

1 [Lease of Property – Camelot 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 124 Turk Street, LP,**
5 **as Landlord, for the Camelot Hotel located at 124 Turk 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 affordable housing for homeless and very low-income
9 San Francisco residents by having the City or a non-profit entity master lease privately owned
10 buildings and then sublease residential units in those buildings to individuals who are
11 medically frail and/or at risk of homelessness, and/or who have recently exited homeless
12 shelters or residential treatment programs, all of whom are capable of living independently
13 with on-site support services; and,

14 WHEREAS, The Camelot Hotel located at 124 Turk Street, owned by 124 Turk Street,
15 LP (“Landlord”) presents an opportunity to provide clean and stable housing for approximately
16 55 individuals who have a history of homelessness and may have a disability related to
17 mental health, HIV/AIDS, and/or substance abuse; and,

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

23 RESOLVED, That in accordance with the recommendation of the Director of the
24 Department of Public Health and the Director of Property, that the Director of Property on
25 behalf of the City and County of San Francisco, as Tenant, be and is hereby authorized to

1 execute a Master Lease with Landlord for the entire premises located at 124 Turk Street, San
2 Francisco, California, comprising an area of approximately 14,700 square feet, on the terms
3 and conditions contained herein and in a form approved by the City Attorney; and, be it

4 FURTHER RESOLVED, That the term of this Lease shall begin upon execution and
5 delivery of the Lease estimated to be on August 1, 2002 to continue for a ten (10) year period
6 starting after the commencement of the Lease and the City shall have the right to extend the
7 Initial Term for two additional ten (10) year terms subject to mutual agreement between City
8 and Landlord; and, be it

9 FURTHER RESOLVED, That the base rent under the Lease shall be \$27,500 per
10 month for the first twelve months (Base Rent- \$500 per unit per month) and, with annual rent
11 increases based on the Consumer Price Index (CPI) for the San Francisco area and to be not
12 less than one and a half percent (1.5%), nor more than five percent (5%). Rent shall be
13 payable unless funds for rental payments are not appropriated in any subsequent City fiscal
14 year, at which time the City may terminate the Lease with advance notice to the Landlord;
15 and, be it

16 FURTHER RESOLVED, That the Master Lease may include a clause (Substantially in
17 the form on file with the Clerk of the Board of Supervisors in File No. _____ and
18 approved by the Director of Property and the City Attorney) indemnifying and holding
19 harmless the Landlord from, and agreeing to defend the Landlord against, any and all claims,
20 costs and expenses, including without limitation, reasonable attorney's fees, incurred as a
21 result of City's use of the premises, any default by the City in the performance of any of its
22 obligations under the Master Lease, or any acts or omissions of City, its agents or its
23 subtenants in, on or about the premises or the property on which the premises are located;
24 and, be it

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1 FURTHER RESOLVED, That the Director of Property be authorized to enter into any
2 additions, amendments or other modifications to the Master Lease (including, without
3 limitation, the exhibits) that the Director of Property determines, in consultation with the
4 Department of Public Health and the City Attorney, are in the best interests of the City, do not
5 materially increase the obligations or liabilities of the City, and are necessary or advisable to
6 complete the transaction contemplated in the Lease and effectuate the purpose and intent of
7 this resolution, such determination to be conclusively evidenced by the execution and delivery
8 by the Director of Property any amendments thereto; and be it

9 FURTHER RESOLVED, That any action taken by the Director of Property and other
10 relevant officers of the City with respect to the Master Lease are hereby approved, confirmed
11 and ratified.

12 Said Master Lease shall be subject to certification of funds by the Controller pursuant
13 to Section 3.105 of the Charter.

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15 RECOMMENDED:

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Mitchell H. Katz, M.D.
Department of Public Health

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Marc S. McDonald
Director of Property

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Available:

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24 Controller: _____

25 Appropriation Number: _____