

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.**

6
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. 040680 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

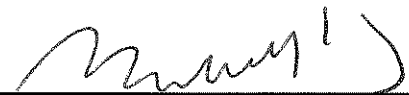
1 obligations under the Master Lease, or any acts or omissions of City, its agents or its
2 subtenants in, on or about the premises or the property on which the premises are located;
3 and, be it

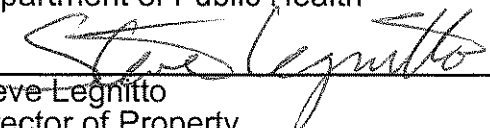
4 FURTHER RESOLVED, That the Director of Property be authorized to enter into any
5 additions, amendments or other modifications to the Master Lease (including, without
6 limitation, the exhibits) that the Director of Property determines, in consultation with the
7 Department of Public Health and the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

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

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

17 RECOMMENDED:

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19 
20 _____
21 Mitchell H. Katz, M.D.
22 Department of Public Health

21 
22 _____
23 Steve Legnitto
24 Director of Property

24 Available:

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Supervisor Chris Daly
BOARD OF SUPERVISORS

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Grant Detail: HCH 005
Fund: CHS
Subfund: GNC
Index Code: HCHSHOUSINGR



Controller
Subject to the enactment of the Annual Appropriation
Ordinance for FY 2004/2005



City and County of San Francisco

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

Tails
Resolution

File Number: 040680

Date Passed:

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

June 15, 2004 Board of Supervisors — ADOPTED

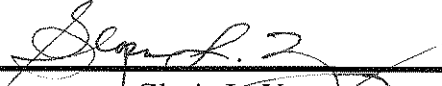
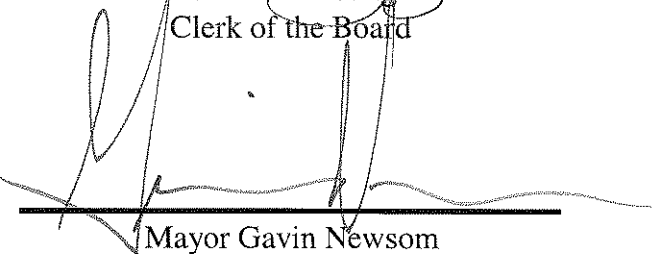
Ayes: 10 - Alioto-Pier, Ammiano, Daly, Dufty, Gonzalez, Hall, Ma, McGoldrick, Peskin, Sandoval
Absent: 1 - Maxwell

File No. 040680

I hereby certify that the foregoing Resolution was ADOPTED on June 15, 2004 by the Board of Supervisors of the City and County of San Francisco.

JUN 21 2004

Date Approved


Gloria L. Young
Clerk of the Board

Mayor Gavin Newsom