

1 [Real Property Lease - Human Services Agency - 2111-2115 Jennings Street - \$12,980
2 Monthly]

3 **Resolution authorizing the lease of the entire property at 2111-2115 Jennings Street**
4 **with Ronald Pankowski, an individual, for premises consisting of approximately 11,000**
5 **square feet, for a 15-year term, plus two five-year extension options, at an initial**
6 **monthly base rent of \$12,980 with annual increases, for use by the Human Services**
7 **Agency for an existing homeless resource center and a planned 100-bed emergency**
8 **shelter in the Bayview District for the period of February 1, 2014, through January 31,**
9 **2029; adopting findings under the California Environmental Quality Act; and adopting**
10 **findings that the conveyance is consistent with the General Plan, and the eight priority**
11 **policies of Planning Code, Section 101.1.**

12
13 WHEREAS, The Human Services Agency (HSA) wishes to lease the entire building
14 commonly known as 2111-2115 Jennings Street, San Francisco, California, consisting of
15 approximately 11,000 square feet (the “Premises”) in order to continue the services for the
16 existing Homeless Resource Center known as “Mother Brown’s Kitchen” located at 2111
17 Jennings Street and to convert the adjacent 2115 Jennings Street into an Emergency Shelter
18 providing 100 emergency shelter beds; and

19 WHEREAS, The Human Services Agency has applied for and was granted an
20 Emergency Housing and Assistance Capital Development (11-EHAPCD-7974) forgivable
21 loan from the State Department of Housing and Community Development in the amount of
22 \$978,000 (the “Forgivable Loan”) to fund construction of the improvements necessary to
23 convert 2115 Jennings Street into a 100-bed Emergency Shelter; and

24 WHEREAS, The forgivable loan from the State requires site control by the City for a
25 period of no less than ten years; and

1 WHEREAS, The Human Services Agency wishes to begin the rehabilitation and
2 conversion of 2115 Jennings Street in accordance with the terms of the forgivable loan; and

3 WHEREAS, The Premises will provide both resource center services and 100
4 emergency shelter beds in the Bayview District; and

5 WHEREAS, The Real Estate Division has negotiated a lease for the Premises with the
6 City as tenant and Ronald Pankowski as Landlord (the "Landlord") on the terms and
7 conditions contained in the lease (the "Lease") substantially in the form on file with the Clerk
8 of the Board of Supervisors in File No. 131195, which is incorporated herein by reference; and

9 WHEREAS, The Lease shall commence on February 1, 2014, and terminate on
10 January 31, 2029, a term of 15 years subject to City's right to extend the Lease for two (2)
11 additional terms of five (5) years each as provided in Section 3.4 of the Lease; and

12 WHEREAS, The base monthly rent under the Lease shall be at an initial monthly rent
13 of \$12,980 (\$1.18 per sq. ft.) and shall be increased annually on each February 1 of the term
14 as provided in Section 4.2 of the Lease; and

15 WHEREAS, Pursuant to the Lease, the City shall pay for all property operating
16 expenses, including but not limited to taxes, maintenance, security and janitorial services, and
17 utilities (estimated at an additional \$13,408 per month); and

18 WHEREAS, Pursuant to the Lease, the City, at its sole cost through contractors
19 approved by the Landlord, shall make all leasehold improvements to the Premises up to a
20 cost of \$978,000 (approximately \$88.91 per sq. ft.) through funding from the forgivable loan;
21 and

22 WHEREAS, The City's Planning Department has determined that the actions
23 contemplated in this resolution comply with the California Environmental Quality Act
24 (California Public Resources Code Sections 21000 et seq.) and are consistent, on balance,
25 with the City's General Plan and eight priority policies of Planning Code Section 101.1, and a

1 copy of said determination is on file with the Clerk of the Board of Supervisors in File No.
2 131195, and is incorporated herein by reference; now, therefore, be it

3 RESOLVED, That the Board of Supervisors hereby adopts the findings from the City's
4 Planning Department regarding compliance with the California Environmental Quality Act, and
5 its findings that the Lease is consistent with the General Plan and with the eight priority
6 policies of Planning Code Section 101.1, and hereby incorporates such findings by reference
7 as though fully set forth in this Resolution; and, be it

8 FURTHER RESOLVED, That in accordance with the recommendation of the Executive
9 Director of the Human Services Agency and the Director of Property, the Director of Property
10 is hereby authorized to execute the Lease and to take all other necessary actions on behalf of
11 the City and County of San Francisco, as tenant, to lease the Premises; and, be it

12 FURTHER RESOLVED, That the Lease shall include the clause, approved by the City
13 Attorney, indemnifying, holding harmless, and defending Landlord and its agents from and
14 against any and all claims, costs and expenses, including without limitation, reasonable
15 attorneys' fees, incurred as a result of any default by the City in the performance of any of its
16 obligations under the Lease, or any negligent acts or omissions of the City or its agents, in,
17 on, or about the Premises or the property on which the Premises are located, excluding those
18 claims, costs and expenses incurred as a result of the negligence or willful misconduct of the
19 Landlord or its agents; and, be it

20 FURTHER RESOLVED, That all actions heretofore taken by the officers of the City
21 with respect to such Lease are hereby approved, confirmed and ratified; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors authorizes the Director of
23 Property to enter into any amendments or modifications to the Lease (including, without
24 limitation, the exhibits) that the Director of Property determines, in consultation with the City
25 Attorney, are in the best interest of the City, do not increase the rent or otherwise materially

1 increase the obligations or liabilities of the City, are necessary or advisable to effectuate the
2 purposes of the Lease or this resolution, and are in compliance with all applicable laws,
3 including the City's Charter; and, be it

4 FURTHER RESOLVED, That the City shall continue to occupy the entire Premises for
5 the full term of the Lease unless funds for rental payments are not appropriated in any
6 subsequent fiscal year at which time the City may terminate the Lease with advance notice to
7 Landlord. Said Lease shall be subject to certification as to funds by the City's Controller,
8 pursuant to Section 3.105 of the City Charter.

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Available: \$64,900
(Base Rent 2/1/14 to 6/30/14)
Index No: 45ADOH/03011

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Controller

RECOMMENDED:

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Human Services Agency

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Director of Property
Real Estate Division

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