 Francisco residents by having the City master lease privately owned buildings and then  
10 sublease residential units in those buildings to individuals who are chronically homeless. The  
11 target population for Direct Access to Housing includes people who have been chronically  
12 homeless and are struggling with complex medical and behavioral health conditions including  
13 people who have been living on the street and/or revolving through the City’s high cost  
14 institutional settings; and,

15 WHEREAS, The Empress Hotel located at 144 Eddy Street, owned by Empress, LLC  
16 (“Landlord”) presents an opportunity to provide clean and stable housing for approximately 90  
17 individuals who have a history of homelessness and may have a disability related to mental  
18 health, HIV/AIDS, and/or substance abuse; and,

19 WHEREAS, Upon master leasing of the Empress Hotel, the City will contract with a  
20 property management company to manage the day-to-day operations; and, in addition, the  
21 Department of Public Health will directly provide on-site medical services and contract with a  
22 service provider to deliver on-site support services including mental health and substance  
23 abuse counseling, case management and peer advocacy; now therefore, be it

24 RESOLVED, That in accordance with the recommendation of the Director of the  
25 Department of Public Health and the Director of Property, that the Director of Property on

1 behalf of the City and County of San Francisco, as Tenant, be and is hereby authorized to  
2 execute a Master Lease with Landlord for the entire premises located at 144 Eddy Street, San  
3 Francisco, California, comprising an area of approximately 41,490 square feet. Landlord  
4 shall deliver the residential units in habitable condition to City, on the terms and conditions  
5 contained herein and in a form approved by the City Attorney; and, be it

6 FURTHER RESOLVED, That the term of this Lease shall begin upon execution and  
7 delivery of the Lease estimated to be on July 1, 2004 to continue for a ten (10) year period  
8 starting after the commencement of the Lease and the City shall have the right to extend the  
9 Initial Term for two additional ten (10) year terms subject to the terms and conditions further  
10 described in the lease; and, be it

11 FURTHER RESOLVED, That the base rent under the Lease shall be \$500 per  
12 residential unit per month, or a total of \$45,000 per month for the residential units, plus the  
13 rent of \$2,000 per month for the administrative space. The total rent for the premises being  
14 \$47,000 for the first twelve months ((Base Rent- \$45,000 for the residential portion, plus  
15 \$2000 per month for the remainder of the premises) and, with annual rent increases based on  
16 the Consumer Price Index (CPI) for the San Francisco area and to be not less than two  
17 percent (2%), nor more than four percent (4%). Rent shall be payable unless funds for rental  
18 payments are not appropriated in any subsequent City fiscal year, at which time the City may  
19 terminate the Lease with advance notice to the Landlord; and, be it

20 FURTHER RESOLVED, That the Master Lease may include a clause (Substantially in  
21 the form on file with the Clerk of the Board of Supervisors in File No. \_\_\_\_\_ and  
22 approved by the Director of Property and the City Attorney) indemnifying and holding  
23 harmless the Landlord from, and agreeing to defend the Landlord against, any and all claims,  
24 costs and expenses, including without limitation, reasonable attorney's fees, incurred as a  
25 result of City's use of the premises, any default by the City in the performance of any of its



1 Controller: \_\_\_\_\_

2 Appropriation Number: \_\_\_\_\_

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