

1 [Grant Agreement - Retroactive - Advocates for Human Potential, Inc. - Round 4  
2 1001 Potrero Avenue - Anticipated Revenue to the City \$33,736,105]

3 **Resolution retroactively authorizing the Department of Public Health to enter into a**  
4 **Grant Agreement, for a term commencing on execution of the Grant Agreement**  
5 **through June 30, 2027, between the City and County of San Francisco (“City”), acting**  
6 **by and through its Department of Public Health (“DPH”), and Advocates for Human**  
7 **Potential, Inc., having anticipated revenue to the City of \$33,736,105 for construction at**  
8 **1001 Potrero Avenue, Building 5, Wards 6B and 7A; including a Permitted and**  
9 **Restricted Use; authorizing the Grantor to apply for a Receiver in the event of the City’s**  
10 **default; and authorizing DPH to enter into amendments or modifications to the Grant**  
11 **Agreement that do not materially increase the obligations or liabilities of the City and**  
12 **are necessary to effectuate the purpose of the Grant.**

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14 WHEREAS, The California Department of Health Care Services (“DHCS”), through its  
15 contractor and fiscal administrator Advocates for Human Potential, Inc. (“AHP”), issued a  
16 Request for Applications Round 4 (“RFA”) for the Behavioral Health Continuum Infrastructure  
17 Program (“BHCIP”); BHCIP grant funds are derived primarily from the State of California  
18 General Fund; and

19 WHEREAS, DHCS is authorized to administer the BHCIP pursuant to Welfare and  
20 Institutions Code, Sections 5960-5960.45 and AHP manages and administers the BHCIP for  
21 DHCS under 2 C.F.R. Part 200; and

22 WHEREAS, The City submitted an application (“Application”) to DHCS for BHCIP grant  
23 funds to construct an adolescent partial hospitalization unit and an adolescent acute inpatient  
24 psychiatric unit (“Project”) located at 1001 Potrero Avenue, Building 5, in San Francisco  
25 (“Property”) and DHCS awarded the City BHCIP grant funds in an amount not to exceed

1 \$33,736,105 with a term commencing on execution of the Grant Agreement, through June 30,  
2 2027 (“Grant”); and

3 WHEREAS, The Grant Agreement is subject to the terms and conditions of the RFA,  
4 the Application, the DHCS Standard Agreement, the AHP Program Funding Agreement, and  
5 all other legal requirements of the BHCIP; and

6 WHEREAS, San Francisco Charter, Section 9.118 requires contracts entered by a  
7 department having anticipated revenue to the City of \$1,000,000 or more, and/or having a  
8 term in excess of ten years, be approved by the San Francisco Board of Supervisors (“Board”)  
9 by Resolution; and

10 WHEREAS, The Board accepted the grant in the Fiscal Year (FY) 2024 appropriations  
11 Ordinance No. 144-23 (File No. 230644); and

12 WHEREAS, The Grant Agreement includes a Regulatory Agreement and Declaration  
13 of Restrictions (“Declaration”), to be recorded in the City’s official records, that ensures that  
14 the Project be used for an adolescent partial hospitalization unit and an adolescent acute  
15 inpatient psychiatric unit (“Permitted Use”) for period of at least thirty (30) years after Project  
16 completion (“Restriction Period”), regardless of any sale, assignment, transfer, or conveyance  
17 (including, without limitation, by foreclosure sale) of the Property or any portion thereof to any  
18 other person or entity; and

19 WHEREAS, If the City defaults under the Grant, the Declaration authorizes DHCS to  
20 apply to a court of competent jurisdiction for the appointment of a Receiver to take over and  
21 operate the Property in accordance with the requirements of Grant Agreement and the  
22 Declaration, including all of the powers necessary for the protection, possession, control,  
23 management, and operation of the Property; and

24 WHEREAS, The Grant Agreement obligates the City to defend, indemnify and hold  
25 harmless DHCS against all loss, costs, damages, expenses, suits, judgments, actions, and

1 liabilities of whatever nature (“Claims”) directly or indirectly resulting from or arising out of or  
2 related to (a) the operation, use, occupancy, maintenance, financing, or ownership of the  
3 Project, and (b) the City’s breach of its Grant obligations; and

4 WHEREAS, A draft of the Grant is on file with the Clerk of the Board of Supervisors in  
5 File No. 240113, which is hereby declared to be a part of this Resolution as if set forth fully  
6 herein; now, therefore, be it

7 RESOLVED, That the Board of Supervisors hereby authorizes the Director of Health to  
8 enter into the Grant Agreement having anticipated revenue to the City of \$33,736,105 and a  
9 term from the execution of the Grant, through June 30, 2027; and, be it

10 FURTHER RESOLVED, That said Grant Agreement may include a Declaration to be  
11 recorded in the City’s official records, that ensures that the Project is used for the Permitted  
12 Use for the Restriction Period; and, be it

13 FURTHER RESOLVED, That said Grant Agreement shall include a provision  
14 authorizing DHCS to apply for the appointment of a Receiver to take over and operate the  
15 Property in the event of the City’s default; and, be it

16 FURTHER RESOLVED, That the Grant Agreement may include a clause obligating the  
17 City to defend, indemnify and hold harmless DHCS against all loss, costs, damages,  
18 expenses, suits, judgments, actions, and liabilities of whatever nature (“Claims”) directly or  
19 indirectly resulting from or arising out of or related to (a) the operation, use, occupancy,  
20 maintenance, financing, or ownership of the Project, and (b) the City’s breach of its Grant  
21 obligations; and, be it

22 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director  
23 of Health to enter into any amendments or modifications to the Grant that the Department  
24 determines, in consultation with the City Attorney, are in the best interests of the City, do not  
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1 otherwise materially increase the obligations or liabilities of the City, are necessary to  
2 effectuate the purposes of the Grant, and are in compliance with all applicable laws; and, be it

3 FURTHER RESOLVED, That within thirty (30) days of the Grant being fully executed  
4 by all parties, the Director of Health shall provide the final agreement to the Clerk of the Board  
5 for inclusion in File No. 240113.

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7 RECOMMENDED:

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/s/

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Dr. Grant Colfax  
Director of Health

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