



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2017-01207

October 24, 2017

Consent Item 15

Title: (Housing Authority) Approval of Lease for 1224 North B Street with Salvation Army

Location: 1224 North B Street, District 3

Recommendation: Pass a Housing Authority Resolution authorizing the Executive Director or her designee to execute a lease effective October 13, 2017 and terminating December 31, 2022 with the Salvation Army for the property located at 1224 North B Street for homeless services as outlined in the contract between the Salvation Army and the Sacramento Housing and Redevelopment Agency.

Contact: Michael Taylor, Program Manager, (916) 440-1300, Sacramento Housing and Redevelopment Agency

Presenter: None

Attachments

- 1-Description/Analysis and Background
- 2-Resolution
- 3-Exhibit A to Resolution
- 4-Map

Description/Analysis

Issue Detail: In June 1989, the Housing Authority of the City of Sacramento (HACS) purchased property at 1224 North B Street by Resolution 89-024 to establish a permanent homeless shelter, replacing the existing modular buildings, in the Richards Boulevard Area. The site began serving homeless women in the early 2000s. This report requests authority for HACS and the Salvation Army to execute an updated lease agreement for the continued operation of the women's homeless shelter. SHRA, the County of Sacramento and the City of Sacramento have supported the shelter's programs and operations through allocations of Community Development Block Grant (CDBG), Emergency Shelter Grant, and General Funds.

The lease to the Salvation Army is contingent upon the use of the premises remaining a women's homeless shelter, and is specifically tied to the contract between the Sacramento Housing and Redevelopment Agency (CDBG funding) and the Salvation Army for emergency shelter programs and operations. Staff recommends entering into a new five-year lease with the Salvation Army for the continued operation of the women's shelter.

Policy Considerations: The recommended actions are consistent with the intent of the original purchase of the property and the ongoing activities of the property. No new policies are recommended in this report.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action consists of a lease of existing commercial space with no expansion of use or change in the type of use in an existing facility. Therefore, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301.

National Environmental Policy Act (NEPA): There is no federal funding or other federal action associated with this project; therefore, the National Environmental Policy Act (NEPA) does not apply.

Sustainability Considerations: None

Commission Action: At its meeting on September 20, 2017, it is anticipated that the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Housing Authority Board in the event this does not occur.

Rationale for Recommendation: Since the early 2000s, the women's shelter has served approximately 525 homeless women. The attached resolution will enable the Housing Authority to enter into a lease with the Salvation Army effective October 13, 2017, terminating on December 31, 2022, allowing the Salvation Army to continue to operate the homeless women's emergency shelter, a much needed and valuable service to the community.

Financial Considerations: The total rental rate for the premises at the property is \$1.00 for the Lease Term.

LBE - M/WBE and Section 3 requirements: The activities recommended in this staff report do not involve federal funding; therefore, there are no M/WBE or Section 3 requirements. City LBE considerations do not apply to this report.

RESOLUTION NO. 2017 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AUTHORIZATION AND CONSENT TO EXECUTE A LEASE FOR A COMMERCIAL BUILDING LOCATED AT 1224 NORTH B STREET, SACRAMENTO TO THE SALVATION ARMY

BACKGROUND

- A. The Housing Authority of the City of owns 1224 North B Street on June 13, 1989.
- B. This site has operated as a homeless shelter for over 25 years, and for the last 15 years as a homeless women's shelter, providing food, shelter, and services to non-mentally ill, non-inebriated homeless women 18 years of age or older.
- C. The Salvation Army has been the operator and service provider for the homeless programs at the site.
- D. The proposed action consists of the execution a new lease of existing commercial space with no expansion of use or change in the type of use in an existing facility. Therefore, this recommended action is categorically exempt from environmental review under California Environmental Quality Act (CEQA), Guidelines Section 15301.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All the facts presented having been fully considered, the declarations and environmental findings stated above, are found to be true and correct.

Section 2. The Executive Director, is authorized to enter into the lease with the Salvation Army (attached here to as Exhibit A) in support of the use of the Premises specifically tied to the existence of a contract between the Sacramento Housing and Redevelopment Agency and the Salvation Army.

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Exhibit A: Lease Agreement

LEASE AGREEMENT
1224 N. B Street, Sacramento, California

THIS LEASE, dated October __, 2017 (Effective Date) is entered into between the **HOUSING AUTHORITY OF THE CITY OF SACRAMENTO (LESSOR)**, and the **SALVATION ARMY (LESSEE)**.

IT IS AGREED:

1. USE:

A. The Premises shall be used by LESSEE only for purposes related to the operation of a women's homeless shelter providing food, shelter, and services to non-mentally ill, non-intoxicated homeless women who are 18 years of age or older, nightly, seven days per week pursuant to a contract between the Sacramento Housing and Redevelopment Agency and the Salvation Army effective October 13, 2017 and titled "Contract for Homeless Activities-The Salvation Army" ("Contract"). If LESSEE wishes to use the Premises for any additional uses and/or services not included in this Lease, LESSEE must describe in writing the intended uses and/or services and obtain LESSOR'S written approval.

B. LESSOR is providing the Premises to LESSEE at a discounted rental rate to enable LESSEE to more cost effectively provide and focus its services to LESSOR'S program participants.

2. LEASE TERM:

A. LESSOR grants to LESSEE a tenancy commencing on the Effective Date and terminating on December 31, 2022, or earlier pursuant to Section 2 (C) below (the "Lease Term"), in the following property:

1. The Lodge with the common address of 1224 North B Street, Sacramento California, APN: 002-0041-021-0000 ("Premises"). A legal description of the Premises is attached as "Exhibit A", and incorporated herein by reference.

B. There shall be no holdover beyond the Lease Term. Further use and enjoyment of the premises beyond the Term cannot be granted without Agency Governing Board approval at its sole discretion.

C. LESSEE understands and agrees that this Lease by the Housing Authority of the City of Sacramento is in conjunction with annual contracts for LESSEE's homeless activities known as "the Lodge" and that this Lease shall terminate upon the termination, cessation or expiration of those contracts.

3. RENTAL RATE:

A. The total rental rate for the Premises at the properties is \$1.00 for the Lease Term.

B. LESSEE accepts the Premises in "as is" condition. LESSEE has been in sole possession of the premises and is fully aware and knowledgeable of their status and condition.

4. UTILITIES:

A. LESSEE shall pay, when due, all sewer, water, gas and electricity charges incurred for operating, heating, lighting, and cooling the Premises.

5. MAINTENANCE AND JANITORIAL:

A. LESSEE shall, at its own cost, maintain in good repair and tenantable condition, the interior of the leased premises, including but not limited to: interior walls, ceilings, glazing, floor covering, plumbing fixtures, plumbing clogs caused by LESSEE, hot water heater, lighting fixtures (ballasts/bulbs), furnishings, partitions or systems specifically installed or required for the LESSEE's use. LESSOR shall, at its cost, maintain the electrical wiring, plumbing (excluding fixtures and tenant-caused clogs of the plumbing system), roof, grounds, exterior lighting, HVAC equipment, and fire alarm extinguisher systems.

B. LESSOR shall designate service providers to be called when repairs to the electrical and plumbing systems are required. Said service providers shall be called in the event LESSEE is unable, within a reasonable time period, to make contact with LESSOR in order to request LESSOR-responsible repairs as set forth above.

C. LESSEE agrees that it will notify LESSOR in writing of any problem with, damage to or malfunction of the roof, HVAC, plumbing, or electrical systems

D. LESSEE shall, at its cost, provide janitorial service in the Premises.

6. SECURITY SYSTEM:

LESSEE shall obtain written permission from LESSOR should LESSEE wish to replace or install a security system. If approved, the system's equipment cost, maintenance/repairs, and monitoring shall be at LESSEE'S expense.

LESSEE shall obtain written permission from LESSOR should LESSEE wish to repair, replace or install any security systems, including, but not limited to, alarms, motion sensors, and video and/or audio surveillance equipment. If approved by LESSOR, any security system's equipment cost, maintenance/repairs, and monitoring shall be borne by the LESSEE.

8. ALTERATIONS BY LESSEE:

A. LESSEE is responsible for the construction or installation of any tenant improvements (e.g. painting, installing shelving, installing carpeting, installing blinds or other window fixtures, etc.) required to conform the Premises to LESSEE'S needs. If any such improvements are required, LESSEE shall be responsible for all associated costs. LESSEE further agrees that it must obtain LESSOR'S approval of any proposed tenant improvements before commencing any such improvements. LESSEE shall immediately pay all costs of labor, services, and materials associated with any work to be done on the

Premises, if such work is approved by LESSOR. LESSEE shall keep the Premises free and clear of all mechanics liens and any other liens or encumbrances. All completed work must be approved by LESSOR, in addition to any required City approvals, before LESSEE commences its operations on the Premises.

B. LESSEE may not make any other alterations to the Premises without the prior written consent of LESSOR.

19. LESSEE OWNED ITEMS:

All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the LESSOR. LESSEE shall repair any damage to the leased premises resulting from removal of any fixture, partition, or other improvement installed by LESSEE, including any nail holes in walls or other surfaces of the Premises.

10. INSURANCE:

LESSEE currently has insurance in accordance with its Contract between the Sacramento Housing and Redevelopment Agency and LESSEE, found Section 5 of Attachment I, on page 1 of 5 on the Attachment to the Contract. LESSEE agrees to add and maintain LESSOR: the Housing Authority of the City of Sacramento as additionally insured on that insurance for the term of this Lease.

Lessor currently has insurance covering the Property with the HAI Group LESSEE may review a copy of the policy upon request.

11. RISK OF HAZARDS:

LESSEE shall not do anything on the premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction of the area in which the premises are situated.

12. NON-DISCRIMINATION:

The LESSEE herein covenants by and for itself, and LESSEE'S heirs, administrators, and assigns, and all persons claiming under or through LESSEE that this Lease is made and accepted on the following conditions: that there shall be no discrimination against or desegregation of any person or group of persons, on the basis of race, color, national origin, religion, sex, sexual orientation, gender identity, familial status, language proficiency, age or disability in the leasing, sub-leasing, transferring, use, provision of services, occupancy, tenure, or enjoyment of the premises herein leased nor shall the LESSEE or any person claiming under or through the LESSEE establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sub-lessees, subtenants or vendees in the Premises herein leased. The provisions of this Paragraph 12 notwithstanding, the parties acknowledge that the purpose for this lease is to operate a women's homeless shelter. As such, only women will be admitted to this facility, and only women will receive services provided by Lessee. In order to operate this women's shelter, some staff positions will require the employee to be a woman. These participant and employee eligibility requirements do not violate this Non-Discrimination paragraph.

13. INDEMNIFICATION:

Except to the extent of LESSOR negligence or willful misconduct, LESSEE agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents, and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in, on or about the Premises during the Lease term; the negligence or willful misconduct of LESSEE or LESSEE'S agents, employees, and contractors wherever it occurs; or, an Event of LESSEE'S default. The provisions of this paragraph shall survive the expiration or sooner termination of this Lease.

14. SUCCESSORS-IN-INTEREST:

LESSEE may not transfer or assign this Lease. Any purported assignment of this LEASE by LESSEE or any interest in this LEASE shall be void and of no effect.

15. NO INTEREST IN REAL PROPERTY AND NO RELOCATION BENEFITS:

LESSEE understands and acknowledges that the use of the Premises is specifically tied to the contract between the Sacramento Housing and Redevelopment Agency and the Salvation Army effective January 1, 2017 and titled "Homeless Activities-The Salvation Army. LESSEE shall not, by this Lease or otherwise, be entitled to relocation benefits or replacement space resulting from the expiration or termination of this Lease. This Lease does not mean, imply or suggest that said contract between the Sacramento Housing and Redevelopment Agency and LESSEE shall be renewed or extended.

16. WRITTEN COMMUNICATIONS:

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail.

Such matters shall be addressed to the other party at the following address:

To LESSOR at:

Housing Authority of the City of Sacramento
801 12th Street
Sacramento, CA 95814
Attention: Sandy Lee
Phone No. (916) 449-6288

To LESSEE at:

The Salvation Army
Del Oro Division
3755 North Freeway Blvd
Sacramento CA 95834
Attention: Property
Phone No. (916) 678-4024

or such other address as a party may designate to the other by notice.

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

17. **RIGHT AND REMEDY:**

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

18. **RULES AND REGULATIONS:**

LESSEE'S occupancy and use of the Premises shall at all times be conducted in manner that is in compliance with LESSOR'S Rules and Regulations as promulgated from time to time at the sole discretion of LESSOR. Violation of these Rules and Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

19. **GOVERNING LAW:**

This Lease shall be governed by and construed in accordance with the laws and regulations of the State of California.

LESSOR:

HOUSING AUTHORITY OF
THE CITY OF SACRAMENTO, a public
body, corporate and politic

By: _____
La Shelle Dozier, Executive Director

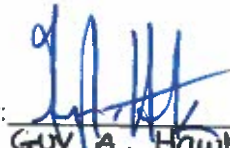
DATE: _____

APPROVED AS TO FORM:

AGENCY COUNSEL

LESSEE:

The Salvation Army, A California Corporation

By:  _____
Guy A. Hawk, Divisional Secretary

By: _____

DATE:

10/10/2017

Exhibit "A"

Legal Description

The land described herein is situated in the State of California, County of Sacramento, City of Sacramento, described as follows:

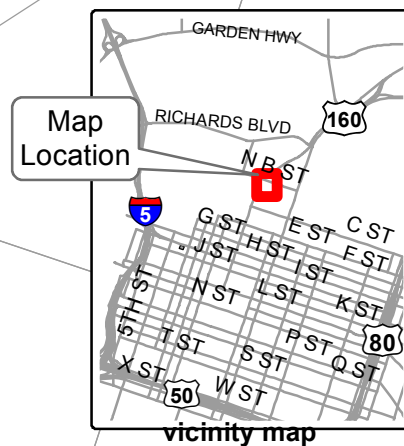
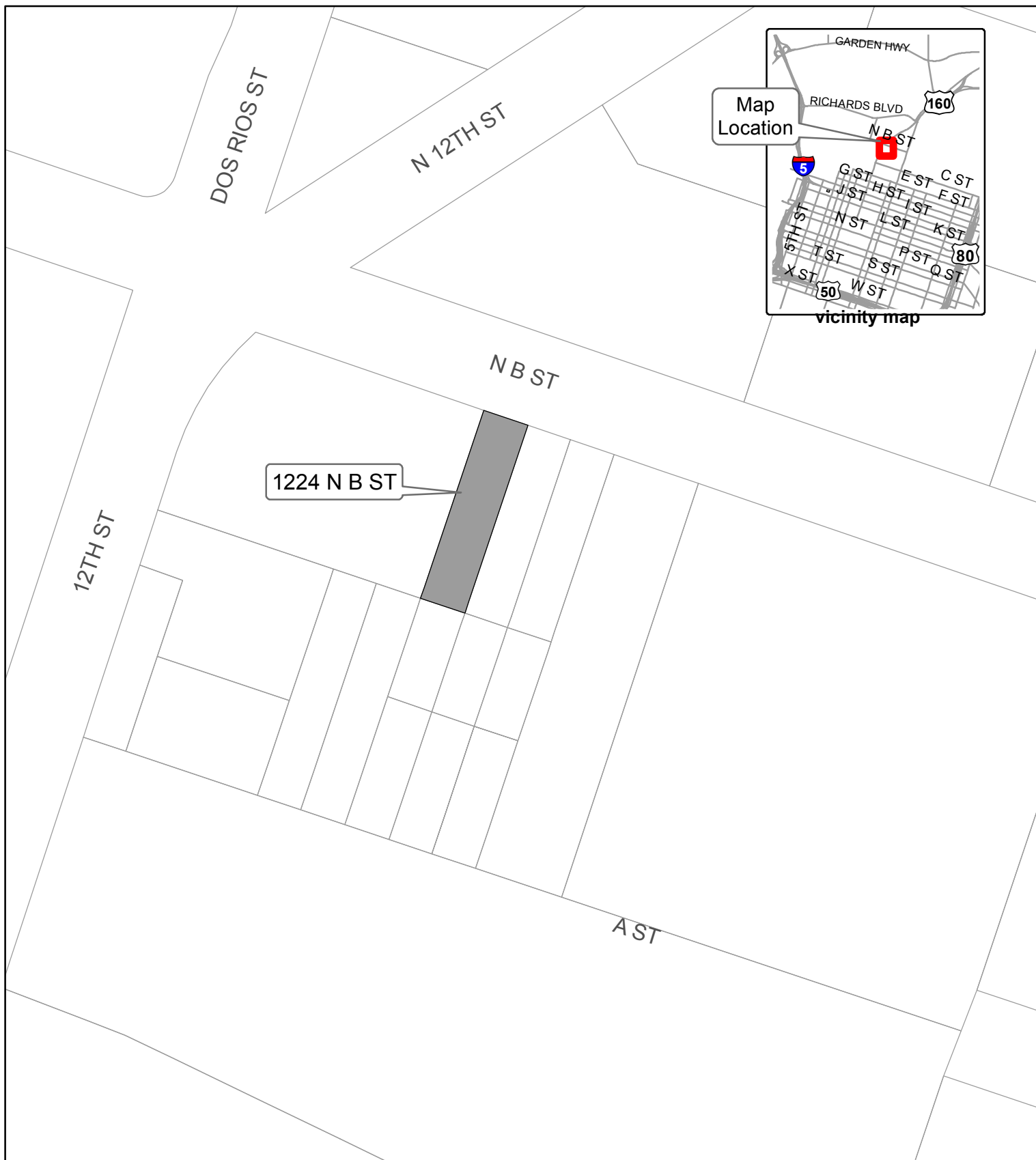
The West one-half of Lot 4, Block 13, also described as in the Block bounded by "A" and North "B", Twelfth and Thirteenth Streets, according to the Official "Map of Park of Sacramento City, lying between 10th and 25th Streets, "A" Street and the American River", recorded in the office of the County Recorder of Sacramento County, April 24, 1850, in Book 1 of Maps, Map No. 8.

TOGETHER WITH the North 1/2 of the alley (now abandoned lying between the Southerly production of the West line of West 1/2 of Lot 4 and the Southerly production of Easterly line of the West 1/2 of Lot 4 in the Block bounded by "A" and North "B" Twelfth and Thirteenth Streets, according to the official "Map of Park of Sacramento City, lying between 10th and 25th Streets, "A" Street and the American River", recorded in Book 1 of Maps, Map No. 8, records of said County.

APN: 002-0041-021-0000



1224 N B St Lease to Salvation Army



1224 N B St

