

1 [Purchase of Real Property - 290 Division (EAT) LLC, 1660 Mission LLC, Skyline Capital -
2 1660 and 1670 Mission Street - \$18,500,000 and \$30,000 in Escrow Costs]

3 **Resolution 1) approving and authorizing the Director of Property to acquire certain real**
4 **property located at 1660 and 1670 Mission Street (“Property”); 2) approving and**
5 **authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition of**
6 **the Property for the purchase price of \$18,500,000 plus an estimated \$30,000 for typical**
7 **closing costs, for a total amount of \$18,530,000 from 290 Division (EAT) LLC, 1660**
8 **Mission LLC, a California limited liability company and Skyline Capital, a Wyoming**
9 **limited liability company (“Purchase Agreement”); 3) authorizing the Director of**
10 **Property to execute the Purchase Agreement, make certain modifications, and take**
11 **certain actions in furtherance of this Resolution and the Purchase Agreement, as**
12 **defined herein, effective upon approval of this Resolution; 4) affirming the Planning**
13 **Department’s determination under the California Environmental Quality Act; and 5)**
14 **adopting the Planning Department’s findings that the Purchase Agreement, and the**
15 **transaction contemplated therein, is consistent with the General Plan, and the eight**
16 **priority policies of Planning Code, Section 101.1.**

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18 WHEREAS, The Department of Public Health (“DPH”) first opened what is known as
19 the San Francisco City Clinic (“City Clinic”), then known as the Municipal Clinic in 1933,
20 treating sexually transmitted infections; and

21 WHEREAS, In 1982, it relocated to its current location at 356-7th Street, in a closed fire
22 station, and was renamed San Francisco City Clinic; and

23 WHEREAS, The building at 356-7th Street is not fully ADA-compliant and lacks proper
24 heating and ventilation, sufficient space for important point of care testing, and proper
25 consultation rooms for City Clinic to continue operating at this site; and

1 WHEREAS, In November 2024, the Citizens of San Francisco passed Proposition B,
2 which included a bond measure to fund a new location for the City Clinic and other community
3 health facilities; and

4 WHEREAS, The Behavioral Health Access Center, Behavioral Health Services
5 Pharmacy, and OBIC Clinic (“Behavioral Health Programs”) serve as key, longstanding
6 elements of DPH’s behavioral health system; and

7 WHEREAS, The Behavioral Health Programs are currently located at 1380 Howard
8 Street, a leased building that is outdated, inadequately sized, and cannot be expanded to
9 meet the need for behavioral health treatment and recovery services in San Francisco; and

10 WHEREAS, In June 2023, DPH was awarded capital funding from the California
11 Department of Health Care Services (“DHCS”) to acquire a new property to relocate and
12 expand the Behavioral Health Programs; and

13 WHEREAS, San Francisco has a need for a center available for law enforcement
14 where individuals intoxicated in public will be safely transitioned and where they can be
15 monitored, stabilized, and connected to appropriate care; and

16 WHEREAS, DPH, in consultation with the Real Estate Division (“RED”), undertook an
17 extensive search for appropriate buildings and identified 1660 and 1670 Mission Street
18 (“Property”) as the most suitable available location to centralize and co-locate City Clinic and
19 critical behavioral health programs; and

20 WHEREAS, The Property consists of a six-story building of approximately 75,321
21 square feet with 52 underground parking spaces, and an adjacent parking lot of approximately
22 5,340 square feet; and

23 WHEREAS, The Property was constructed in 1990 and acquired by the City in 1993,
24 where the Department of Building Inspection (“DBI”) most recently operated; and
25

1 WHEREAS, The Board of Supervisors approved the sale of the Property in 2017 for
2 \$36,000,000 in File No. 170213 to partially fund the construction of the consolidated home
3 of City permitting and public works departments at 49 South Van Ness Avenue, where DBI
4 currently resides; and

5 WHEREAS, The City, through DPH and RED, in consultation with the Office of the City
6 Attorney, has negotiated the Purchase Agreement to acquire the Property from the Seller for
7 \$18,500,000 ("Purchase Price"), substantially in the form approved by the Director of Property
8 and the Director of Health and on file with the Clerk of the Board of Supervisors in File
9 No. 250898, incorporated herein by reference; and

10 WHEREAS, DPH, in consultation with RED and the Department of Public Works
11 ("DPW"), has determined that the building meets a seismic standard of SHR-3, considered
12 acceptable for use by City staff; and

13 WHEREAS, The building will require remodeling and replacement of building
14 mechanical systems to co-locate and centralize critical public health services in a modern,
15 city-owned facility; and

16 WHEREAS, DPH will work with DPW to develop construction documents to meet
17 program plans; and

18 WHEREAS, The Purchase Price, plus an estimated \$30,000 for typical closing costs,
19 are collectively referred to as the "Acquisition Cost"; and

20 WHEREAS, Pursuant to Chapter 23, a third-party independent appraisal and review
21 appraisal, reviewed and accepted by the Director of Property, has determined the Purchase
22 Price to be at or below fair market value; and

23 WHEREAS, The Purchase Agreement will not become effective until the Board of
24 Supervisors and the Mayor approve this Resolution, in their sole and absolute discretion; and
25

1 WHEREAS, The Planning Department has determined that the actions contemplated in
2 this Resolution comply with the California Environmental Quality Act ("CEQA Determination")
3 (California Public Resources Code, Sections 21000 et seq.); the Planning Department has
4 also determined that the actions contemplated in this Resolution are consistent, on balance,
5 with the General Plan, and eight priority policies of Planning Code, Section 101.1 ("General
6 Plan Findings"); a copy of said determination ("Planning Letter") is on file with the Clerk of the
7 Board of Supervisors in File No. 250898 and is incorporated herein by reference; the Board
8 affirms these determinations; now, therefore, be it

9 RESOLVED, That in accordance with the recommendations of the Director of Health
10 and the Director of Property, in consultation with the City Attorney, the Board of Supervisors
11 approves the Purchase Agreement in substantially the form presented to the Board, and
12 authorizes the Director of Property to take all actions necessary or appropriate to acquire the
13 Property; and, be it

14 FURTHER RESOLVED, That, in accordance with the recommendations of the
15 Director of Health and the Director of Property, the Board of Supervisors approves the
16 Director of Health and the Director of Property to take all actions necessary or appropriate
17 to effectuate the Purchase Agreement and this Resolution; and, be it

18 FURTHER RESOLVED, That the Board of Supervisors approves the Director of
19 Property in consultation with the Director of Health and the Office of the City Attorney, to
20 enter into any additions, amendments, or other modifications to the Purchase Agreement
21 and any other documents or instruments necessary in connection therewith (including but
22 not limited to the exhibits and ancillary agreements attached to the Purchase Agreement),
23 that the Director of Property determines are in the best interests of the City, do not
24 materially decrease the benefits to the City with respect to the Property, do not materially
25 increase the obligations or liabilities of the City, and are necessary or advisable to complete

1 the transaction contemplated in the Purchase Agreement, and that effectuate the purpose
2 and intent of this Resolution, such determination to be conclusively evidenced by the
3 execution and delivery by the Director of Property of any such additions, amendments, or
4 other modifications; and, be it

5 FURTHER RESOLVED, The Board of Supervisors affirms the Planning
6 Department's CEQA Determination and General Plan Findings, for the same reasons as
7 set forth in the Planning Letter, and hereby incorporates such determinations by reference
8 as though fully set forth in this Resolution; and, be it

9 FURTHER RESOLVED, That the Director of Property shall provide the Clerk of the
10 Board of Supervisors with a fully executed copy of the Purchase Agreement within thirty (30)
11 days (or as soon thereafter as final documents are available) of execution by all parties.

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Prop C – Site Acquisition	
Fund ID	10582
Dept ID	240645
Project ID	10036747
Authority ID	21531
Account ID	506070
Activity ID	0005

Available: \$ 18,530,000

/s/
Michelle Allersma, Budget and Analysis
Division Director on behalf of
Greg Wagner, Controller

Funding for Fiscal Year 2025/2026 is
subject to the enactment of the Annual
Appropriation Ordinance for Fiscal Year
2025/2026

RECOMMENDED:

/s/
Sarah R Oerth
Director of Property

RECOMMENDED:

/s/
Jenny Louie
Chief Operating Officer
Department of Public Health