

1 [Real Property Lease - HV Partners Block 10, L.P. - 901 Fairfax Avenue, Hunters View Phase
2B, Block 10 - \$0 Monthly Base Rent with Reimbursement to Landlord Up To \$100,000]

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3 **Resolution authorizing the lease of approximately 794 square feet at 901 Fairfax**
4 **Avenue, Hunters View Phase IIB - Block 10 with HV Partners Block 10, L.P., a California**
5 **limited partnership, at the monthly base rent of \$0 with reimbursement up to \$100,000**
6 **to the landlord for tenant improvements, furniture, fixtures, and equipment, and**
7 **additional \$800 charge for utilities and services per month, for a 15-year term with**
8 **options to extend for one-year terms commencing upon approval by the Board of**
9 **Supervisors and Mayor; adopting findings under the California Environmental Quality**
10 **Act, Public Resources Code, Section 21000 et seq.; and finding the proposed**
11 **transaction is in conformance with the General Plan, and the eight priority policies of**
12 **Planning Code, Section 101.1.**

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14 WHEREAS, The Department of Public Health (“DPH”) has committed to opening
15 Wellness Centers in collaboration with the City’s HOPE SF initiative to revitalize public
16 housing; and

17 WHEREAS, The Real Estate Division on behalf of DPH has negotiated a lease
18 substantially in the form on file with the Clerk of the Board of Supervisors in File No. 180097,
19 which is hereby declared to be a part of this resolution as if set forth fully herein (the “Lease”)
20 to lease a portion of the first floor area at 901 Fairfax Avenue (“Building”), San Francisco,
21 comprising approximately 794 square feet with use of the Building’s (large) Meeting Room,
22 gym, Community Room and Common Kitchen for programming purposes; and

23 WHEREAS, The Building is the third affordable housing development to be completed
24 in Hunters View and Hunters View is the first HOPE SF development. The Building is located
25 in the second of three revitalization phases of Hunters View. The Building completed

1 construction on August 31, 2017 and includes 54 public housing replacement units, 18 tax
2 credit units, and ground floor community space that includes a wellness center; and

3 WHEREAS, HOPE SF is a mayoral initiative to rehabilitate and revitalized four
4 distressed and dilapidated public housing sites; and

5 WHEREAS, HOPE SF revitalization goals includes building public housing replacement
6 units, new affordable housing units and improving health and economic outcomes for the
7 existing public housing residents and new residents to the HOPE SF sites; and

8 WHEREAS, To improve health outcomes a wellness center providing onsite nursing,
9 behavior health, and peer health education is a preferred HOPE SF strategy; and

10 WHEREAS, The City, acting through the Mayor's Office of Housing and Community
11 Development, has a loan on the Building and determined the long term operations of the
12 Building to be financial feasible; and

13 WHEREAS, The term of the lease shall be for fifteen (15) years commencing upon
14 approval by the Board of Supervisors and Mayor; and

15 WHEREAS, The City shall have the option to extend the term for one year terms
16 unless written notice of termination is given ninety days before expiration of the then current
17 term; and

18 WHEREAS, The base monthly rent of zero dollars continues for the entire term and
19 each additional year option term; and

20 WHEREAS, DPH shall be responsible for payment of a per month sum for all utilities
21 and services provided by HV Partners Block 10, L.P., a California limited partnership
22 ("Landlord"); and

23 WHEREAS, DPH shall be responsible for reimbursing Landlord for furniture, fixtures
24 and equipment and tenant improvements up to one hundred thousand dollars (\$100,000.00);
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1 WHEREAS, By General Plan Referral dated January 19, 2018, the San
2 Francisco Planning Department adopted and issued a General Plan Consistency
3 Finding, a copy of which is on file with the Clerk of the Board in File No. 180097,
4 wherein the San Francisco Planning Department found that the Lease is consistent
5 with the City's General Plan and with the Eight Priority Policies under Planning Code
6 Section 101.1; and

7 WHEREAS, The Director of Planning in a General Plan Referral dated January 19,
8 2018, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 180097,
9 found that the proposed Lease is part of a larger project developed by HV Partners Block 10,
10 L.P. for which an Environmental Impact Report (2007.0168E) was prepared pursuant to the
11 California Environmental Quality Act and was certified by the San Francisco Planning
12 Commission on June 12, 2008; now, therefore, be it

13 RESOLVED, That the Board of Supervisors finds that the actions contemplated in this
14 Resolution are consistent with the City's General Plan and with Planning Code Section 101.1-
15 (b) for the reasons set forth in the General Plan Referral dated January 19, 2018, and hereby
16 incorporates such findings by reference as though fully set forth in this Resolution; and, be it

17 FURTHER RESOLVED, That in accordance with the recommendation of the Director
18 of the Department of Public Health, the Director of Property is hereby authorized to take all
19 actions, on behalf of the City and County of San Francisco as Tenant to enter into the Lease;
20 and, be it

21 FURTHER RESOLVED, The monthly base rent for the City's fifteen year term shall be
22 \$0; and be it

23 FURTHER RESOLVED, Landlord shall be responsible for providing all utilities and
24 services (janitorial, security, recycling) and City shall pay \$800.00 per month the first year for
25 same; and be it

1 FURTHER RESOLVED, DPH shall be responsible for reimbursing Landlord for
2 tenant/leasehold improvements and furniture, fixtures and equipment up to \$100,000.00; and
3 be it

4 FURTHER RESOLVED, The term shall be fifteen years and City shall have automatic
5 one (1) year option terms at \$0 per month; and be it

6 FURTHER RESOLVED, The City agrees to indemnify, defend, and hold harmless
7 Landlord and its agents from and against any and all claims, costs, and expenses, including
8 without limitation, reasonable attorney fees, incurred as a result of (a) City's use of the
9 Premises, (b) any default by the City in the performance of any of its obligations under the
10 lease, or (c) any acts or omissions of City or its agents, in, on or about the Premises or the
11 property on which the Premises are located, provided however City shall not be obligated to
12 indemnify Landlord or its agents to the extent any claim, cost and expense arises out of
13 active gross negligence or willful misconduct of Landlord or its agents; and, be it

14 FURTHER RESOLVED, That any action heretofore taken by any City employee or
15 official with respect to the exercise of the lease as set forth herein is hereby approved,
16 confirmed and ratified; and, be it

17 FURTHER RESOLVED, The Board of Supervisors approves the lease in substantially
18 the form in the Board's File and authorizes the Director of Property to take all actions, on
19 behalf of City, to enter into any amendments or modifications (including without limitation, the
20 exhibits) to the lease on the terms and conditions herein and form approved by the City
21 Attorney that the Director of Property determines, in consultation with the City Attorney, are in
22 the best interest of the City, do not increase the rent or otherwise materially increase the
23 obligations or liabilities of the City, are necessary or advisable to effectuate the purposes of
24 the lease and are in compliance with all applicable laws, including City's Charter; and, be it

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1 FURTHER RESOLVED, That within thirty (30) days of the lease agreement being fully
2 executed by all parties the Director of Property shall provide a copy of the Lease agreement to
3 the Clerk of the Board to include into the official file.

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1 RECOMMENDED:

2 \$100,000 Available

3 PS FUND ID: 10020
4 PS DEPT ID: 207982
5 PS PROJECT ID: 10002802
6 PS ACTIVITY ID: 0018
7 PS AUTHORITY ID: 11193

8 \$3,200 Available

9 PS FUND ID: 10000
10 PS DEPT ID: 251962
11 PS PROJECT ID: 10001795
12 PS ACTIVITY ID: 0001
13 PS AUTHORITY ID: 10000

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16 _____
17 Controller
18 Fiscal Year 2017-2018

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21 RECOMMENDED:

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24 _____
25 Barbara A. Garcia
26 Department of Public Health

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29 RECOMMENDED:

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32 _____
33 John Updike
34 Director of Property
35 Real Estate Division