

1 [Sublease of Non-Profit Office Space Under City’s Master Lease - At The Crossroads - 167
2 Jessie Street - \$1 per Year Base Rent]

3 **Resolution authorizing the Sublease between the City and County of San Francisco, as**
4 **Tenant and Sublandlord, and At The Crossroads, as Subtenant, of 4,124 rentable**
5 **square feet in the building located at 167 Jessie Street, for an initial term of five years**
6 **at a base rent of \$1 per year, to commence upon approval by the Board of Supervisors**
7 **and Mayor, in their respective sole and absolute discretion.**

8

9 WHEREAS, The City’s Working Group on Nonprofit Displacement issued a report and
10 recommendations on May 13, 2014; and

11 WHEREAS, Page 27 of the report included a finding that City property could potentially
12 be made available to nonprofit organizations at low cost to be used for administrative offices,
13 performance spaces, educational sites and other purposes relevant to the organization’s
14 missions; and

15 WHEREAS, On April 1, 2017, by Resolution No. 20-15, the City and County of San
16 Francisco (“City” or “Tenant” or “Sublandlord”) entered into a lease with Third and Mission
17 Associates, LLC (“Landlord”) of 4,124 rentable square feet on the third and fourth floors of the
18 building located at 167 Jessie Street in San Francisco (the “Premises”) for a term of 87 years
19 (“Master Lease”) at a nominal annual rent expense of \$1.00; and

20 WHEREAS, Through a competitive request for proposal process, At The Crossroads
21 (“Subtenant”), a nonprofit organization that reaches out to homeless youth and young adults
22 at their point of need, and works with them to build healthy and fulfilling lives, was selected to
23 negotiate a sublease of the Premises under the City’s Master Lease; and

24 WHEREAS, City and Subtenant, through its Real Estate Division, the Mayor’s Office of
25 Housing and Community Development (“MOHCD”) and with consultation from the Office of

1 the City Attorney, have negotiated a sublease with an initial term of five years at the nominal
2 annual rent expense of \$1.00, a copy of which is on file with the Clerk of the Board of
3 Supervisors under File No. 160751 and is incorporated herein by reference (the "Sublease");
4 and

5 WHEREAS, Subtenant shall be responsible for its actual utility usage, services,
6 improvements, maintenance and repair within the Premises (collectively, "Premises Costs")
7 and shall also be responsible for its proportionate share of costs assessed by Landlord for
8 common area utility usage, services, maintenance, repairs, taxes and insurance (collectively,
9 "Common Costs"); and

10 WHEREAS, Subtenant shall be solely responsible, at no cost to City, for payment of
11 Premises Costs and Common Costs; and

12 WHEREAS, Subtenant has one (1) five-year option to extend the term of the Sublease;
13 and

14 WHEREAS, The Planning Department found the Master Lease to be, on balance, in-
15 conformity with the General Plan in a letter dated December 9, 2014, to the Director of
16 Property (a copy of which is on file with the Clerk of the Board of Supervisors in File No.
17 160751); now, therefore, be it

18 RESOLVED, That in accordance with the recommendation of the Director of Property
19 and the Director of MOHCD, that the Director of Property on behalf of the City, as
20 Sublandlord, be and is hereby authorized to take all actions necessary to execute the
21 Sublease; and, be it

22 FURTHER RESOLVED, That the Director of Property shall be authorized to enter into
23 any additions, amendments or other modifications to the Sublease (including, without
24 limitations, the exhibits) that the Director of Property determines, in consultation with MOHCD
25 and the City Attorney, are in the best interests of the City, do not materially increase the

1 obligations or liabilities of the City, and are necessary or advisable to complete the transaction
2 and effectuate the purpose and intent of this resolution; and, be it

3 FURTHER RESOLVED, That any action taken by the Director of Property and other
4 officers of the City with respect to the Sublease are hereby approved, confirmed and ratified;
5 and, be it

6 FURTHER RESOLVED, That within thirty (30) days of the agreements being fully
7 executed by all parties, the Director of Real Estate shall provide the agreements to the Clerk
8 of the Board for inclusion into the official file.

9

10

11

12

RECOMMENDED:

13

14

Director
Mayor's Office of Housing and Community Development

15

16

17

RECOMMENDED:

18

19

Director of Property
Real Estate Division

20

21

22

23

24

25