

1 [Second Amendment to Walden House Sublease of Housing Units on Treasure Island]
2 **Resolution approving and authorizing the Director of Island Operations for the**
3 **Treasure Island Development Authority to execute a second amendment to the**
4 **sublease with Walden House to add 12 residential units to the premises, to increase the**
5 **common area maintenance charge and to increase utility rates.**

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; 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) designated the Authority
16 as a redevelopment agency under California redevelopment law with authority over the Base
17 upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the
18 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
19 administer the public trust for commerce, navigation and fisheries as to such property; and,

20 WHEREAS, The Board of Supervisors approved the designation of the Authority as a
21 redevelopment agency with powers over Treasure Island in Resolution No. 43-98, dated
22 February 6, 1998; and,

23 WHEREAS, On March 12, 1997, the Authority and the US Navy entered into the Base
24 Caretaker Cooperative Agreement ("Cooperative Agreement") for the management and
25 operation of the Base; and,

1 WHEREAS, Utilities commodities purchasing and utilities system operation and
2 maintenance responsibilities have been delegated by the Authority to the San Francisco
3 Public Utilities Commission ("SFPUC"); and,

4 WHEREAS, Pursuant to the Base Closure Community Redevelopment and Homeless
5 Assistance Act of 1994, the Treasure Island Homeless Development Initiative ("TIHDI") and
6 the San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance
7 Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was
8 endorsed by the City's Board of Supervisors and approved by the United States Department
9 of Housing and Urban Development; and,

10 WHEREAS, Under the TIHDI Agreement, TIHDI among other things is granted the
11 right, upon the satisfaction of certain conditions precedent, to have one or more of its member
12 organizations sublease certain housing units on the Base, as more particularly described in
13 the TIHDI Agreement; and,

14 WHEREAS, To facilitate the intent of the TIHDI Agreement, on September 1, 1999, the
15 US Navy and the Authority entered into Navy Lease No. N6247499RP00B19, the Treasure
16 Island Housing Lease, for the initial residential units that were provided to TIHDI pursuant to
17 the TIHDI Agreement; and,

18 WHEREAS, To provide family reunification housing for women in transition, on
19 September 1, 1999, the Authority and Walden House ("Subtenant"), entered into a Sublease
20 (the "Original Sublease") for fourteen (14) units on Treasure Island for a term of fifteen (15)
21 years that expires on September 1, 2014, as authorized by Board of Supervisors Resolution
22 No. 149-99; and,

23 WHEREAS, On June 15, 2001, the Sublease was amended by the First Amendment to
24 the Sublease (which, together with the Original Sublease, are collectively referred to herein as
25

1 the "Sublease") to add an additional six (6) residential units to the premises of the Sublease,
2 as authorized by Board of Supervisors Resolution No. 738-00; and,

3 WHEREAS, Subtenant is a member organization of TIHDI; and,

4 WHEREAS, An additional fifty-four (54) residential units are available to sublease to
5 TIHDI member organizations and the Authority desires to amend the Sublease to add forty-
6 two (42) residential units to the premises under the Sublease and to adjust the Common Area
7 Maintenance charges accordingly; and,

8 WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the
9 Sublease, residential utility rates for units managed by the Subtenant were established in
10 1999 at a flat rate of \$180 per unit per month and increased by four percent (4%) each year;
11 and,

12 WHEREAS, In accord with the formula for residential utility rates established in 1999,
13 the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents
14 (\$236 87) per unit per month; and,

15 WHEREAS, According to the staff of the SFPUC, the cost of commodities and
16 maintenance have escalated substantially, and the revenues generated from rates charged to
17 utilities consumers on the Base are insufficient to pay for the cost of commodities, operation
18 and maintenance for such utilities systems; and,

19 WHEREAS, Project Staff and SFPUC staff have negotiated a residential utility rate
20 adjustment limited to \$255.00 per unit for units managed by the Subtenant; and,

21 WHEREAS, To reflect the increasing costs of commodities plus maintenance and
22 operations, Project Staff recommends that rates continue to be adjusted by 4% per year; and,

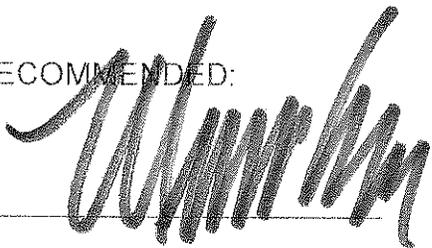
23 WHEREAS, To accommodate unanticipated changes in the costs of commodities plus
24 maintenance and operations, Project Staff recommends that the Authority be allowed to
25 increase rates annually consistent with rate adjustments requested by the SFPUC; and,

1 WHEREAS, The Authority wishes to modify the utilities rates as recommended by
2 Project Staff to allow the SFPUC to recover reasonable costs for utilities services provided to
3 residential units on the Base; and,

4 WHEREAS, On April 11, 2007 at a properly noticed public meeting, the Authority's
5 Board of Directors approved the form of, and authorized the Director of Island Operations to
6 enter into, a second amendment to the Sublease to add an additional twelve (12) housing
7 units and related premises to the premises of the Sublease, to adjust the Common Area
8 Maintenance charge accordingly, and to establish a current flat utility fee for residential units
9 of \$255 per unit per month, which rate shall be increased by 4% on July 1 of each year
10 following the second amendment and that the Authority shall be allowed to increase rates
11 annually consistent with rate adjustments requested by the SFPUC; now, therefore, be it

12 RESOLVED, That the San Francisco Board of Supervisors hereby authorizes the
13 Director of Island Operations for the Authority to execute and enter into the second
14 amendment to the Sublease in substantially the form filed with the Clerk of the Board in File
15 No. 070707, and any additions, amendments or other modifications to such
16 amendment (including, without limitation, its exhibits) that the Director of Island Operations of
17 the Authority or her designee determines, ~~in consultation with the City Attorney, are in the best~~
18 ~~interests of the Authority and do not otherwise materially increase the obligations or liabilities~~
19 ~~of the Authority, and are necessary or advisable to effectuate the purpose and the intent of~~
20 this resolution.

21
22 RECOMMENDED:

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25 Mirian Saez

1 Director of Island Operations
2 Treasure Island Development Authority

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City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails Resolution

File Number: 070707

Date Passed:

Resolution approving and authorizing the Director of Island Operations for the Treasure Island Development Authority to execute a second amendment to the sublease with Walden House to add 12 residential units to the premises, to increase the common area maintenance charge and to increase utility rates.

July 10, 2007 Board of Supervisors — CONTINUED

Ayes: 11 - Alioto-Pier, Ammiano, Daly, Dufty, Elsbernd, Jew, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

July 17, 2007 Board of Supervisors — ADOPTED

Ayes: 10 - Alioto-Pier, Ammiano, Dufty, Elsbernd, Jew, Maxwell, McGoldrick,
Mirkarimi, Peskin, Sandoval

Absent: 1 - Daly

File No. 070707

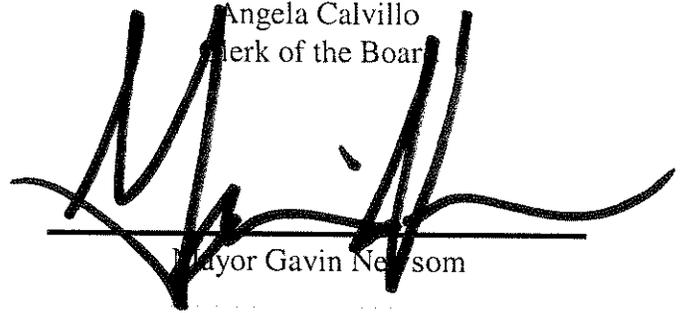
I hereby certify that the foregoing Resolution was ADOPTED on July 17, 2007 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

JUL 27 2007

Date Approved



Mayor Gavin Newsom