

1 [Sublease Agreement - Retroactive - California State Lands Commission - Candlestick Point
2 State Recreation Area - Vehicle Triage Center - Base Rent of \$312,000]

3 **Resolution retroactively authorizing and approving the Director of Property, on behalf**
4 **of the Department of Homelessness and Supportive Housing, to negotiate and enter**
5 **into a new sublease agreement for 312,000 square feet of property owned by the**
6 **California State Lands Commission and leased to the California Department of Parks**
7 **and Recreation, for the City’s use as the Bayview Vehicle Triage Center at Candlestick**
8 **Point State Recreation Area, for a term of approximately one year and four months,**
9 **with a retroactive commencement date of January 13, 2024, through April 11, 2025, for**
10 **a base rent of \$312,000 per year; affirming findings under the California Environmental**
11 **Quality Act; and finding the sublease is in conformance with the General Plan, and the**
12 **eight priorities of Planning Code, Section 101.1; and authorizing the Director of**
13 **Property to execute documents, make certain modifications and take certain actions in**
14 **furtherance of the new sublease that do not materially increase the obligations or**
15 **liabilities to the City and are necessary to effectuate the purposes of the sublease or**
16 **this Resolution.**

17
18 WHEREAS, The Department of Homelessness and Supportive Housing’s (“HSH”)
19 mission is to prevent homelessness when possible and to make homelessness a rare,
20 brief, and one-time experience in San Francisco through the provision of coordinated,
21 compassionate, and high-quality services; and

22 WHEREAS, Proposition C (2018) (Gross Receipts Tax for Homelessness Services)
23 (“Prop C”), passed by San Francisco voters in November 2018, created the Homelessness
24 Gross Receipts Tax to fund the Our City, Our Home (“OCOH”) program, in order to expand
25

1 and be complementary to existing funding and strategic efforts to prevent and end
2 homelessness for San Francisco residents; and

3 WHEREAS, In October 2021, Resolution No. 479-21 was approved by the Mayor and
4 the Board of Supervisors and authorized the City to negotiate and enter into a sublease
5 agreement for an approximately 312,000 square foot parking lot (commonly known as the
6 “Boat Launch Parking Lot”) within the Candlestick Point State Recreation Area (“CPSRA”),
7 Assessor’s Parcel Block No. 4886, Lot No. 09 (the “Property”) owned by the California State
8 Lands Commission and leased to the California Department of Parks and Recreation, for the
9 City’s use as a the Bayview Vehicle Triage Center (the “Program”) for an initial term of two
10 years, expiring on January 12, 2024, with rent to be paid through in-kind public services; and

11 WHEREAS, The Program opened in January 2022, and provided critical resources to
12 unhoused people residing in the vehicle encampments in the vicinity of CPSRA and other
13 recreational and passenger vehicles in the Bayview, providing a safe place to stay in their
14 vehicles while accessing services and connecting to resources within the Homelessness
15 Response System to support a permanent exit out of homelessness; and

16 WHEREAS, In October 2023, Resolution No. 458-23 was approved by the Mayor and
17 the Board of Supervisors and authorized the City to negotiate and enter into a new sublease
18 for the Property for continued use as the Program, for a term of two years, commencing on
19 January 13, 2024, with an annual base rent of \$312,000; and

20 WHEREAS, Following approval of the sublease, State Parks requested additional
21 amendments to the approved form of sublease, which were needed for the City to close out
22 final payments for use of the Property, resulting in additional review and further negotiations
23 while the City’s tenancy remained in holdover; and

24 WHEREAS, The Real Estate Division, on behalf of HSH and in consultation with the
25 Office of the City Attorney, has negotiated a new sublease that reflects appropriate

1 signatories, cash rent in place of in-kind rent retroactive from the retroactive commencement
2 date of January 13, 2024, with a sublease expiration date of April 11, 2025, in addition to
3 other agreed upon revisions (“New Sublease”); and

4 WHEREAS, In April 2025, HSH closed the Program, as the program did not meet
5 expectations and the City is moving in a different direction to address vehicular
6 homelessness; and

7 WHEREAS, Base rent shall be \$312,000 per year, with no annual adjustment, as
8 determined by the Director of Property to be fair market value; and

9 WHEREAS, State Parks supports the New Sublease of the Property to the City for
10 continued use as the Bayview Vehicle Triage Center; and

11 WHEREAS, Under Administrative Code, Section 23.27, since the consideration
12 payable by the City is less than \$45 per square foot per year, an independent fair market
13 rental appraisal is not required for approval of the New Sublease; and

14 WHEREAS, The City shall continue to pay for utility and services (janitorial, 24/7
15 staffing) at the Property; and

16 WHEREAS, On September 6, 2023, the Environmental Planning Division of the
17 Planning Department determined that the actions contemplated in this Resolution are not
18 subject to the California Environmental Quality Act, Public Resources Code, Sections 21000
19 et seq. (“CEQA”), pursuant to California law set forth in Assembly Bill 101, California
20 Government Code, Sections 65660 – 65668 (AB 101) (the “CEQA Determination”), a copy of
21 which is on file with the Clerk of the Board of Supervisors in File No. 250651 and is
22 incorporated herein by reference; and

23 WHEREAS, On September 6, 2023, the Planning Department found the actions
24 contemplated in this Resolution are consistent, on balance, with the General Plan and the
25 eight priority policies in Planning Code, Section 101.1 (the “General Plan Referral”), and a

1 copy of the General Plan Referral is on file with the Clerk of the Board of Supervisors in File
2 No. 250651 and is incorporated herein by reference; now, therefore, be it

3 RESOLVED, That in accordance with the recommendation of the Executive Director of
4 HSH and the Director of Property, the Board of Supervisors authorizes the Director of
5 Property, in consultation with the Office of City Attorney and HSH, to enter into the New
6 Sublease; and, be it

7 FURTHER RESOLVED, That the term of the New Sublease shall commence
8 retroactively on January 13, 2024, and expire on April 11, 2025; and, be it

9 FURTHER RESOLVED, The annual base rent for the New Sublease shall be
10 \$312,000, exclusive of utilities and services which are the City's responsibility; and, be it

11 FURTHER RESOLVED, The New Sublease's form will be generally consistent with the
12 Sublease that was previously negotiated and accepted by the City as tenant, and shall include
13 contracting requirements set forth in the City's Administrative Code, subject to any
14 exemptions or waivers applicable to the State; and, be it

15 FURTHER RESOLVED, The Board of Supervisors authorizes the payment of
16 administrative fees, estimated to be no more than \$25,000 to the State of California
17 Department of Parks and Recreation, and other State departments for review and approval of
18 the New Sublease and plans for the proposed improvements to the Property, and, be it

19 FURTHER RESOLVED, The Board of Supervisors finds that the New Sublease and
20 proposed continued use of the Property as a Vehicle Triage Center serves a public purpose
21 for the benefit of the State and the City; and, be it

22 FURTHER RESOLVED, The Board of Supervisors approves the terms as set forth in
23 the New Sublease, and authorizes the Director of Property to take all actions, on behalf of the
24 City, to enter into the New Sublease, and to make any amendments or modifications to the
25 New Sublease that the Director of Property determines, in consultation with the City Attorney,

1 are in the best interests of the City, do not materially increase the obligations or liabilities of
2 the City, and are necessary or advisable to complete the transaction and effectuate the
3 purposes and intent of this Resolution and are in compliance with all applicable laws,
4 including the City Charter; and, be it

5 FURTHER RESOLVED, That the New Sublease will include city indemnification
6 provisions whereby City agrees to defend, indemnify, and hold harmless of the State Lands
7 Commission and State Parks from all liability, loss, cost or obligation on account of or arising
8 out of any such injury or loss, however occurring, except those arising out of the negligence or
9 willful misconduct of State, its employees, agents, and invitees, and in the event State or any
10 of its affiliates, successors, principals, employees, or agents incur any liability, cost, or
11 expense, including attorney's fees and costs, as a result of City's illegal use, storage,
12 transportation, or disposal of any hazardous substance, including any petroleum derivative,
13 City shall indemnify, defend, and hold harmless any of these individuals against such liability;
14 and, be it

15 FURTHER RESOLVED, That any action heretofore taken by any City employee or
16 official with respect to the New Sublease is hereby approved, confirmed and ratified; and, be it

17 FURTHER RESOLVED, That the Board of Supervisors adopts the Planning
18 Department's CEQA Determination and findings in the General Plan Referral as its own,
19 incorporates them into this Resolution, and affirms that the actions in this Resolution are
20 consistent, on balance, with the General Plan and with Planning Code, Section 101.1(b) for
21 the reasons set forth in the General Plan Referral; and, be it

22 FURTHER RESOLVED, That within thirty (30) days following the execution of the
23 Amendment, HSH shall provide a copy of the New Sublease to the Clerk of the Board to
24 include into Board File No. 250651.

25

Funds Available for use in Fiscal Year 2024-2025
\$390,000

Fund ID:	10582 - SR OCOH Nov18 PropCHomelessSvc
Department ID:	203646 - HOM Programs
Project ID:	10036749 – HOM Shelter and Hygiene
Authority ID:	21533 - HOM Shelter and Hygiene
Account ID:	506070 - Programmatic Projects-Budget
Activity ID:	0017 - Vehicle Triage Ctr

/s/
Budget and Analysis Division Director
on behalf of Greg Wagner, Controller

RECOMMENDED:

/s/
Andrico Q. Penick
Director of Property
Real Estate Division

/s/
Shireen McSpadden
Executive Director
Department of Homelessness and Supportive Housing