

RESOLUTION NO. 2010-014

Adopted by the Housing Authority
of the City of Sacramento

December 7, 2010

AUTHORIZATION TO ENTER INTO 364 DAY LEASE WITH VIBE FOR USE OF THE COMMON AREA AT 1725 K STREET AND APPROVAL OF TENANT IMPROVEMENTS AND RELATED FINDINGS

BACKGROUND

- A. The VIBE Foundation ("VIBE") is a Sacramento based all-volunteer organization, proposing a teen operated career center and urban youth lounge where teenage public housing residents and other Sacramento area teens can acquire academic and vocational skills, engage in service learning, socialize, and network with Sacramento-based private, public, and non-profit organizations.
- B. VIBE is requesting a lease agreement effective January 1, 2011, through December 30, 2011 to lease the 3,000 square foot common area at 1725 K Street for an annual rent of one dollar (\$1.00), as it provides a valuable service to youth in the community as well as public housing residents.
- C. VIBE proposes the construction of tenant improvements at the 1725 K Street site to make the space more functional for the VIBE program. Tenant improvements include: Construction of lounge area, computer lab area, smoothie bar, separate entrance to facility for VIBE patrons and other interior and exterior improvements needed for the teen center. VIBE will be responsible for the cost of the tenant improvements.
- D. The execution of a lease and performance of minor tenant improvements on an existing facility is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Section 15301. In addition, there is no federal funding or any other federal action involved with this action; therefore, the National Environmental Policy Act (NEPA) does not apply.
- E. The lease of common space and tenant improvements and proposed use of the space were developed in consultation with the project residents and the Resident Advisory Board/council approved concept and plan on August 26, 2008, and a duly noticed public hearing was held before the Sacramento Housing and Redevelopment Commission on November 17, 2010.
- F. The lease is in the best interest of public housing residents and the community at large. The proposal to lease the common area at 1725 K Street is appropriate because it will improve the community quality of life and economic vitality as well as promote self-sufficiency and asset development for youths which is consistent with the Housing Authority's annual plan goals.

- G. The non-dwelling unit/common space proposed to be leased is in excess of the actual needs of the existing project and the lease is incidental and does not interfere with the continued operation of the project
- H. No U.S. Department of Housing and Urban Development (HUD) funds will be used for the cost of tenant improvements or to reimburse the Housing Authority for the cost of managing or administering the lease without HUD approval.
- I. Services provided pursuant to the lease will provide benefit to Housing Authority residents and leverage private funds to provide an on site commercial enterprise serving the needs of Housing Authority residents and the community at large

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

- Section 1. After due consideration, the findings and facts presented, including the environmental findings as stated above are hereby approved.
- Section 2. The Executive Director, or her designee, is authorized to execute a lease for a term of 364 days with VIBE in the form attached as Exhibit A for the VIBE Teen Center/Urban Lounge to be located at the 1725 K Street common areas, effective January 1, 2011, through December 30, 2011.
- Section 3. The Sacramento Housing and Redevelopment Agency is authorized and delegated authority to approve subsequent VIBE lease renewals of less than one year.
- Section 4. The Executive Director, or her designee, is authorized to approve the proposed tenant improvements to the common area at 1725 K Street that will be performed by or for VIBE, such improvements must be in accordance with all applicable law.

Exhibit A – Lease agreement

Adopted by the Housing Authority of the City of Sacramento on December 7, 2010 by the following vote:

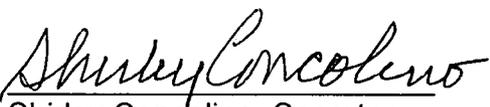
Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

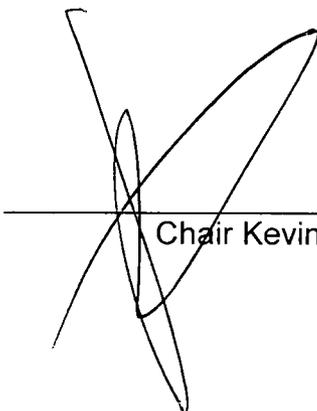
Noes: None.

Abstain: None.

Absent: None.

Attest:


Shirley Concolino, Secretary


Chair Kevin Johnson

LEASE AGREEMENT

THIS LEASE, dated **January 1, 2011** is between the **HOUSING AUTHORITY OF THE CITY OF SACRAMENTO** (LESSOR), and **THE VIBE FOUNDATION**, a California nonprofit public benefit corporation (LESSEE).

IT IS AGREED:

1. LEASE TERM:

A. LESSOR grants to LESSEE a tenancy for Three Hundred and Sixty Four (364) days , commencing approximately on January 1, 2011 in the following property: approximately 2,914 square feet located at Comstock-Common Area, 1725 K Street, Sacramento California, ("Premises") in the Midtown Manor Community. A diagram of the Premises is attached as Exhibit "A", and incorporated herein by reference.

B. Either party shall have the right to cancel this Lease at no cost or penalty by giving the other party thirty (30) days written notice.

2. SCHEDULE:

A. The Lease term shall commence when the Premises are prepared for occupancy, or the date LESSEE takes possession of the Premises, whichever occurs first.

B. When the date of commencement of the term has been ascertained, the parties shall then execute the attached Exhibit "B" Confirmation of Lease Term.

3. RENTAL RATE:

The yearly rental rate is **ONE DOLLAR (\$1.00)** annually paid in advance (rent does not include utilities).

4. USE:

A. The Premises shall be used by LESSEE only for purposes related to operation of a urban youth lounge and career center, including administrative offices, for the following: i) career development/center, ii) resource lounge, iii) computer lab, iv) after school program, and v) teen program and adult empowerment, but for no other uses without LESSOR's written consent.

B. LESSEE shall have the right to share use of the Common Area and the restrooms in the Premises.

C. The Premises shall be available to the LESSEE between the hours of 2:00 p.m. and 10:00 p.m., Monday thru Thursday, 2:00 p.m. and 12:00 a.m., Friday and 8:00 a.m. and 12:00 a.m. Saturday and Sunday.

D. LESSEE shall provide a security guard for all special and evening events.

5. ALTERATIONS BY LESSEE:

LESSEE is responsible for the construction and installation of all tenant improvements required to conform the Premises to LESSEE'S needs, including all associated costs. Provided, however, LESSEE must obtain LESSOR'S approval of the proposed tenant improvements before commencement of any of the work. The estimated costs for construction of the tenant improvements are set forth in the attached Exhibit "C", "Schematic Construction Estimate". LESSEE shall immediately pay all costs of labor, services and materials supplied in prosecution of any work to be done on the Premises, if such work is approved. LESSEE shall keep the Premises free and clear of all mechanics liens and any other liens. All work must be approved by LESSOR, in addition, to any required City approvals, before LESSEE commences its operations on the Premises.

LESSEE may make no other alterations to the Premises without the prior written consent of LESSOR.

6. UTILITY SERVICE PAYMENT:

A. LESSEE shall pay \$320.54 (\$.11x2914 sq. ft.) monthly, a prorated share for gas and electricity charges incurred for heating, lighting, and cooling the premises during the term of this Lease, and LESSEE shall provide, at its own cost, all necessary janitorial service.

B. LESSEE shall furnish all electric light bulbs and/or tubes as required during the term of this Lease.

C. LESSOR shall pay all sewer and water charges.

D. LESSOR shall at its own cost and expense, furnish garbage and waste removal services for the premises. LESSEE shall not overburden these services.

7. INDEMNIFICATION:

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 or about Premises during the Lease Term; unless caused by the gross negligence or willful misconduct of LESSOR..

The provisions of this Section 7 shall survive the expiration or sooner termination of this Lease.

8. INSURANCE:

LESSEE shall comply with LESSOR'S insurance requirements, attached hereto as Exhibit "D".

9. MAINTENANCE OF FACILITY:

LESSEE at its cost shall 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, hot water heater, lighting fixtures (ballasts, bulbs) and any furnishing, partitions or systems specifically installed or required for the LESSEE use. LESSOR at its cost shall maintain the exterior walls, roof, grounds, exterior lighting, and HVAC equipment, fire alarm and extinguisher systems.

10. FACILITY PARKING:

LESSEE and its clients, guests and invitees, shall not have the right to any parking spaces and, therefore are not to park on-site.

11. REPAIR CONTRACT:

LESSOR shall designate sources to be called when repairs to the electrical and plumbing systems are required. Said sources shall be called in the event LESSEE is unable to contact LESSOR within a reasonable time.

12. 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.

13. 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.

14. SUCCESSORS-IN-INTEREST:

LESSEE may not be transferr 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. 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 12 th Street
Sacramento, CA 95814

Phone No. (916) 449-6219
Fax No. (916) 442-3718

To LESSEE at:

VIBE
1725 K Street
Sacramento, CA 95815

Phone No. (916) 451-2521

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.

16. 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.

17. 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 for the Midtown Manor Community 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.

LESSOR:

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

LESSEE:

THE VIBE FOUNDATION, a California nonprofit
public benefit corporation

By: _____
LaShelle Dozier
Executive Director

By: _____
Christina Giffin
VIBE Adult Advocate

DATE: _____

DATE: _____

APPROVED AS TO FORM:

AGENCY COUNSEL

DRAFT

CONFIRMATION OF LEASE TERM

LESSOR: HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

LESSEE: VIBE

LEASE DATE: January 1, 2011

PREMISES: Approximately 2,914 sq. ft. located at 1725 K Street, Sacramento, CA.

LEASE COMMENCEMENT DATE: January 1, 2011

LEASE TERMINATION DATE: December 30, 2011

LESSOR:

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

By: _____

Its: _____

DATE: _____

LESSEE:

VIBE Foundation, Inc., a California nonprofit public benefit corporation

By: _____

Its: _____

DATE: _____



INSURANCE REQUIREMENTS:

Basic Requirements

Any questions or concerns regarding insurance coverage should be discussed with Procurement Services, General Counsel, or Risk Management. Work should not proceed until insurance issues / concerns are resolved.

During the term of the contract, the vendor must maintain the following insurance coverage from insurance providers licensed to do business in California and having a Best's rating of at least A-VII, or a rating of such other rating service as the Agency, in its sole discretion, shall require.

1. Commercial General Liability – A policy of comprehensive general liability insurance which shall include, without limitation, coverage for contractual liability, public liability and property damage, written for not less than the single limit liability coverage stated.
 - a. Contractor shall provide Commercial General Liability Insurance using ISO "Commercial General Liability" policy form CG 00 01, with limits of no less than \$1,000,000 per occurrence for all covered losses and \$2,000,000 general aggregate and having a deductible of Twenty-five Thousand Dollars (\$25,000) or less.
 - b. Infrastructure projects and projects over one million dollars need to be reviewed by General Counsel to determine insurance limits.
2. Automobile Liability – If motor vehicles are used in performing services in connection with this Contract, a policy of automobile liability insurance written for not less than the liability coverage stated.
 - a. If motor vehicles are used in connection with this Contract, Three Hundred Thousand Dollars (\$300,000) or more of automobile liability coverage having a deductible of Five Thousand Dollars (\$5,000) or less.
 - b. For construction and maintenance service contracts, contractor shall provide auto liability coverage for owned, nonowned, and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of no less than \$1,000,000 per accident and having a deductible of Five Thousand Dollars (\$5,000) or less.
 - c. For contracts where a motorized vehicle is required for the performance of contracted services (appraisers, real estate brokers, etc.), contractor shall provide auto liability coverage for owned, nonowned, and hired autos using ISO Business Auto Coverage form CA 00 01 or the exact equivalent with a limit of

no less than \$1,000,000 per accident and having a deductible of Five Thousand Dollars (\$5,000) or less.

3. Workers compensation – A workers compensation policy which covers all employees of vendor and each and every subcontractor and which is written in accordance with California law.
 - a. Contractor shall provide Workers Compensation and Employers Liability Insurance on a state approved policy form providing benefits as required by law with employer's liability limits no less than \$1,000,000 per accident or disease.
 - b. California law requires a company to have Worker's Compensation insurance if they have one (1) or more employees. It is required whether the employee is full-time, part-time, or temporary. All employees of a company as legally defined including corporate officers and directors must be included in the Worker's Compensation policy unless they are owners of the firm. An owner of a firm is defined as having a 25% interest in the firm.
 - c. A family member is an employee unless he/she is an owner in the firm. An owner of a firm is defined as having a 25% interest in the firm.
 - d. Roofers are required to have Worker's Compensation for the owner. It does not matter whether or not the company has employees; the company must have Worker's Compensation, because the owner must be covered.
4. Product Liability or Excess Liability – Construction contracts for work over \$5,000 require Product Liability or Excess Liability insurance for the coverage stated.
 - a. For construction contracts over \$5,000.
 - b. Contractor shall provide "all risk" coverage for the completed value of the project. Policies shall contain the following provisions: (1) Agency shall be named as loss payee; and (2) the insurer shall waive all rights of recovery against Agency.
 - c. Not required for modernization work which does not involve structural alterations or additions and where the Agency's existing fire and extended coverage policy can be endorsed to include such work.
 - d. The Contractor shall obtain and maintain, during the term of the Contract, property insurance upon the Project at an amount equal to the full insurable value of the Project at all times. The insurance shall include the interest of the Agency and the contractor as named insured, and all subcontractors and sub-contractors as their interest may appear, in the Project and shall insure against the perils of fire and extended coverage and shall include "all risk" insurance for physical loss and damage including without duplication of coverage, theft, vandalism, and malicious mischief.

5. Professional Liability (Errors or Omissions) – only required for Design Professionals. The architect / engineer shall maintain errors and omissions insurance at all times the Contract is in effect and for a period of five years (or for as long as available at commercially reasonable rates) after final completion of the Project.
 - a. Coverage of not less than \$1,000,000 per occurrence and a deductible of not more than \$25,000.
6. Failure to maintain the required insurance coverage is a material breach of the Contract. Agency shall, nevertheless, have the right, without obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Vendor must immediately reimburse Agency for any and all costs incurred by Agency in obtaining or maintaining such insurance. If Agency does incur such costs, Agency shall have the right to withhold such amount from any payment due to the vendor under the Contract and to reduce the compensation payable to the vendor under the Contract by such amount.
7. Before beginning any work under the Contract, vendor must provide Agency with certificates of insurance with attached endorsements. Vendor may be requested to provide complete copies of the insurance policies demonstrating the required coverage. Vendor must assure that such certificates are in a form reasonably acceptable to the Agency and reflect fulfillment of all of the requirements of the Contract.

Agency as Additional Insured

All of the insurance policies, except the workers compensation policy, shall name the Sacramento Housing and Redevelopment Agency and its constituent entities as additional insureds.

30-Day Cancellation

1. For contracts which require more than 30 days for the performance of work, the vendor must assure that the coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the Agency of the pending cancellation. All insurance certificates and the underlying policies shall each contain a provision stating that coverages afforded under the policies shall not be canceled until at least thirty (30) days prior written notice has been given to the Agency at the following address:

Sacramento Housing & Redevelopment Agency
801 12th Street, 2nd Floor – Procurement Services (PS)
Sacramento, CA 95814

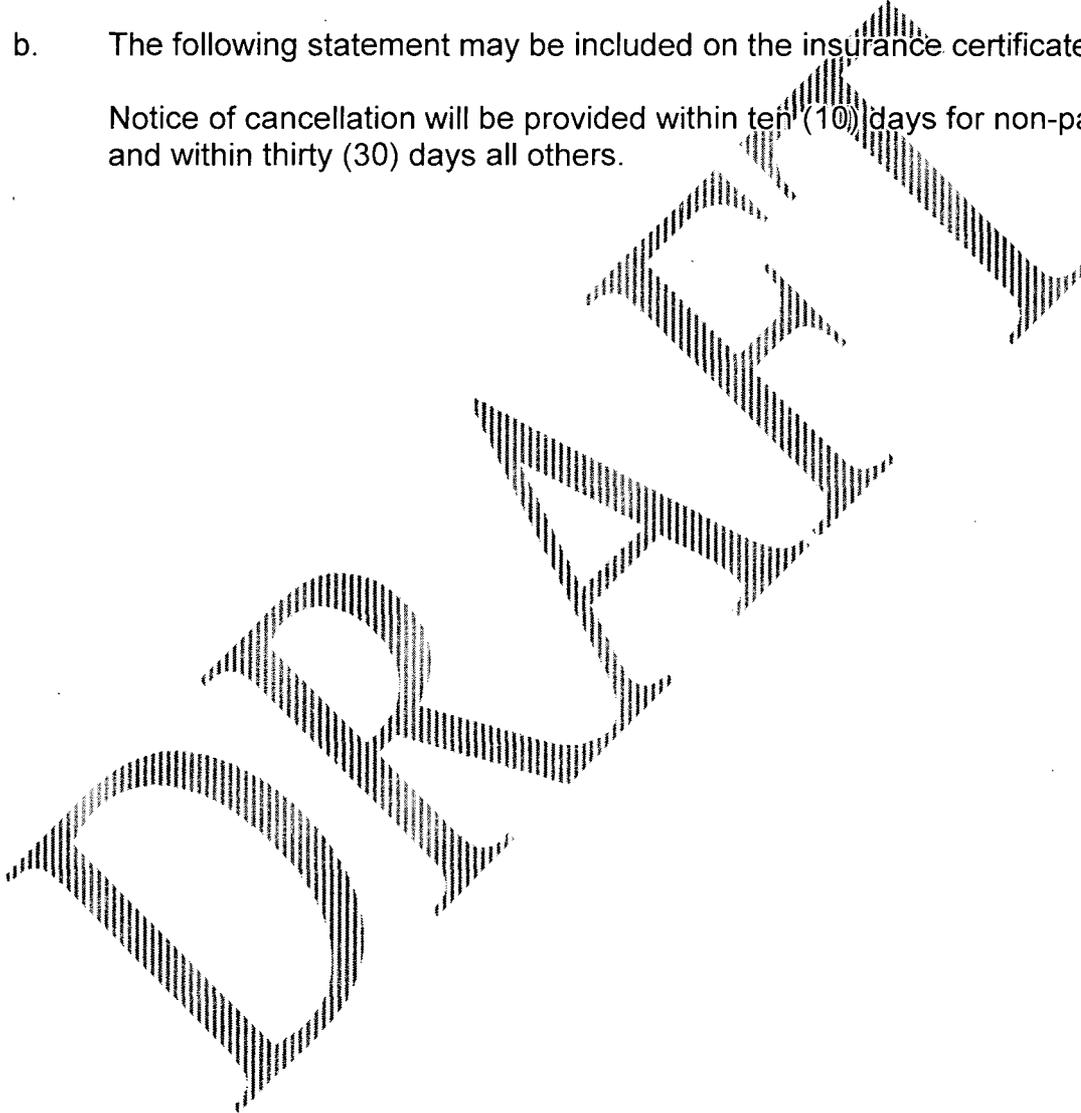
2. There are two ways to satisfy this requirement:

- a. The cancellation clause on the certificate of insurance may be modified to read as follows:

Cancellation: Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will ~~endeavor to mail 30 days written notice to the certificate holder named to the left, but failure to mail such a notice shall impose no obligation or liability of any kind upon the company, its agents or representative.~~

- b. The following statement may be included on the insurance certificate:

Notice of cancellation will be provided within ten (10) days for non-payment, and within thirty (30) days all others.



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