

1 [Lease of Real Property at 520 Jones Street]

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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 Pacific Bay Inn,**
5 **Inc., as Landlord, for the Pacific Bay Inn located at 520 Jones Street, San Francisco.**

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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 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 having been chronically
12 homeless and 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 Pacific Bay Inn located at 520 Jones Street, owned by Pacific Bay
16 Inn, Inc. (“Landlord”) presents an opportunity to provide clean and stable housing for
17 approximately 75 individuals who have a history of homelessness and may have a disability
18 related to mental health, HIV/AIDS, and/or substance abuse; now, therefore, be it

19 RESOLVED, That in accordance with the recommendation of the Director of Health
20 and the Director of Property, that the Director of Property on behalf of the City and County of
21 San Francisco, as Tenant, be and is hereby authorized to execute a Master Lease with
22 Landlord for the entire premises, excepting the commercial space, located at 520 Jones
23 Street, San Francisco, California, consisting of 75 residential units, office space, storage
24 space and basement comprising an area of approximately 36,264 square feet; and, be it

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1 FURTHER RESOLVED, That the term of this Lease shall begin upon execution and
2 delivery of the lease estimated to be on May 1, 2009 and continue for a ten (10) year period
3 and the City shall have the right to extend the Initial Term for two additional ten (10) year
4 terms subject to the terms and conditions further described in the lease; and, be it

5 FURTHER RESOLVED, That the base rent under the Lease shall be \$550 per
6 residential unit per month, or a total of \$46,200 per month for the residential units. The total
7 rent for the premises being \$46,200 per month for the first twelve months with annual rent
8 increases based on the Consumer Price Index (CPI) for the San Francisco area and to be not
9 less than two percent (2%), nor more than six percent (6%). Rent shall be payable unless
10 funds for rental payments are not appropriated in any subsequent City fiscal year, at which
11 time the City may terminate the Lease with advance notice to the Landlord; and, be it

12 FURTHER RESOLVED, That the Master Lease includes a clause approved by the City
13 Attorney indemnifying and holding harmless the Landlord from, and agreeing to defend the
14 Landlord against, any and all claims, costs and expenses, including without limitation,
15 reasonable attorney's fees, incurred as a result of City's use of the premises, any default by
16 the City in the performance of any of its obligations under the Master Lease, or any acts or
17 omissions of City, its agents or its subtenants in, on or about the premises or the property on
18 which the premises are located; and, be it

19 FURTHER RESOLVED, That the Board of Supervisors authorizes Director of Property
20 to enter into any additions, amendments or other modifications to the Master Lease (including,
21 without limitation, the exhibits) that the Director of Property determines, in consultation with
22 the Department of Public Health and the City Attorney, are in the best interests of the City, do
23 not materially increase the obligations or liabilities of the City, and are necessary or advisable
24 to complete the transaction contemplated in the Lease and effectuate the purpose and intent
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1 of this resolution, such determination to be conclusively evidenced by the execution and
2 delivery by the Director of Property of any amendments thereto.

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4 RECOMMENDED:

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AVAILABLE: \$92,400
Index Code: HCHSHHOUSGGF

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7 Mitchell H. Katz, M.D.
8 Director of Health
9 Department of Public Health

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Controller

10 _____
11 Amy L. Brown
12 Director of Property

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