

1 [Lease of Real Property at 238 Eddy Street]

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3 **Resolution authorizing the Master Lease of the Windsor Hotel at 238 Eddy Street for**
4 **the Department of Public Health.**

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6 WHEREAS, The Department of Public Health has created a "Direct Access to
7 Housing" program, which is designed to secure affordable housing for extremely low-
8 income San Francisco residents by having the City or a nonprofit entity master lease
9 privately owned buildings and then sublease residential units in those buildings to
10 individuals (whether alone or as members of a household) who are medically frail and/or at-
11 risk of homelessness, and/or who have recently exited homeless shelters or residential
12 treatment programs, all of whom are capable of living independently with on-site support
13 services; and,

14 WHEREAS, The Windsor Hotel, located at 238 Eddy Street, owned by TJ-T, LLC
15 ("Landlord"), presents an opportunity to provide clean and stable housing for approximately
16 94 such individuals who otherwise would be circulating through the City's emergency
17 shelter and health systems and provide space for the Housing and Urban Health Clinic
18 ("Clinic"), a Federally Qualified Health Care Clinic, delivering medical, psychiatric and
19 adjunct services to formerly homeless persons now being housed through the Department
20 of Public Health's Direct Access to Housing and Human Services Agency's Housing First
21 models ; and,

22 WHEREAS, The City's master leasing of the Windsor Hotel and subleasing units in
23 the Windsor Hotel to eligible tenants will ensure the proper maintenance and management
24 of the property to serve an at-risk population; and,

1 WHEREAS, Upon the master leasing of the Windsor Hotel, City will contract with a
2 property management company to manage the day-to-day operations of the Windsor Hotel;
3 and,

4 WHEREAS, In addition to the leasing of units to at-risk individuals, the Department
5 of Public Health will also provide a comprehensive array of on-site services including
6 mental health services, life skills development, crisis intervention, access to medical care,
7 and meals; and,

8 WHEREAS, In accordance with the recommendation of the Director of the
9 Department of Public Health, that the Director of Property, on behalf of the City and County
10 of San Francisco, as Tenant, be and hereby is authorized to execute a master lease (the
11 "Master Lease") with Landlord for the Windsor Hotel; and,

12 WHEREAS, The Master Lease shall commence on the first day of the first full month
13 after the date that City's Board of Supervisors approves the Master Lease. The term of the
14 Master Lease shall be ten (10) years with two additional 10-year option periods, at City's
15 option; and,

16 WHERE AS, It is understood that City shall occupy the Windsor Hotel for the entire
17 lease term, as it may be extended, unless funds for rental payments are not appropriated in
18 any subsequent fiscal year, at which time City may terminate the Master Lease with
19 advance notice to Landlord; and,

20 WHEREAS, The base rent shall be \$50,625.15 per month consisting of \$45,443.84
21 for the residential premises and \$5,181.31 for the Clinic premises; now, therefore, be it

22 RESOLVED, That the Master Lease may include an appropriate clause (in a form
23 approved by the Director of Property and the City Attorney), indemnifying and holding
24 harmless the Landlord from and agreeing to defend the Landlord against any and all
25 claims, costs and expenses, including without limitation, reasonable attorney's fees,

1 incurred as a result of City's use of the premises, any default by the City in the performance
2 of any of its obligations under the Master Lease, or any acts or omissions of City, its agents
3 or its subtenants in, on or about the premises or the property on which the premises are
4 located, excluding those claims, costs and expenses incurred as a result of the act or
5 omission of Landlord or its agents; and, be it

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

15 FURTHER RESOLVED, That any action taken by the Director of Property and other
16 relevant officers of the City with respect to the exercise of the Master Lease as set forth
17 herein is hereby ratified and affirmed; and be it

18 FURTHER RESOLVED, That said Master Lease shall be subject to certification of
19 funds by the Controller pursuant to Section 3.105 of the Charter; and be

20 FURTHER RESOLVED, That the City Attorney shall approve the form of the Master
21 Lease and any related documents.

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1 RECOMMENDED:

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3 _____
4 Mitchell H. Katz, M.D.
5 Director, Department of Public Health

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7 _____
8 Amy L. Brown, Director of Property

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10 \$354,376.05 Available
11 Appropriation No. HCHSHHOUSGGF and HCHAPURBNCLN

12
13 _____
14 Controller