

1 [Second Amendment to Catholic Charities Sublease of Housing Units on Treasure Island]

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

14 WHEREAS, Under the Treasure Island Conversion Act of 1997, which amended
15 Section 33492.5 of the California Health and Safety Code and added Section 2.1 to Chapter
16 1333 of the Statutes of 1968 (the "Act"), the California legislature (i) designated the Authority
17 as a redevelopment agency under California redevelopment law with authority over the Base
18 upon approval of the City's Board of Supervisors, and, (ii) with respect to those portions of the
19 Base which are subject to the Tidelands Trust, vested in the Authority the authority to
20 administer the public 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; and,
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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, In support of the Catholic Charities, Archdiocese of San Francisco
18 programs that provide permanent housing and support services to homeless families with
19 disabilities, on September 1, 1999, the Authority and the Catholic Charities, Archdiocese of
20 San Francisco entered into a sublease (the "Original Sublease") for thirty (30) units and
21 related premises on Treasure Island for a term of fifteen (15) years that expires on September
22 1, 2014, as authorized by Board of Supervisors Resolution No. 149-99; and,

23 WHEREAS, On March 8, 2000, the Sublease was amended by the First Amendment to
24 Sublease (which, together with the Original Sublease, are collectively referred to herein as the
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1 "Sublease") to add an additional thirty six (36) residential units and related premises to the
2 premises of the Sublease, as authorized by Board of Supervisors Resolution No. 144-00; and,

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

4 WHEREAS, According to Exhibit E "Utility Fees", Paragraph 4. RATES, of the
5 Sublease, residential utility rates for units managed by the Subtenant were established in
6 1999 at a flat rate of One Hundred and Eighty Dollars (\$180) per unit per month and
7 increased by four percent (4%) each year; and,

8 WHEREAS, In accord with the formula for residential utility rates established in 1999,
9 the current residential utility rate is Two Hundred Thirty Six Dollars and eighty seven cents
10 (\$236.87) per unit per month; and,

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

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

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

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

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

1 WHEREAS, On April 11, 2007 at a properly noticed public meeting, the Authority's
2 Board of Directors approved the form of, and authorized the Director of Island Operations to
3 enter into a second amendment to the Sublease to establish a current flat utility fee for
4 residential units of \$255 per unit per month, which rate shall be increased by 4% on July 1 of
5 each year following the second amendment and that the Authority shall be allowed to increase
6 rates annually consistent with rate adjustments requested by the SFPUC; now, therefore, be it

7 RESOLVED, That the San Francisco Board of Supervisors hereby authorizes the
8 Director of Island Operations for the Authority to execute and enter into the second
9 amendment to the Sublease in substantially the form filed with the Clerk of the Board in File
10 No. 070702, and any additions, amendments or other modifications to such
11 amendment (including, without limitation, its exhibits) that the Director of Island Operations of
12 the Authority or her designee determines, in consultation with the City Attorney, are in the best
13 interests of the Authority and do not otherwise materially increase the obligations or liabilities
14 of the Authority, and are necessary or advisable to effectuate the purpose and the intent of
15 this resolution.

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17 RECOMMENDED:



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20 Mirian Saez
21 Director of Island Operations
22 Treasure Island Development Authority
23
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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: 070702

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 Catholic Charities 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. 070702

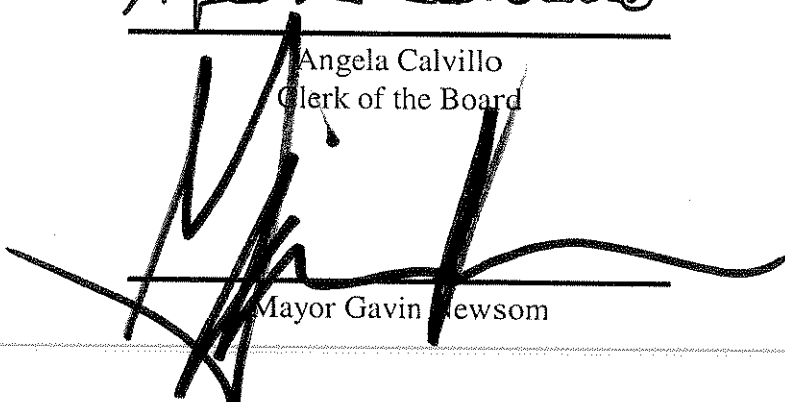
I hereby certify that the foregoing Resolution was ADOPTED on July 17, 2007 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

JUL 27 2007

Date Approved


Mayor Gavin Newsom