

1 [Sublease Amendment - Haight Ashbury Free Clinics - Walden House]

2

3 **Resolution authorizing the execution of a Third Amendment to Sublease and Consent**  
4 **to Assignment between the Treasure Island Development Authority and Haight**  
5 **Ashbury Free Clinics, Inc., dba Haight Ashbury Free Clinics - Walden House, for**  
6 **premises located at 1440 Chinook Court.**

7

8 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,  
9 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit  
10 corporation known as the Treasure Island Development Authority (the "Authority") to act as a  
11 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and  
12 conversion of former Naval Station Treasure Island (the "Base") for the public interest,  
13 convenience, welfare and common benefit of the inhabitants of the City and County of San  
14 Francisco (the "City"); and,

15 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended  
16 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter  
17 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) authorized the Board of  
18 Supervisors to designate the Authority as a redevelopment agency under California  
19 Community Redevelopment Law ("CRL") with authority over the Base upon approval of the  
20 City's Board of Supervisors, and, (ii) with respect to those portions of the Base which are  
21 subject to the Tidelands Trust, vested in the Authority the authority to administer the public  
22 trust for commerce, navigation and fisheries as to such property; and,

23 WHEREAS, The Board of Supervisors approved the designation of the Authority as a  
24 redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated  
25 February 6, 1998, however, the Authority is not exercising any of its redevelopment powers

1 under CRL in connection with the reuse and development of the Base, and no redevelopment  
2 project area or redevelopment plan has been adopted for the Base; and,

3 WHEREAS, Between 1996 and 1999, the City and the Authority negotiated a series of  
4 agreements that provided the basis for the housing programs on Treasure Island, and on  
5 September 1, 1999, the US Navy and the Authority entered into Navy Lease No.  
6 N6247499RP00B19, the Treasure Island Housing Lease; and,

7 WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless  
8 Assistance Act of 1994, the Treasure Island Homeless Development Initiative (“TIHDI”) and  
9 the City negotiated a Base Closure Homeless Assistance Agreement and Option to Sublease  
10 Real Property (the “TIHDI Agreement”), which was endorsed by the City’s Board of  
11 Supervisors and approved by the United States Department of Housing and Urban  
12 Development in connection with the City’s Homeless Assistance Submission and Reuse Plan  
13 for the Base; and,

14 WHEREAS, Under the TIHDI Agreement, TIHDI among other things was granted the  
15 right, upon the satisfaction of certain conditions precedent, to have one or more of its member  
16 organizations sublease certain housing units on the Base, as more particularly described in  
17 the TIHDI Agreement; and,

18 WHEREAS, Walden House, a California nonprofit corporation (“Walden House), and a  
19 member organization of TIHDI, provides direct assistance to homeless men and women in  
20 need of transitional and supportive housing, offers support services and running weekly  
21 groups for its residents, and its residents are linked into existing Walden House workforce  
22 development and re-entry services; and,

23 WHEREAS, In furtherance of the Homeless Assistance Submission and the TIHDI  
24 Agreement, on September 1, 1999, the Authority and Walden House, entered into a Sublease  
25 for 14 units and related premises, as authorized by Board of Supervisors Resolution No. 149-

1 99; on June 15, 2001, the Authority and Walden House entered into the First Amendment to  
2 the Sublease to add 6 housing units to their premises, as authorized by Board of Supervisors  
3 Resolution No. 738-00; and on April 11, 2007, the Authority Board approved and executed a  
4 Second Amendment to the Sublease that added an additional 12 units to the Premises,  
5 adjusted the Common Area Maintenance (CAM) charges, and increased utility charges as  
6 authorized by Board of Supervisors Resolution No. 391-07; and,

7 WHEREAS, In 1997, Haight Ashbury Free Clinics, Inc. ("HAFCI"), a TIHDI member  
8 organization, subleased from the Authority three (3) six-plex buildings located at 1440, 1441  
9 and 1443 Chinook Ct., as authorized by Board of Supervisors Resolution No. 149-99, and  
10 occupied these buildings until summer of 2010 when they lost their funding from the  
11 Department of Public Health and vacated the premises in December 2010; and,

12 WHEREAS, In January 2011, after HAFCI vacated the premises, TIHDI conducted a  
13 walk through and Physical Needs Assessment to determine the extent of the renovation  
14 necessary to reoccupy these units, and surveyed its members to see who had the need,  
15 capacity and resources to renovate and occupy the units in a timely fashion; and,

16 WHEREAS, Walden House indicated an interest in occupying some of the units and  
17 submitted a proposal to TIHDI, and based on their program, capacity and financial plan as  
18 well as their strong track record of providing transitional housing on Treasure Island, was  
19 approved by TIHDI to move forward with obtaining 1440 Chinook Ct. through a sublease  
20 amendment with the Authority; and,

21 WHEREAS, On May 21, 2011, HAFCI and Walden House entered into the Agreement  
22 of Merger that was filed with the California Secretary of State on July 1, 2011 whereby HAFCI  
23 and Walden House determined that it was in the best interests of their respective corporations  
24 that Walden House and HAFCI merge into Haight Ashbury Free Clinics, Inc., a California  
25

1 nonprofit public benefit corporation doing business as Haight Ashbury Free Clinics – Walden  
2 House (“HAFCI – Walden House”); and,

3 WHEREAS, Under the proposed Third Amendment, HAFCI – Walden House is  
4 requesting to expand their premises to include 1440 Chinook Ct., and increase the Common  
5 Area Maintenance Charges to \$1,801.88 per month; and

6 WHEREAS, This Third Amendment was approved by the Authority Board of Directors  
7 at its September 14, 2011 meeting; and,

8 WHEREAS, Because the cumulative term of the Sublease exceeds ten (10) years, the  
9 Authority is requesting that the Board of Supervisors approve the Third Amendment to  
10 Sublease as required by the Authority’s Bylaws; now, therefore, be it

11 RESOLVED, That the Board of Supervisors hereby approves and authorizes the  
12 Director of Island Operations of the Authority or her designee to execute and enter into the  
13 Third Amendment to Sublease and Consent to Assignment with HAFCI-Walden House in  
14 substantially the form filed with the Clerk of the Board of Supervisors in File No. 111243, and  
15 any additions, amendments or other modifications to such Third Amendment (including,  
16 without limitation, its exhibits) that the Director of Island Operations of the Authority or her  
17 designee determines, in consultation with the City Attorney, are in the best interests of the  
18 Authority and do not otherwise materially increase the obligations or liabilities of the Authority,  
19 and are necessary or advisable to effectuate the purpose and intent of this resolution.

20  
21  
22  
23  
24  
25