

1 [Second Amendment to Community Housing Partnership Sublease of Housing Units on
2 Treasure Island]

3 **Resolution approving and authorizing the Director of Island Operations for the**
4 **Treasure Island Development Authority to execute a second amendment to the**
5 **sublease with Community Housing Partnership to add 42 residential units to the**
6 **premises, to increase the common area maintenance charge and to increase utility**
7 **rates.**

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

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

25
Treasure Island Development Authority
BOARD OF SUPERVISORS

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

4 WHEREAS, Utilities commodities purchasing and utilities system operation and
5 maintenance responsibilities have been delegated by the Authority to the San Francisco
6 Public Utilities Commission ("SFPUC"); 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 San Francisco Redevelopment Agency negotiated a Base Closure Homeless Assistance
10 Agreement and Option to Sublease Real Property (the "TIHDI Agreement"), which was
11 endorsed by the City's Board of Supervisors and approved by the United States Department
12 of Housing and Urban Development; and,

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

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

21 WHEREAS, In support of the Community Housing Partnership ("Subtenant") programs
22 to provide housing for homeless persons as well as on-site support services including
23 counseling, vocational education and employment development, on February 27, 2001, the
24 Authority and Subtenant entered into a Sublease (the "Original Sublease") for eighteen (18)
25

1 units on Treasure Island for a term of thirteen (13) years that expires on September 1, 2014,
2 as authorized by Board of Supervisors Resolution No. 738-00; and,

3 WHEREAS, On June 11, 2003, the Sublease was amended by the First Amendment to
4 the Sublease (which, together with the Original Sublease, are collectively referred to herein as
5 the "Sublease") to add an additional six (6) residential units to the premises of the Sublease,
6 as authorized by Board of Supervisors Resolution No. 519-03; and,

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

8 WHEREAS, An additional fifty-four (54) residential units are available for sublease to
9 TIHDI member organizations and the Authority desires to amend the Sublease to add forty-
10 two (42) residential units to the premises under the Sublease and to adjust the Common Area
11 Maintenance charge accordingly; and,

12 WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the
13 Sublease, residential utility rates for units managed by the Subtenant were established in
14 1999 at a flat rate of One Hundred and Eighty Dollars (\$180) per unit per month and
15 increased by four percent (4%) each year; and,

16 WHEREAS, In accord with the formula for residential utility rates established in 1999,
17 the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents
18 (\$236.87) per unit per month; and,

19 WHEREAS, According to the staff of the San Francisco Public Utilities Commission
20 ("SFPUC"), the cost of commodities and maintenance have escalated substantially, and the
21 revenues generated from rates charged to utilities consumers on the Base are insufficient to
22 pay for the cost of commodities, operation and maintenance for such utilities systems; and,

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

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

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

6 WHEREAS, The Authority wishes to modify the utilities rates as recommended by
7 Project Staff to establish rates sufficient to allow SFPUC to recover reasonable costs for
8 utilities services provided to residential units on the Base; and,

9 WHEREAS, On April 11, 2007 at a properly noticed public meeting, the Authority's
10 Board of Directors approved the form of, and authorized the Director of Island Operations to
11 enter into, a second amendment to the Sublease to add an additional forty two (42) housing
12 units and related premises to the premises of the Sublease; to adjust the Common Area
13 Maintenance charge accordingly, and to establish a current flat utility fee for residential units
14 of \$255 per unit per month, which rate shall be increased by 4% on July 1 of each year
15 following the second amendment and that the Authority shall be allowed to increase rates
16 annually consistent with rate adjustments requested by the SFPUC; now, therefore, be it

17 RESOLVED, That the San Francisco Board of Supervisors hereby authorizes the
18 Director of Island Operations for the Authority to execute and enter into the second
19 amendment to the Sublease in substantially the form filed with the Clerk of the Board in File
20 No. 070703, and any additions, amendments or other modifications to such
21 amendment (including, without limitation, its exhibits) that the Director of Island Operations of
22 the Authority or her designee determines, in consultation with the City Attorney, are in the best
23 interests of the Authority and do not otherwise materially increase the obligations or liabilities
24 of the Authority, and are necessary or advisable to effectuate the purpose and the intent of
25 this resolution.

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RECOMMENDED:



Mirian Saez

Director of Island Operations

Treasure Island Development Authority



City and County of San Francisco
Tails
Resolution

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

File Number: 070703

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 Community Housing Partnership to add 42 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

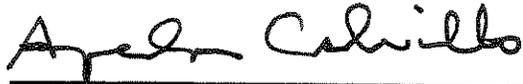
July 17, 2007 Board of Supervisors — ADOPTED

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

Absent: 1 - Daly

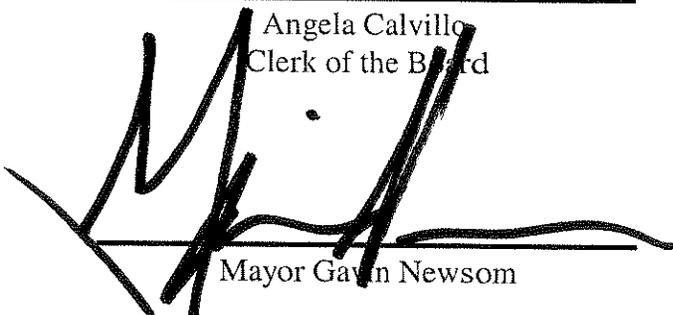
File No. 070703

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


Date Approved


Mayor Gavin Newsom