

1 [Grant Agreement - Retroactive - Advocates for Human Potential, Inc. - Round 3 - 822 Geary
2 Street - Anticipated Revenue to the City \$6,774,965]

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 \$6,774,965 for construction at**
8 **822 Geary Street, 1st Floor; including a Permitted and Restricted Use; authorizing the**
9 **Grantor to apply for a Receiver in the event of the City’s default; and authorizing DPH**
10 **to enter into amendments or modifications to the Grant Agreement that do not**
11 **materially increase the obligations or liabilities of the City and are necessary to**
12 **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 3 (“RFA”) for the Behavioral Health Continuum Infrastructure
17 Program (“BHCIP”); BHCIP grant funds are derived primarily from the federal Coronavirus
18 State and Local Fiscal Recover Funds, which was established by the American Rescue Plan
19 Act of 2021, and in part from the State of California General Fund; and

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

23 WHEREAS, The City submitted an application (“Application”) to DHCS for BHCIP grant
24 funds to construct a crisis stabilization unit (“Project”) located at 822 Geary Street in San
25 Francisco (“Property”) and DHCS awarded the City BHCIP grant funds in an amount not to

1 exceed \$6,774,965 with a term commencing on execution of the Grant Agreement, through
2 June 30, 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 FY24 appropriations Ordinance
11 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 a crisis stabilization unit (“Permitted Use”) for period of at least thirty
15 (30) years after Project completion (“Restriction Period”), regardless of any sale, assignment,
16 transfer, or conveyance (including, without limitation, by foreclosure sale) of the Property or
17 any portion thereof to any other person or entity; and

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

23 WHEREAS, The Grant Agreement obligates the City to defend, indemnify and hold
24 harmless DHCS against all loss, costs, damages, expenses, suits, judgments, actions, and
25 liabilities of whatever nature (“Claims”) directly or indirectly resulting from or arising out of or

1 related to (a) the operation, use, occupancy, maintenance, financing, or ownership of the
2 Project, and (b) the City's breach of its Grant obligations, and

3 WHEREAS, A draft of the Grant is on file with the Clerk of the Board of Supervisors in
4 File No. 240023, which is hereby declared to be a part of this Resolution as if set forth fully
5 herein; now, therefore, be it

6 RESOLVED, That the Board of Supervisors hereby authorizes the Director of Health to
7 enter into the Grant Agreement having anticipated revenue to the City of \$6,774,965 and a
8 term from the execution of the Grant, through June 30, 2027; and, be it

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

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

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

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

1 FURTHER RESOLVED, That within thirty (30) days of the Grant being fully executed
2 by all parties, the Director of Health shall provide the final agreement to the Clerk of the Board
3 for inclusion in File No. 240023.

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5 RECOMMENDED

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7 /s/
8 Dr. Grant Colfax
9 Director of Health

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