[Sublease Amendment with the John Stewart Company related to Treasure Island Housing]

Resolution approving and authorizing the Executive Director for the Treasure Island Development Authority to enter into an amendment to a sublease with the John Stewart Company to change the premises, to adjust the rent schedule and to adjust the development fee.

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

WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter 1333 of the Statutes of 1968 (the “Act”), the California legislature (i) designated the Authority as a redevelopment agency under California redevelopment law with authority over the Base upon approval of the City’s Board of Supervisors, and, (ii) with respect to those portions of the Base which are subject to the Tidelands Trust, vested in the Authority the authority to administer the public trust for commerce, navigation and fisheries as to such property; and,

WHEREAS, There are approximately 1,000 units of housing on the Base, 904 on Treasure Island and 96 on Yerba Buena Island (the “Base-Wide Housing Units”); and,

WHEREAS, On March 17, 1999, the John Stewart Company (“Subtenant”) and the Authority entered into a Sublease, Development, Marketing, and Property Management
Agreement (the "Agreement") for the rehabilitation, marketing, and property management of
up to 766 of the Base-Wide Housing Units; and

WHEREAS, the Subtenant, the Authority and Community Housing Partnership ("CHP"),
a Treasure Island Homeless Development Initiative ("TIHDI") member agency, have
determined that it is in their respective and mutual interests to allow CHP to sublease 6 units
of housing, commonly referred to as Building 1230, previously allocated to Subtenant under
the terms of the Agreement; and

WHEREAS, Building 62 is currently unoccupied and is suffering from deterioration and
the Authority does not have the financial resources to properly maintain the unit; and

WHEREAS, JSCo has indicated a desire to include Building 62 in their premises and are
willing to provide necessary repairs and upgrades to the Building to make it habitable, and will
market the unit and the Authority will receive a financial benefit; and

WHEREAS, Rents for the units managed by the John Stewart Company were set
according to a complete rent schedule on a unit-by-unit basis which was attached to the
Agreement as Exhibit J; and

WHEREAS, Rent variations of 10% of those set forth on Exhibit J may be approved by
the Executive Director, and changes in excess of 10% require the approval of the Authority;
and

WHEREAS, Due to changing market conditions JSCo has lowered rents to remain
competitive and to retain tenants and some of the rent reductions are in excess of the 10%
variation which may be approved by the Executive Director; and

WHEREAS, The Navy has been unable to meet its commitment to deliver all units
covered by the Agreement by August 1, 1999; and

WHEREAS, The Navy has prevented occupancy of certain units for which a Finding of
Suitability to Lease ("FOSL") has been issued; and
WHEREAS, Rehabilitation work was underway on those FOSL’ed units as well as other units that Navy had identified as ready to be FOSL’ed; and

WHEREAS, The Authority has determined that based on the level of effort expended by the JSCo on these Delayed Units (as defined in the Sublease Amendment) that they are eligible to receive the Development Fee set forth in the Agreement for these units; and

WHEREAS, on June 11, 2003 at a properly noticed meeting, the Authority approved an amendment to the Agreement to: (i) adjust the premises to exclude Building 1230 and include Building 62; (ii) adjust the rents from those set forth on Exhibit J in the Agreement, as amended; and (iii) authorize the payment of the Development Fee for the Delayed Units in an amount not to exceed $42,560.00 (Forty-Two Thousand Five Hundred Sixty Dollars); now, therefore, be it

RESOLVED, That the San Francisco Board of Supervisors authorizes the Executive Director for the Authority to enter into modifications to the Agreement (including, without limitation, the attachment or modification of exhibits as filed with the Clerk of the Board, under File No. 031202) that are in the best interests of the Authority and the City, do not materially change the terms of the Agreement, and are necessary and advisable to effectuate the purpose and intent of this resolution.

Mayor Willie L. Brown, Jr.
BOARD OF SUPERVISORS

7/17/2003
Resolution approving and authorizing the Executive Director for the Treasure Island Development Authority to enter into an amendment to a sublease with the John Stewart Company to change the premises, to adjust the rent schedule and to adjust the development fee.

August 12, 2003 Board of Supervisors — ADOPTED
Ayes: 8 - Ammiano, Daly, Dufty, Gonzalez, Ma, Maxwell, McGoldrick, Newsom
Excused: 3 - Hall, Peskin, Sandoval

I hereby certify that the foregoing Resolution was ADOPTED on August 12, 2003 by the Board of Supervisors of the City and County of San Francisco.

Kay Gulbengay
Acting Clerk of the Board

Date Approved

Mayor Willie L. Brown Jr.