RESOLUTION NO. 134-2001

Adopted July 17, 2001

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXERCISE THE EXTENSION OPTION FOR THE SOUTH OF MARKET PROJECT AREA COMMITTEE OFFICE LEASE FOR THREE YEARS WITH MERCY HOUSING CALIFORNIA, A CALIFORNIA NON-PROFIT CORPORATION, LOCATED AT 1035 FOLSOM STREET AND EXPEND UP TO $76,529 FOR ALL THREE YEARS FOR RENT AND RELATED EXPENSES; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. The San Francisco Redevelopment Agency ("Agency") and Mercy Housing California ("Mercy") have entered into a three-year Office Lease ("Lease") as of August 10, 1998, for the South of Market Earthquake Recovery Redevelopment Project Area Committee ("PAC") office, located at 1035 Folsom Street (the "Premises").

2. On behalf of the PAC, the Agency informed Mercy that the Agency was considering exercising its option to extend the Lease, which expires on September 15, 2001, for an additional three years. On May 15, 2001, the Agency and Mercy agreed to a First Amendment to the Lease, which extended the option deadline to extend the Lease from May 18, 2001 to July 31, 2001, and extended the expiration date of the initial term of the Lease from September 15, 2001 to October 31, 2001. The purpose of extending the time was to seek alternative office space based on Mercy’s desire to reoccupy 1035 Folsom as their own office space.

3. The PAC and Agency staff has sought alternative office space, but no suitable space was found. Therefore, the PAC voted on June 18, 2001, to request the Agency to exercise its option to extend the Lease at 1035 Folsom for an additional three year period. The Lease, as amended, will expire on October 31, 2001, unless the Agency exercises its option to extend the Lease by July 31, 2001.

4. The requested Lease extension is for three years and rent for the first year is $24,904. With 3% increases in succeeding years, the total rental expenditure would be $76,529. The Agency must also pay utilities, the cost of which is estimated to be $3,000 per year for a total additional payment of $9,000. Payment of all amounts after the first year is subject to appropriation by the Board of Supervisors and the Commission through the Agency’s annual budget process.
RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco, that the Executive Director is authorized to exercise the option to extend the Lease, dated August 10, 1998, through a letter notification to Mercy Housing California, a California non-profit corporation, for the South of Market Earthquake Recovery Redevelopment Project Area Committee office, for an additional term of three years and expend up to $76,529 for rent and other required charges under the Lease.

APPROVED AS TO FORM:

[Signature]
Bertha A. Ontiveros
Agency General Counsel