

1 [Lease of Property – Star Hotel]

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3 **Resolution authorizing and approving the lease by and between the City and County**
4 **of San Francisco, for the Department of Public Health, as Tenant, and Sonali**
5 **Holdings, LLC, as Landlord, for the Star Hotel located at 2176-2178 Mission Street.**
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8 WHEREAS, The Department of Public Health has created a “Direct Access to
9 Housing” program, which is designed to secure affordable housing for homeless and very
10 low-income San Francisco residents by having the City or a non-profit entity master lease
11 privately owned buildings and then sublease residential units in those buildings to
12 individuals who are medically frail and/or at risk of homelessness, and/or who have
13 recently exited homeless shelters or residential treatment programs, all of whom are
14 capable of living independently with on-site support services; and,
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16 WHEREAS, The Star Hotel located at 2176-2180 Mission Street, owned by Sonali
17 Holdings, LLC (“Landlord”) presents an opportunity to provide clean and stable housing
18 for approximately 50 individuals who have a history of homelessness and may have a
19 disability related to mental health, HIV/AIDS, and/or substance abuse; and,
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21 WHEREAS, Upon master leasing of the Star Hotel, the City will contract with a
22 property management company to manage the day-to-day operations; and, in addition,
23 the Department of Public Health will contract with a service provider to deliver on-site
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1 support services including mental health and substance abuse counseling, case
2 management and peer advocacy, and referral to medical care; now therefore, be it

3 RESOLVED, That in accordance with the recommendation of the Director of the
4 Department of Public Health, the Director of Property, that the Director of Property on
5 behalf of the City and County of San Francisco, as Tenant, be and is hereby authorized
6 to execute a Master Lease with Landlord for the entire premises located at 2176-2180
7 Mission Street, San Francisco, California, comprising an area of approximately 10,770
8 square feet (not including the commercial space at 2180 Mission Street), on the terms
9 and conditions contained herein and in a form approved by the City Attorney, and be it

10 FURTHER RESOLVED, That the term of this Lease shall begin upon execution
11 and delivery of the Lease estimated to be on June 1, 2001 to continue for a ten (10)
12 year period starting after the commencement of the Lease and the City shall have the
13 right to extend the Initial Term for two additional ten (10) year terms subject to
14 Landlord's approval and, be it

15 FURTHER RESOLVED, That the base rent under the Lease shall be \$23,780 per
16 month for the first twelve months (Base Rent- approximately \$2.208 per square foot per
17 month) and, with annual rent increases based on the Consumer Price Index (CPI) for the
18 San Francisco area and to be not less than three percent (3%), nor more than six
19 percent (6%). Rent shall be payable unless funds for rental payments are not
20 appropriated in any subsequent City fiscal year, at which time the City may terminate the
21 Lease with advance notice to the Landlord; and, be it

1 FURTHER RESOLVED, That the Master Lease may include a clause
2 (Substantially in the form on file with the Clerk of the Board of Supervisors in File
3 No. 010738 and approved by the Director of Property and the City Attorney)
4 indemnifying and holding harmless the Landlord from, and agreeing to defend the
5 Landlord against, any and all claims, costs and expenses, including without limitation,
6 reasonable attorney's fees, incurred as a result of City's use of the premises, any default
7 by the City in the performance of any of its obligations under the Master Lease, or any
8 acts or omissions of City, its agents or its subtenants in, on or about the premises or the
9 property on which the premises are located; and, be it
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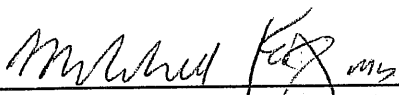
11 FURTHER RESOLVED, That subject to the Department of Public Health's
12 previously approved budget, the department shall be authorized to complete necessary
13 tenant improvements in the approximate amount of and not to exceed \$230,000; and, be
14 it
15


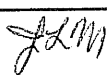
16 FURTHER RESOLVED, That the Director of Property be authorized to enter into
17 any additions, amendments or other modifications to the Master Lease (including, without
18 limitation, the exhibits) that the Director of Property determines, in consultation with the
19 Department of Public Health and the City Attorney, are in the best interests of the City,
20 do not materially increase the obligations or liabilities of the City, and are necessary or
21 advisable to complete the transaction contemplated in the Lease and effectuate the
22 purpose and intent of this resolution, such determination to be conclusively evidenced by
23 the execution and delivery by the Director of Property any amendments thereto; and be it
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1 FURTHER RESOLVED, That any action taken by the Director of Property and
2 other relevant officers of the City with respect to the Master Lease are hereby approved,
3 confirmed and ratified.

4 Said Master Lease shall be subject to certification of funds by the Controller
5 pursuant to Section 3.105 of the Charter.
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8

9 RECOMMENDED:

10 
11 _____
12 Director of Health, Department of Public Health

13 
14 _____
15 Director of Property 

16 Available:

17 Controller: 
18 _____

19 Appropriation Number: HCHSHH0USG6F
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City and County of San Francisco

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

Tails
Resolution

File Number: 010738

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 Sonali Holdings, LLC, as Landlord, for the Star Hotel located at 2176-2178 Mission Street.

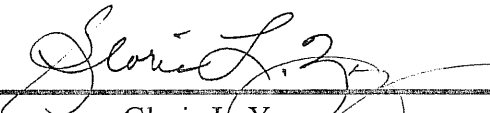
May 21, 2001 Board of Supervisors — ADOPTED

Ayes: 10 - Ammiano, Daly, Gonzalez, Hall, Maxwell, McGoldrick, Newsom,
Peskin, Sandoval, Yee

Absent: 1 - Leno

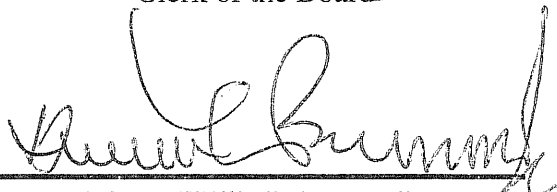
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I hereby certify that the foregoing Resolution was ADOPTED on May 21, 2001 by the Board of Supervisors of the City and County of San Francisco.


Gloria L. Young
Clerk of the Board

JUN - 1 2001

Date Approved


Mayor Willie L. Brown Jr.