

File No. 111242

Committee Item No. 5

Board Item No. 20

### COMMITTEE/BOARD OF SUPERVISORS

#### AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee

Date: January 11, 2012

Board of Supervisors Meeting

Date 1/24/12

#### Cmte Board

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| <input type="checkbox"/>            | <input type="checkbox"/>            | Legislative Digest                           |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Budget & Legislative Analyst Report          |
| <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | Ethics Form 126                              |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Introduction Form (for hearings)             |
| <input type="checkbox"/>            | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
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| <input type="checkbox"/>            | <input type="checkbox"/>            | Grant Information Form                       |
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#### OTHER

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Completed by: Victor Young

Date: January 6, 2012

Completed by: Victor Young

Date: 1-18-12

An asterisked item represents the cover sheet to a document that exceeds 25 pages. The complete document is in the file.

1 [Sublease Amendment - Swords to Plowshares, Inc. - 1441 and 1443 Chinook Court]

2 **Resolution authorizing the execution of a Second Amendment to Sublease between**  
3 **the Treasure Island Development Authority and Swords to Plowshares, Inc., for**  
4 **premises located at 1441 and 1443 Chinook Court.**

5  
6 WHEREAS, On May 2, 1997, the Board of Supervisors passed Resolution No. 380-97,  
7 authorizing the Mayor's Treasure Island Project Office to establish a nonprofit public benefit  
8 corporation known as the Treasure Island Development Authority (the "Authority") to act as a  
9 single entity focused on the planning, redevelopment, reconstruction, rehabilitation, reuse and  
10 conversion of former Naval Station Treasure Island (the "Base") for the public interest,  
11 convenience, welfare and common benefit of the inhabitants of the City and County of San  
12 Francisco (the "City"); and,

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

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

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, Swords to Plowshares, Inc., a California nonprofit corporation ("Swords to  
19 Plowshares"), and a member organization of TIHDI, provides direct assistance to veterans  
20 by providing emergency, transitional supportive and permanent supportive housing for  
21 homeless veterans, crisis intervention and counseling for veterans with mental health  
22 concerns ranging from post traumatic stress disorder through addiction and recovery,  
23 vocational training including support in passing the California General Education Development  
24 Test (GED), as well as obtaining an Associates of Art degree from local community colleges,  
25 and job training and placement to veterans nationwide; and,

1           WHEREAS, In furtherance of the Homeless Assistance Submission and the TIHDI  
2 Agreement, on September 1, 1999, the Authority and Swords to Plowshares entered into a  
3 Sublease for twenty four (24) residential units and related premises, as authorized by Board of  
4 Supervisors Resolution No. 149-99, and on April 11, 2007, the Authority Board approved and  
5 executed a First Amendment to Sublease to Increase Utility Rates from \$236.87 to \$255.00  
6 per unit per month, as authorized by Board of Supervisors Resolution No. 394-07; and,

7           WHEREAS, In 1997, the 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, Swords to Plowshares indicated an interest in occupying some of the units  
17 and submitted a proposal to TIHDI, and based on their program, capacity and financial plan  
18 as well as their strong track record of providing transitional housing on Treasure Island, was  
19 approved by TIHDI to move forward with obtaining 1441 and 1443 Chinook Ct. through a  
20 sublease amendment with the Authority; and,

21           WHEREAS, Under the proposed Second Amendment, Swords to Plowshares is  
22 requesting to expand their premises to include 1441 and 1443 Chinook Ct., and increase the  
23 Common Area Maintenance Charges to \$1,720.08 per month; and,

24           WHEREAS, This Second Amendment was approved by the Authority Board of Directors at its  
25 September 14, 2011 meeting; and,

1           WHEREAS, Because the cumulative term of the Sublease exceeds ten (10) years, the  
2 Authority is requesting that the Board of Supervisors approve the Second Amendment to  
3 Sublease, as required by the Authority's Bylaws; now, therefore, be it

4           RESOLVED, That the Board of Supervisors hereby approves the Second Amendment  
5 to Sublease with Swords to Plowshares, Inc., a California nonprofit corporation, to expand  
6 their premises to include 1441 and 1443 Chinook Court and increase the Common Area  
7 Maintenance Charges to \$1,720.08 per month, and authorizes the Director of Island  
8 Operations or her designee to execute said Second Amendment substantially the form filed  
9 with the Clerk of the Board of Supervisors in File No. 111242, and any additions, amendments  
10 or other modifications to such Second Amendment (including, without limitation, its exhibits)  
11 that the Director of Island Operations of the Authority or her designee determines, in  
12 consultation with the City Attorney, are in the best interests of the Authority and do not  
13 otherwise materially increase the obligations or liabilities of the Authority, and are necessary  
14 or advisable to effectuate the purpose and intent of this resolution.  
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**Items 4, 5 and 6****Files 11-1241, 11-1242 and 11-1243****Department(s):**

Treasure Island Development Authority (TIDA)

**EXECUTIVE SUMMARY****Legislative Objectives**

- File No. 11-1241: The proposed resolution would approve the 36th Amendment to the Treasure Island Land and Structures Master Lease between the Treasure Island Development Authority (TIDA) and the U.S. Navy to add Building 449 located at Avenue C and 4<sup>th</sup> Street.
- File No. 11-1242: The proposed resolution would authorize the execution of the Second Amendment to the Sublease between TIDA and Swords to Plowshares Inc., a non-profit organization, for the premises located at 1441 and 1443 Chinook Court.
- File No. 11-1243: The proposed resolution would authorize the execution of the Third Amendment to the Sublease between TIDA and Walden House for premises located at 1440 Chinook Court, and approve a Consent to Assignment to reassign the sublease to Walden House to Walden House/Haight Ashbury Free Clinics, Inc. recognizing the merger of Walden House and the Haight/Ashbury Free Clinics.

**Key Points**

- File No. 11-1241: On November 19, 1998, TIDA and the U.S. Navy (a) entered into a Land and Structures Master Lease to use and sublease certain land, structures, and facilities at no cost to TIDA.
- On September 1, 1999, TIDA entered into a Treasure Island Housing Lease with the US Navy for 375 housing units that TIDA could sublease to non-profits for affordable and supportive housing. The Treasure Island Housing Lease expires on August 31, 2014, as do the individual subleases between TIDA and non-profit organizations that provide housing assistance on Treasure Island.
- File No. 11-1242: On September 1, 1999, Swords to Plowshares Inc., a nonprofit organization, entered into a sublease with TIDA for 24 residential housing units and related property to provide emergency and supportive housing services for homeless veterans and counseling and mental health services.
- File No. 11-1243: On September 1, 1999, Walden House, a nonprofit organization, entered into a sublease with TIDA for 14 residential housing units and related property for formerly homeless, rehabilitative housing, which was subsequently amended to increase the number of residential housing units by 18 units for a total of 32 housing units.

**Fiscal Analysis**

- File No. 11-1241: TIDA would lease Building 449 at no additional rental cost to TIDA. While minor utilities cost would accrue until the property is leased, TIDA estimates that the commercial lease of Building 449 will result in approximately \$75,000 annually for TIDA.
- File No. 11-1242: Under the proposed Second Amendment, Common Area Maintenance charges and utility charges paid by Swords to Plowshares Inc. to TIDA would increase from \$7,267 per month to \$10,900 per month, or a total increase \$3,633 per month, or \$43,596 annually.
- File No. 11-1243: Under the proposed Third Amendment, the Common Area Maintenance charges and utility charges paid by Walden House/Haight Ashbury Free Clinics, Inc. would increase from \$9,675 per month to \$11,492 per month, or a total increase of \$1,817 per month or \$21,804 annually.

**Recommendation**

- Approve the three proposed resolutions.

**MANDATE STATEMENT/ BACKGROUND**

**Mandate Statement**

In accordance with Charter Sections 9.118(b) and 9.118(c) and Treasure Island Development Authority Bylaws Article V Section 2(l), any agreements or leases with a term of ten years or more and/or with more than \$10,000,000 of expenditures is subject to Board of Supervisors approval.

**Background**

File No. 11-1241: On November 19, 1998, the Treasure Island Development Authority (TIDA) and the U.S. Navy entered into a Land and Structures Master Lease to use and sublease certain land, structures, and facilities at no cost to TIDA.

As shown in the Table below, since 1998, there have been 35 amendments to the original Land and Structures Master Lease.

**Table 1: Previous Amendments to the Land and Structures Master Lease**

	Board of Supervisors Approval	File Numbers	Date
Amendments 1-29	No	None	Various
Amendments 30-32	Yes	09-0759, 09-0760, 09-0761	August 6, 2009
Amendment 33Y	es	09-1124	November 6, 2009
Amendment 34Y	es	10-0781	July 20, 2010
Amendment 35Y	es	11-0684	September 13, 2011

*Treasure Island Housing Lease and Subleases*

On September 1, 1999, TIDA entered into a Treasure Island Housing Lease with the US Navy for 375 housing units that TIDA could then sublease to non-profits to provide affordable housing and supportive housing services. This Treasure Island Housing Lease with the US Navy expires on August 31, 2014.

File No. 11-1242: On September 1, 1999, Swords to Plowshares Inc., a nonprofit organization, entered into a sublease with TIDA for 24 residential housing units and related property to provide emergency and supportive housing services for homeless veterans and counseling and mental health services. The term of this original sublease was 15 years from September 1, 1999 through August 31, 2014, which included Common Area Maintenance fees and utility charges that covered the cost to TIDA of maintaining the 24 residential housing units, but did not require any rent to be paid by Swords to Plowshares Inc. to TIDA.

On April 11, 2007, a First Amendment to this sublease, approved by the Board of Supervisors (File 07-0706) increased utility charges from \$236.87 per unit per month to \$255 per unit per month.

File No. 11-1243: On September 1, 1999, Walden House, a nonprofit organization, entered into a sublease with TIDA for 14 residential housing units and related property to provide housing for formerly homeless individuals. The term of this original sublease was 15 years from September

1, 1999 through August 31, 2014 and included Common Area Maintenance fees and utility charges but did not require any rent to be paid by Walden House to TIDA.

The First and Second Amendments to this sublease<sup>1</sup> increased the number of residential housing units by a total of 18 units for a total of 32 housing units, and the Second Amendment (File 07-0707) increased the Common Area Maintenance charges from \$663 per month to \$1,515 per month to reflect the additional housing units and increased utility charges from \$236.87 per unit per month to \$255 per unit per month.

#### *Haight Ashbury Free Clinic Separate Lease*

In December of 2010, under a separate sublease with TIDA, the Haight Ashbury Free Clinic, a nonprofit organization, vacated all 32 of its residential housing units on Treasure Island, including the properties located at 1440, 1441, and 1443 Chinook Court, after losing its funding from the Department of Public Health. As of July 1, 2011, Walden House absorbed the Haight Ashbury Free Clinic and the resulting non-profit organization became the Walden House/ Haight Ashbury Free Clinics.<sup>2</sup>

### **DETAILS OF PROPOSED LEGISLATION**

File 11-1241: The proposed resolution would approve the 36th Amendment to the Treasure Island Land and Structures Master Lease between TIDA and the U.S. Navy to add Building 449 located at Avenue C and 4<sup>th</sup> Street at no cost to TIDA.

Building 449 is a 13,000 square foot vacant concrete structure which TIDA intends to use for commercial leasing opportunities such as storage, light industrial, or warehouse space. Mr. Peter Summerville, Leasing Manager for TIDA, estimates that Building 449 will generate approximately \$75,000 in annual rent from the commercial leasing of the building. The TIDA Board of Directors approved the proposed 36th Amendment to the Land and Structures Master Lease on October 12, 2011.

File 11-1242: The proposed resolution would authorize the execution of the Second Amendment to the sublease between TIDA and Swords to Plowshares Inc. to add 1441 and 1443 Chinook Court to the sublease. 1441 and 1443 Chinook Court are both residential buildings consisting of six housing units each, for a total of 12 new housing units, located on the northwest side of Treasure Island. The addition of 12 housing units to the existing sublease of 24 housing units will provide Swords to Plowshares Inc. with a total of 36 housing units on Treasure Island. The proposed resolution would not change the term of the existing sublease between TIDA and Swords to Plowshares Inc., which expires on August 31, 2014.

File 11-1243: The proposed resolution would authorize the execution of the Third Amendment to the sublease between TIDA and Walden House to add 1440 Chinook Court to the sublease and approve a Consent to Assignment to assign the sublease from Walden House to the newly

<sup>1</sup> The First Amendment was approved by the TIDA Board on June 15, 2001 but was not required to be approved by the Board of Supervisors. The Second Amendment (File 07-0707) was approved by the Board of Supervisors on July 17, 2007.

<sup>2</sup> 1440, 1441, and 1443 Chinook Court were unoccupied for approximately eight months from January 2011 through August of 2011. As of September 1, 2011, these units were subleased under month-to-month space use permits to Swords to Plowshares and Walden House/Haight Ashbury Free Clinics, the proposed sublessees.



formed Walden House/Haight Ashbury Free Clinics, Inc. recognizing the merger of Walden House and the Haight/Ashbury Free Clinics.

1440 Chinook Court is a residential building consisting of six housing units, located on the northwest side of Treasure Island. The addition of six housing units to the existing sublease of 32 housing units will provide Walden House/Haight Ashbury Free Clinics with a total of 38 housing units on Treasure Island. The proposed resolution would not change the term of the existing sublease between TIDA and Walden House/Haight Ashbury Free Clinics, which expires on August 31, 2014.

**FISCAL ANALYSIS**

File 11-1241: In accordance with the proposed 36th Amendment of the Land and Structures Master Lease agreement, TIDA will acquire Building 449 at no cost. However, the Budget and Legislative Analyst notes that there will be unspecified costs to TIDA for monthly maintenance and utility expenses until a tenant subleases this commercial space from TIDA. According to Mr. Summerville, TIDA estimates that the commercial lease of Building 449 will result in approximately \$75,000 annually for TIDA.

Files 11-1242 and 11-1243: In accordance with the existing subleases, Swords to Plowshares Inc. and Walden House/Haight Ashbury Free Clinics do not currently pay any monthly rent to TIDA. However, both nonprofit organizations are currently charged utilities costs of \$255 per unit per month and Common Area Maintenance charges determined by the amount of space leased to cover TIDA's costs.

Table 2 below shows the current monthly costs, the proposed additional costs and the proposed total monthly costs for utilities and for the common area maintenance charges for each of the two nonprofit organizations:

		Current Monthly Costs	Proposed Additional Costs	Proposed Total Monthly Costs
<b>11-1242</b>	<b>Swords to Plowshares Inc.</b>			
	Utilities	\$6,120	\$3,060	\$9,180
	Common Area Maintenance Charges	1,147	573	1,720
	<b>Total:</b>	<b>\$7,267</b>	<b>\$3,633</b>	<b>\$10,900</b>
<b>11-1243</b>	<b>Walden House / Haight Ashbury Free Clinics</b>			
	Utilities	\$8,160	\$1,530	\$9,690
	Common Area Maintenance Charges	1,515	287	1,802
	<b>Total:</b>	<b>\$9,675</b>	<b>\$1,817</b>	<b>\$11,492</b>

As shown in Table 2 above, under the proposed Second Amendment, Common Area Maintenance charges and utility charges paid by Swords to Plowshares Inc. to TIDA would increase from \$7,267 per month to \$10,900 per month, or a total increase \$3,633 per month, or

\$43,596 annually. As also shown above in Table 2, under the proposed Third Amendment, the Common Area Maintenance charges and utility charges paid by Walden House/Haight Ashbury Free Clinics, Inc. would increase from \$9,675 per month to \$11,492 per month, or a total increase of \$1,817 per month or \$21,804 annually.

## RECOMMENDATION

Approve the three proposed resolutions.

CITY & COUNTY OF SAN FRANCISCO

TREASURE ISLAND DEVELOPMENT AUTHORITY

ONE AVENUE OF THE PALMS,  
2<sup>ND</sup> FLOOR, TREASURE ISLAND  
SAN FRANCISCO, CA 94130  
(415) 274-0660 FAX (415) 274-0299  
WWW.SFTREASUREISLAND.ORG



MIRIAN SAEZ  
DIRECTOR OF ISLAND OPERATIONS

RECEIVED  
BOARD OF SUPERVISORS  
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2011 NOV -9 PM 1:00  
BY [Signature]

November 8, 2011

Ms. Angela Calvillo  
Clerk of the Board  
San Francisco Board of Supervisors  
1 Dr. Carlton B. Goodlett Place, Room 244  
San Francisco, CA 94102

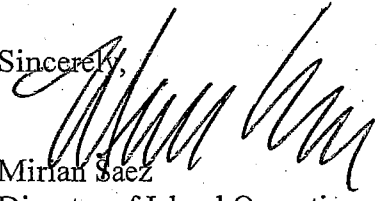
Dear Ms. Calvillo

The Treasure Island Development Authority ("TIDA") requests that the following three pieces of legislation be formally introduced at the Board of Supervisors and calendared for hearing and consideration of approval at the Boards earliest convenience:

- 111241 - Amendment of the Treasure Island Land and Structures Master Lease between TIDA and the United States Navy
- 242 - Amendment of the Housing Sublease between TIDA and Swords to Plowshares
- 11243 - Amendment of the Housing Sublease and Consent to Assignment between TIDA and Haight Ashbury Free Clinics-Walden House

Please find enclosed one original and four copies of the materials for each item. Thank you for your attention to this matter. Should your office have any questions, please do not hesitate to contact me at 415-274-0669.

Sincerely,

  
Mirian Saez  
Director of Island Operations

Cc: file

11:24

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**SECOND AMENDMENT TO SUBLEASE**

*R*

**THIS SECOND AMENDMENT TO SUBLEASE** (this "Second Amendment"), dated for reference purposes only as of September 14, 2011, is by and between the TREASURE ISLAND DEVELOPMENT AUTHORITY, a California nonprofit public benefit corporation ("Sublandlord"), and SWORDS TO PLOWSHARES, INC., a California nonprofit corporation ("Subtenant").

**RECITALS**

**A.** Sublandlord and Subtenant entered into that certain Sublease dated for reference purposes as of September 1, 1999 (the "Original Sublease"), pursuant to which Sublandlord agreed to sublease to Subtenant twenty four (24) housing units and related premises located on former Naval Station Treasure Island, San Francisco, California (the "Base"), as more particularly described in the Original Sublease (the "Original Premises"). The Original Sublease was amended pursuant to a First Amendment to Sublease dated as of July 1, 2007 (the "First Amendment"), to increase the utility rates. The Original Sublease and the First Amendment are collectively referred to as the "Sublease." All capitalized terms used herein but not otherwise defined shall have the meaning given to them in the Sublease.

**B.** Sublandlord and Subtenant desire to amend the Sublease to, among other things, (i) expand the Premises to include an additional twelve (12) housing units and related facilities, and (ii) increase the common area maintenance charges on the terms and conditions set forth in this Second Amendment.

NOW THEREFORE, in consideration of the mutual covenants herein contained and for other good and valuable consideration, Sublandlord and Subtenant hereby amend the Sublease as follows:

**AGREEMENT**

1. **Recitals.** The foregoing recitals are true and correct and are incorporated herein by this reference as if fully set forth herein.
2. **Effective Date.** The effective date of this Second Amendment shall be the later of (i) the date Sublandlord and the City's Board of Supervisors adopt resolutions approving and authorizing this Second Amendment, and the Mayor approves such Board of Supervisors resolution, and (ii) the date on which Sublandlord and Subtenant have duly executed and delivered this Second Amendment (the "Effective Date").
3. **Expansion Premises.** As of the Effective Date, the Original Premises shall be expanded to include an additional twelve (12) housing units and related facilities on the Base commonly known as 1441 and 1443 Chinook Court and more particularly shown on Exhibit C-1 attached hereto (the "Expansion Premises", and together with the Original Premises, the "Premises"). The Premises, containing a total of thirty-six (36) housing units and related facilities, are shown on Exhibit C-2, attached hereto.

c. **Amendment of Section 20.9 (Prevailing Wages for Construction Work)**. Section 20.9 of the Sublease is deleted in its entirety and replaced with the following:

**20.9. Wages and Working Conditions.** Subtenant agrees that any person performing labor in the construction of any tenant improvements and any Alterations to the Premises, which Subtenant provides under this Sublease, shall be paid not less than the highest prevailing rate of wages as required by Section 6.22(E) of the San Francisco Administrative Code, shall be subject to the same hours and working conditions, and shall receive the same benefits as in each case are provided for similar work performed in San Francisco, California. Subtenant shall include, in any contract for construction of such tenant improvements and Alterations, a requirement that all persons performing labor under such contract shall be paid not less than the highest prevailing rate of wages for the labor so performed. Subtenant shall require any contractor to provide, and shall deliver to Sublandlord upon request, certified payroll reports with respect to all persons performing labor in the construction of such tenant improvement work or any Alterations to the Premises."

d. **New Sections 20. 11 through 20.22.** The following new Sections 20.11 through 20.22 are hereby added to the end of the Sublease:

**20.11. Local Hiring.** Subtenant further agrees to use good faith efforts to hire residents of the City and County of San Francisco at all levels of Subtenant's personnel needs and to contract with local businesses for Subtenant's purchase of supplies, materials, equipment or services.

**20.12. Pesticide Prohibition.** Subtenant shall comply with the provisions of Section 308 of Chapter 3 of the San Francisco Environment Code (the "Pesticide Ordinance") which (i) prohibit the use of certain pesticides on City property, (ii) require the posting of certain notices and the maintenance of certain records regarding pesticide usage and (iii) require Subtenant to submit to Sublandlord an integrated pest management ("IPM") plan that (a) lists, to the extent reasonably possible, the types and estimated quantities of pesticides that Subtenant may need to apply to the Premises during the terms of this Sublease, (b) describes the steps Subtenant will take to meet the City's IPM Policy described in Section 300 of the Pesticide Ordinance and (c) identifies, by name, title, address and telephone number, an individual to act as Subtenant's primary IPM contact person with the City. In addition, Subtenant shall comply with the requirements of Sections 303(a) and 303(b) of the Pesticide Ordinance.

**20.13. First Source Hiring Ordinance.** The City has adopted a First Source Hiring Ordinance (Board of Supervisors Ordinance No. 264 98) which establishes specific requirements, procedures and monitoring for first source hiring of qualified economically disadvantaged individuals for entry level positions. Within thirty (30) days after Sublandlord adopts a First Source Hiring

(b) Notwithstanding the above, if Subtenant is a small business as defined in Section 12Q.3(d) of the HCAO, it shall have no obligation to comply with Subsection (a) above.

(c) Subtenant's failure to comply with the HCAO shall constitute a material breach of this Sublease. Sublandlord shall notify Subtenant if such a breach has occurred. If, within thirty (30) days after receiving City's written notice of a breach of this Sublease for violating the HCAO, Subtenant fails to cure such breach or, if such breach cannot reasonably be cured within such period of thirty (30) days, Subtenant fails to commence efforts to cure within such period, or thereafter fails diligently to pursue such cure to completion, Sublandlord shall have the right to pursue the remedies set forth in Section 12Q.5(f)(1-5). Each of these remedies shall be exercisable individually or in combination with any other rights or remedies available to Sublandlord.

(d) Any Subcontract entered into by Subtenant shall require the Subcontractor to comply with the requirements of the HCAO and shall contain contractual obligations substantially the same as those set forth in this Section. Subtenant shall notify City's Purchasing Department when it enters into such a Subcontract and shall certify to the Purchasing Department that it has notified the Subcontractor of the obligations under the HCAO and has imposed the requirements of the HCAO on Subcontractor through the Subcontract. Each Subtenant shall be responsible for its Subcontractors' compliance with this Chapter. If a Subcontractor fails to comply, the Sublandlord may pursue the remedies set forth in this Section against Subtenant based on the Subcontractor's failure to comply, provided that Sublandlord has first provided Subtenant with notice and an opportunity to obtain a cure of the violation.

(e) Subtenant shall not discharge, reduce in compensation, or otherwise discriminate against any employee for notifying Sublandlord with regard to Subtenant's compliance or anticipated compliance with the requirements of the HCAO, for opposing any practice proscribed by the HCAO, for participating in proceedings related to the HCAO, or for seeking to assert or enforce any rights under the HCAO by any lawful means.

(f) Subtenant represents and warrants that it is not an entity that was set up, or is being used, for the purpose of evading the intent of the HCAO.

(g) Subtenant shall keep itself informed of the current requirements of the HCAO.

(h) Subtenant shall provide reports to Sublandlord in accordance with any reporting standards promulgated by Sublandlord under the HCAO, including reports on Subcontractors and Subtenants, as applicable.

**20.19. Preservative-Treated Wood Containing Arsenic.** As of July 1, 2003, Subtenant may not purchase preservative-treated wood products containing arsenic in the performance of this Sublease unless an exemption from the requirements of Environment Code Chapter 13 is obtained from the Department of Environment under Section 1304 of the Environment Code. The term "preservative-treated wood containing arsenic" shall mean wood treated with a preservative that contains arsenic, elemental arsenic, or an arsenic copper combination, including, but not limited to, chromated copper arsenate preservative, ammoniac copper zinc arsenate preservative, or ammoniacal copper arsenate preservative. Subtenant may purchase preservative-treated wood products on the list of environmentally preferable alternatives prepared and adopted by the Department of Environment. This provision does not preclude Subtenant from purchasing preservative-treated wood containing arsenic for saltwater immersion. The term "saltwater immersion" shall mean a pressure-treated wood that is used for construction purposes or facilities that are partially or totally immersed in saltwater.

**20.20. Resource Efficient City Buildings and Pilot Projects.** Subtenant acknowledges that the City and County of San Francisco has enacted San Francisco Environment Code Sections 700 to 707 relating to resource-efficient City buildings and resource-efficient pilot projects. Subtenant hereby agrees that it shall comply with all applicable provisions of such code sections.

**20.21. Food Service Waste Reduction.** Subtenant agrees to comply fully with and be bound by all of the provisions of the Food Service Waste Reduction Ordinance, as set forth in the San Francisco Environment Code, Chapter 16, including the remedies provided, and implementing guidelines and rules. The provisions of Chapter 16 are incorporated herein by reference and made a part of this Sublease as though fully set forth. This provision is a material term of this Sublease. By entering into this Sublease, Subtenant agrees that if it breaches this provision, Sublandlord will suffer actual damages that will be impractical or extremely difficult to determine; further, Subtenant agrees that the sum of One Hundred Dollars (\$100.00) liquidated damages for the first breach, Two Hundred Dollars (\$200.00) liquidated damages for the second breach in the same year, and Five Hundred Dollars (\$500.00) liquidated damages for subsequent breaches in the same year is a reasonable estimate of the damage that Sublandlord will incur based on the violation, established in light of the circumstances existing at the time this Sublease was made. Such amounts shall not be considered a penalty, but rather agreed monetary damages sustained by Sublandlord because of Subtenant's failure to comply with this provision.

**20.22. Estoppel Certificates.** At any time and from time to time, within ten (10) days after Sublandlord's request, Subtenant will execute, acknowledge and deliver to Sublandlord a statement certifying the following matters: (a) the Commencement Date and Expiration Date of this Sublease; (b) that this Sublease is unmodified and in full force and effect (or if there have been modifications, that

IN WITNESS WHEREOF, Sublandlord and Subtenant have executed this Second Amendment to Sublease at San Francisco, California, as of the date first above written.

**SUBLANDLORD:**

**TREASURE ISLAND DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Mirian Saez  
Director of Island Operations

**SUBTENANT:**

**SWORDS TO PLOWSHARES, INC.,  
a California nonprofit corporation**

By: \_\_\_\_\_

Its: \_\_\_\_\_

**APPROVED AS TO FORM:**

**DENNIS J. HERRERA, City Attorney**

By: Eileen M. Malley

Name: Eileen M. Malley  
Deputy City Attorney

Amendment Prepared By: Richard A. Rovetti, Deputy Director of Real Estate \_\_\_\_\_  
(initial)



**Treasure Island Development Authority  
City and County of San Francisco**

**Resolution Authorizing the Execution of a Second Amendment to Sublease between the Treasure Island Development Authority and Swords to Plowshares, Inc., for Premises Located at 1441 and 1443 Chinook Court**

**SUMMARY OF PROPOSED ACTION:**

This item seeks approval and authorization to execute the Second Amendment to Sublease between the Treasure Island Development Authority (the "Authority") and Swords to Plowshares, Inc., a California nonprofit corporation for sublease of housing units on Treasure Island.

**BACKGROUND:**

Swords to Plowshares, Inc. is a member organization of the Treasure Island Homeless Development Initiative ("TIHDI"), provides direct assistance to veterans in a comprehensive peer support and care model through a Vets-helping-Vets mentorship approach. It provides emergency, transitional supportive and permanent supportive housing for homeless veterans. It also provides crisis intervention and counseling for veterans with mental health concerns ranging from post-traumatic stress disorder through addiction and recovery. Vocational training includes support in passing the California General Education Development Test (GED) as well as obtaining an Associates of Art degree from local community colleges. Through its peer support network, it provides training and job placement to veterans nationwide.

Between 1996 and 1999, the City and County of San Francisco and the Authority negotiated a series of agreements that provided the basis for the housing programs on Treasure Island. On November 26, 1996, the Department of Housing and Urban Development approved the City's Homeless Assistance Submission and Base Reuse Plan for Treasure Island, which among other things, provided member organizations of TIHDI options to lease up to 375 units of housing on Treasure Island and Yerba Buena Island. On September 1, 1999, the US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure Island Housing Lease, for the initial residential units that were provided to TIHDI member organizations.

In furtherance of the Homeless Assistance Submission, on September 1, 1999, the Authority and Swords to Plowshares entered into a Sublease for twenty four (24) residential units and related premises, as authorized by Board of Supervisors Resolution No. 149-99. On April 11, 2007, the Authority Board approved and executed a First Amendment to Sublease to Increase Utility Rates from \$236.87 to \$255.00 per unit per month, as authorized by Board of Supervisors Resolution No. 394-07.

In 1997, the Haight Ashbury Free Clinics, Inc. ("HAFCI"), a TIHDI member organization, subleased from the Authority three (3) six-plex buildings located at 1440, 1441 and 1443 Chinook Ct., as authorized by Board of Supervisors Resolution No. 149-99. After renovation was completed in 1999, HAFCI occupied the buildings until summer of 2010 when it lost its funding from the Department of Public Health and vacated the premises in December 2010.

In January 2011, after HAFCI vacated the premises, TIHDI conducted a Physical Needs Assessment to determine the extent of the renovation necessary to reoccupy these units. TIHDI surveyed its members to see who had the need, capacity and resources to renovate and occupy the units in a timely fashion. Swords to Plowshares and Walden House, who currently provide housing services to the Island, indicated an interest in subletting the vacated premises. Both organizations submitted proposals to TIHDI for some of the units. Based on their program, capacity and financial plan as well as their strong track record of providing transitional housing on Treasure Island, both organizations were approved by TIHDI to move forward with obtaining the units through amended subleases with the Authority. Swords to Plowshares was allocated an additional twelve (12) housing units and Walden House was allocated an additional six (6) housing units.

The Second Amendment will expand Swords to Plowshares premises to include 1441 and 1443 Chinook and increase the Common Area Maintenance Charges to \$1,720.08 per month.

The Authority Board of Directors approved this Second Amendment to Sublease with Swords to Plowshares at its September 14, 2011 meeting. Authority Bylaws require subsequent Board of Supervisors approval of this Second Amendment to Sublease as the cumulative term of this Sublease is more than ten years.

**RECOMMENDATION:**

Approve the Second Amendment to Sublease with Swords to Plowshares, Inc., a California nonprofit corporation.

Mirian Saez, Director of Island Operations

*[Handwritten signature]*  
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RECEIVED  
BOARD OF SUPERVISORS  
SAN FRANCISCO

**FORM SFEC-126:**  
**NOTIFICATION OF CONTRACT APPROVAL**  
(S.F. Campaign and Governmental Conduct Code § 1.126)

<b>City Elective Officer Information</b> <i>(Please print clearly.)</i>	
Name of City elective officer(s): Members, Board of Supervisors	City elective office(s) held: Members, Board of Supervisors
<b>Contractor Information</b> <i>(Please print clearly.)</i>	
Name of contractor: Swords to Plowshares	
<i>Please list the names of (1) members of the contractor's board of directors; (2) the contractor's chief executive officer, chief financial officer and chief operating officer; (3) any person who has an ownership of 20 percent or more in the contractor; (4) any subcontractor listed in the bid or contract; and (5) any political committee sponsored or controlled by the contractor. Use additional pages as necessary.</i>	
1. See Attached. 2. Michael Blecker CEO; John Beem CFO; Leon Wilson COO 3. N/A 4. N/A 5. N/A	
Contractor address: 1060 Howard Street, San Francisco, CA 94103	
Date that contract was approved: <i>(By the SF Board of Supervisors)</i>	Amount of contract: Based on Formula per unit and Common Area Maintenance Charges increase to \$1,720.08 per month
Describe the nature of the contract that was approved: Property management for housing.	
Comments:	

This contract was approved by (check applicable):

the City elective officer(s) identified on this form

a board on which the City elective officer(s) serves: San Francisco Board of Supervisors  
Print Name of Board

the board of a state agency (Health Authority, Housing Authority Commission, Industrial Development Authority Board, Parking Authority, Redevelopment Agency Commission, Relocation Appeals Board, Treasure Island Development Authority) on which an appointee of the City elective officer(s) identified on this form sits

Print Name of Board

<b>Filer Information</b> <i>(Please print clearly.)</i>	
Name of filer: Angela Calvillo, Clerk of the Board	Contact telephone number: (415) 554-5184
Address: City Hall, Room 244, 1 Dr. Carlton B. Goodlett Pl., San Francisco, CA 94102	E-mail: Board.of.Supervisors@sfgov.org

\_\_\_\_\_  
Signature of City Elective Officer (if submitted by City elective officer)

\_\_\_\_\_  
Date Signed

\_\_\_\_\_  
Signature of Board Secretary or Clerk (if submitted by Board Secretary or Clerk)

\_\_\_\_\_  
Date Signed



# Board Roster

Revised: July 20, 2011

VETS HELPING VETS SINCE 1974

Name	Address	Phone	Email
<b>Paul Cox</b> Chair since 1/09 1 <sup>st</sup> election: 3/05 Exp: 12/31/13	890 Camelia Street Berkeley, CA 94710	510-428-2907 Office 510-528-1975 Home 510-418-3436 Cell	<a href="mailto:paulcox890@comcast.net">paulcox890@comcast.net</a> <a href="mailto:pcox@wjie.com">pcox@wjie.com</a>
<b>Gordon P. Erspamer</b> 1 <sup>st</sup> election: 6/05 Exp: 12/31/12	Morrison & Foerster LLP 425 Market Street San Francisco, CA 94105-2482	415-268-6411 Direct 415-268-7522 Fax 925-963-9567 Cell	<a href="mailto:gerspamer@mofo.com">gerspamer@mofo.com</a> <a href="mailto:kbeaudoin@mofo.com">kbeaudoin@mofo.com</a> assistant
<b>Steve Fields</b> 1 <sup>st</sup> election: 3/05 Exp: 12/31/12	760 Vincente Avenue Berkeley, CA 94707	510-527-4666 Home 415-861-0828 Office	<a href="mailto:sfields@progressfoundation.org">sfields@progressfoundation.org</a> <a href="mailto:mtolle@progressfoundation.org">mtolle@progressfoundation.org</a> assistant
<b>Rick Houlberg</b> 1 <sup>st</sup> election: 7/92 Exp: 12/31/11	3941 26 <sup>th</sup> Street San Francisco, CA 94131	415-821-4822 Home	<a href="mailto:houlberg@sfsu.edu">houlberg@sfsu.edu</a>
<b>Judith B. Kridle</b> 1 <sup>st</sup> election: 7/05 Exp: 12/31/12	7117 Thornhill Drive Oakland, CA 94611	510-339-1276 Home 510-421-6689 Cell 510-339-1295 Office	<a href="mailto:judykridle@gmail.com">judykridle@gmail.com</a>
<b>Maceo A. May</b> 1 <sup>st</sup> election: 3/04 Exp: 12/31/11	502 Mira Vista Avenue Oakland, CA 94610-1935	510-645-9070	<a href="mailto:antono@aol.com">antono@aol.com</a>
<b>Peter McCorkell</b> Secretary since 1/09 1 <sup>st</sup> election: 1/08 Exp: 12/31/13	3377 Reliez Highland Road Lafayette, CA 94549	925-930-9045 Home 925-408-1773 Cell 707-878-9456 Beach	<a href="mailto:erie_fan@comcast.net">erie_fan@comcast.net</a>

Name	Address	Phone	Email
Opal Perry 1 <sup>st</sup> election: 2/11 Exp: 12/31/13	1001 46 <sup>th</sup> Street Emeryville, CA 94608	510-612-2509 Home 415-222-4858 Office	<a href="mailto:opal_perry@earthlink.net">opal_perry@earthlink.net</a>
Stephen Plath Vice Chair since 1/09 1 <sup>st</sup> election: 1/07 Exp: 12/31/13	1 Ray Court San Anselmo, CA 94960	415-460-1575 Office 415-453-6842 Home 415-264-1514 Cell	<a href="mailto:splath@comcast.net">splath@comcast.net</a> <a href="mailto:splath@plathco.com">splath@plathco.com</a>
Larry Rosenberger 1 <sup>st</sup> election: 1/09 Exp: 12/31/13	101 Las Flores San Rafael, CA 94903	415-472-7667 Home 415-717-4607 Cell 415-472-7670 Fax (call first)	<a href="mailto:larryrosenberger@yahoo.com">larryrosenberger@yahoo.com</a>
Linsay A. Rousseau-Burnett 1 <sup>st</sup> election: 9/09 Exp: 12/31/11	1610 Prince Street Apt #3 Berkeley, CA 94703	202-321-2708 Cell	<a href="mailto:linsayrb@yahoo.com">linsayrb@yahoo.com</a>
Sara Seltzer 1 <sup>st</sup> election: 1/09 Exp: 12/31/13	1940 Skycrest Drive Apt. #9 Walnut Creek, CA 94595	415-271-4821 Cell 925-934-2854 Home	<a href="mailto:saraselt@yahoo.com">saraselt@yahoo.com</a>
Ian P. Sharpe 1 <sup>st</sup> election: 9/09 Exp: 12/31/12	2925 VanNess Avenue #10 San Francisco, CA 94109	Home 415-606-0818	<a href="mailto:ian.p.sharpe@gmail.com">ian.p.sharpe@gmail.com</a>
Mai Kha Shutt 1 <sup>st</sup> election: 3/07 Exp: 12/31/12	409 Cavour Street Oakland, CA 94618	510-655-1248 Home 415-515-2240 Cell 415-973-8590 Office	<a href="mailto:mkshutt@yahoo.com">mkshutt@yahoo.com</a>
Steve Snyder 1 <sup>st</sup> election: 1/09 Exp: 12/31/11	180 Montgomery Street Suite 700 San Francisco, CA 94104	415-962-4400 Office 415-962-4402 Direct	<a href="mailto:ssnyder@smollp.com">ssnyder@smollp.com</a>
Joanette Sorkin 1 <sup>st</sup> election: 09/10 Exp: 12/31/12	628 West K Street Benicia, CA 94510	707-751-0667 Home 925-297-9493 Cell	<a href="mailto:joanettesorkin@gmail.com">joanettesorkin@gmail.com</a> <a href="mailto:joanette.sorkin@travis.af.mil">joanette.sorkin@travis.af.mil</a>
Stacey Sprenkel 1 <sup>st</sup> election 12/10 Exp: 12/31/13	Morrison & Foerster LLP 425 Market Street San Francisco, CA 94105-2482	925-954-7070 Home 415-283-6468 Cell 415-268-6040 Office 415-268-7522 Fax	<a href="mailto:ssprenkel@mofo.com">ssprenkel@mofo.com</a>
Robert Trevorrow 1 <sup>st</sup> election: 1/09 Exp: 12/31/11	654 Chetwood Street Oakland, CA 94610	415-775-2562 Office 510-658-7260 Home 510-390-2112 Cell	<a href="mailto:SFSCBOBT@aol.com">SFSCBOBT@aol.com</a> <a href="mailto:bobt@sfsenior.com">bobt@sfsenior.com</a>

