

1 [Grant Agreement - California Department of Social Services - Community Care Expansion  
2 Program - Anticipated Revenue to the City \$9,895,834]

3 **Resolution authorizing the Department of Public Health to enter into a Grant Agreement**  
4 **for a term commencing on execution of the Grant Agreement, through June 30, 2029,**  
5 **between the City and County of San Francisco ("City"), acting by and through its**  
6 **Department of Public Health ("DPH"), and California Department of Social Services and**  
7 **its third party administrator Horne LLP, under the Community Care Expansion Program,**  
8 **having anticipated revenue to the City of \$9,895,834 for construction of a substance**  
9 **use disorder (SUD) residential step-down facility at Parcel E1.2, Treasure Island,**  
10 **including a Permitted and Restricted Use; authorizing DPH to accept and expend an**  
11 **increase to the grant award; authorizing the Grantor to apply for a Receiver in the event**  
12 **of the City's default; and authorizing DPH to enter into amendments or modifications to**  
13 **the Grant Agreement that do not materially increase the obligations or liabilities of the**  
14 **City and are necessary to effectuate the purpose of the Grant.**

15  
16 WHEREAS, The California Department of Social Services ("CDSS"), through its  
17 contractor and fiscal administrator Horne LLP ("Horne"), issued a Request for Applications  
18 ("RFA") for the Community Care Expansion Program ("CCE Program"), a statewide initiative  
19 to expand the state's housing and care options for individuals with disabilities and low-income  
20 seniors, preventing homelessness and unnecessary institutionalization; and

21 WHEREAS, CDSS is authorized to administer the CCE Program pursuant to Welfare  
22 and Institutions Code, Sections 18999.97–18999.98, and Horne manages and administers the  
23 Program for CDSS; and  
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1           WHEREAS, The City submitted an application ("Application") to CDSS to construct a  
2 facility at Parcel E1.2, Treasure Island, to expand residential step-down services for  
3 individuals with substance use disorders ("Project"); and

4           WHEREAS, On March 23, 2023, CDSS awarded CCE Program grant funds to the City  
5 in an amount not to exceed \$9,500,000; and

6           WHEREAS, On May 21, 2024, CDSS notified DPH of an increase to the grant award in  
7 the amount of \$395,834, for a revised total not to exceed \$9,895,834; and

8           WHEREAS, CDSS has agreed to fund DPH for an amount not to exceed \$9,895,834  
9 for participation in the CCE Program, with a term commencing on the execution of the Grant  
10 Agreement, through June 30, 2029 ("Grant"); and

11           WHEREAS, The Grant Agreement is subject to the terms and conditions of the RFA,  
12 the Application, the Horne Program Funding Agreement, and all other legal requirements of  
13 the CCE Program; and

14           WHEREAS, San Francisco Charter, Section 9.118(a) requires contracts entered by a  
15 department having anticipated revenue to the City of \$1,000,000 or more be approved by the  
16 Board by Resolution; and

17           WHEREAS, The Board accepted the Grant in the Fiscal Year 2024 appropriations  
18 Ordinance No. 144-23 (File No. 230644) in the original award amount of \$9,500,000; and

19           WHEREAS, DPH is seeking the Board's approval of the increase to the grant in the  
20 amount of \$395,823, for a revised total grant award of \$9,895,834; and

21           WHEREAS, The grant terms require a minimum match of 10% from Counties, Cities  
22 and nonprofit providers; and

23           WHEREAS, The match will be funded from the 2020 Health and Recovery Bond; and

24           WHEREAS, The Grant Agreement includes a Regulatory Agreement and Declaration  
25 of Restrictions ("Declaration"), to be recorded in the City's official records, that ensures that

1 Parcel E1.2, Treasure Island, and the improvements thereon ("Property") be used in  
2 compliance with the terms of the CCE Program ("Permitted Use") for period of at least 30  
3 years after Project completion ("Restriction Period"), regardless of any sale, assignment,  
4 transfer, or conveyance (including, without limitation, by foreclosure sale) of the Property or  
5 any portion thereof to any other person or entity; and

6 WHEREAS, If the City defaults under the Grant, the Declaration authorizes CDSS to  
7 apply to a court of competent jurisdiction for the appointment of a Receiver to take over and  
8 operate the Property in accordance with the requirements of Grant Agreement and the  
9 Declaration, including all of the powers necessary for the protection, possession, control,  
10 management, and operation of the Property; and

11 WHEREAS, The Grant Agreement obligates the City to defend, indemnify and hold  
12 harmless CDSS and Horne against all loss, costs, damages, expenses, suits, judgments,  
13 actions, and liabilities of whatever nature ("Claims") directly or indirectly resulting from or  
14 arising out of or related to (a) the operation, use, occupancy, maintenance, financing, or  
15 ownership of the Project, and (b) the City's breach of its Grant obligations; and

16 WHEREAS, The Grant does not require an Annual Salary Ordinance Amendment; and

17 WHEREAS, A draft of the Program Funding Agreement is on file with the Clerk of the  
18 Board of Supervisors in File No. 250619, which is hereby declared to be a part of this  
19 Resolution as if set forth fully herein; and

20 WHEREAS, The Department proposes to maximize use of available grant funds on  
21 program expenditures by not including indirect costs in the grant budget; now, therefore, be it

22 RESOLVED, That the Board of Supervisors hereby waives inclusion of indirect costs in  
23 the grant budget; and, be it

1 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director  
2 of Health or the Director's designee to enter into the Grant Agreement for a term from the  
3 execution of the Grant Agreement, through June 30, 2029; and, be it

4 FURTHER RESOLVED, That DPH is hereby authorized to accept and expend a grant  
5 increase in the amount of \$395,834, for a total grant amount of \$9,895,824; and, be it

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

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

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

18 FURTHER RESOLVED, That the Board of Supervisors hereby authorizes the Director  
19 of Health or the Director's designee to enter into any amendments or modifications to the  
20 Grant that the Department determines, in consultation with the City Attorney, are in the best  
21 interests of the City, do not otherwise materially increase the obligations or liabilities of the  
22 City, are necessary to effectuate the purposes of the Grant, and are in compliance with all  
23 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. 250619.

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6 Recommended: Approved:   /s/    
7 Mayor

8   /s/    
9 Daniel Tsai Approved:   /s/    
10 Director of Health Controller