

REVISED LEGISLATIVE DIGEST

(2/13/2018, Amended in Board)

[Shelter and Transitional Housing During Shelter Crisis - Selection of Sites; Waiver of Certain Requirements Regarding Contracting]

Ordinance authorizing Public Works, the Department of Homelessness and Supportive Housing, and the Department of Public Health to enter into contracts without adhering to the Administrative Code or Environment Code provisions regarding competitive bidding and other requirements for construction work, procurement, and personal services relating to identified Shelter Crisis Sites (1601 Quesada Avenue; 149 6th Street; 125 Bayshore Boulevard; 13th Street and South Van Ness Avenue, southwest corner; 5th Street and Bryant Street, northwest corner; Caltrans Emergency Shelter Properties; and existing City Navigation Centers and Shelters) that will provide emergency shelter or transitional housing to persons experiencing homelessness; authorizing the Director of Property to enter into and amend leases or licenses for the Shelter Crisis Sites without adherence to certain provisions of the Administrative Code; authorizing the Director of Public Works to add sites to the list of Shelter Crisis Sites subject to expedited processing, procurement, and leasing upon compliance with conditions relating to environmental review and neighborhood notice, and approval by resolution of the Board of Supervisors, except that no resolution shall be required where the proposed site is located in a supervisorial district that has no Shelter Crisis Sites; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, and the eight priority policies of Planning Code, Section 101.1.

Existing Law

California law authorizes the Board of Supervisors to declare the existence of a shelter crisis based on a finding that a significant number of people in the City lack shelter, and that the situation has resulted in a threat to their health and safety. The law authorizes the City to suspend state or local laws setting housing, health, or safety standards for new homeless shelter facilities in response to the shelter crisis, to the extent that strict compliance would prevent, hinder, or delay the mitigation of the shelter crisis. In Ordinance No. 57-16, enacted on April 22, 2016, the Board of Supervisors declared the existence of a shelter crisis in the City and County of San Francisco, permitting the City to take necessary steps to facilitate temporary homeless housing without strict compliance with housing, health or safety laws.

As of January 1, 2018, state law authorizes the California Department of Transportation ("Caltrans") to lease property located underneath highways to the City for use as an

emergency shelter, provided the City follows all applicable health, environmental, safety, design, and engineering standards.

Local Law generally requires City departments to use a competitive bidding process and follow other contracting requirements for personal services, procurement, and construction contracts, subject to exceptions.

Administrative Code Chapter 23 requires the Board of Supervisors to approve by resolution all leases made by the Director of Property on behalf of the City as tenant, except where the lease is on a year-to-year or shorter tenancy with a rent of no more than \$15,000 per month, or where the lease will not exceed 31 days.

Amendments to Current Law

The proposed ordinance would reaffirm the Board of Supervisors' declaration of a shelter crisis, and would expedite the City's construction, repair, and expansion of properties at select sites where potential temporary shelters, including emergency shelters, navigation centers, transitional housing and stabilization rooms, may be located ("the Shelter Crisis Sites").

The Shelter Crisis Sites include:

- Jelani House, a transitional housing site located at 1601 Quesada Avenue, which has the potential to provide temporary housing to 25 women experiencing homelessness, with priority given to pregnant and medically vulnerable women;
- The Minna Lee Hotel, a single room occupancy hotel located at 149 6th Street, which has the potential to provide temporary supportive housing to up to 70 persons;
- A commercial property located at 125 Bayshore Boulevard, which has the potential for use as a shelter or navigation center for up to 125 persons experiencing homelessness;
- A lot owned by Caltrans, located under the freeway at the southwest corner of 13th Street and South Van Ness Avenue, which has the potential for use as a shelter or navigation center for up to 125 persons experiencing homelessness;
- A lot owned by Caltrans, located under the freeway at the northeast corner of 5th and Bryant Streets, which has the potential to provide shelter to up to 88 persons experiencing homelessness, including designated spaces for women;
- Properties owned by Caltrans that are located under highways; and
- The sites of existing Navigation Centers and Shelters, except those Navigation Centers located at 1950 Mission Street and 1515 South Van Ness Avenue.

The ordinance would allow Public Works ("PW"), the Department of Public Health ("DPH"), and Department of Homelessness and Supportive Housing ("DHS") to enter into contracts to prepare and manage the Shelter Crisis Sites without using a competitive bidding process, provided the contracts are entered into or amended prior to March 1, 2019.

The ordinance would authorize the Director of Property to enter and amend leases for Shelter Crisis Sites without adherence to provisions of the Administrative Code provided that the lease terms are reasonable, the term of the lease does not exceed 12 months, and the lease is entered into or amended prior to March 1, 2019.

The ordinance would allow the Director of PW, in consultation with the Director of the DSHS, the Director of Property, and other City officials, to identify new Shelter Crisis Sites that would be subject to the expedited contracting and leasing provisions of the ordinance, provided that 1) the Director of PW provides written notice to the Board of Supervisors of the proposed site, confirms that the Planning Department has determined that any required environmental review has been completed, and confirms that the City has complied with the Citizens' Right-to-Know Act; and 2) the Board of Supervisors approves by resolution the addition of the identified Shelter Crisis Site, unless the proposed site is located in a supervisorial district that has no Shelter Crisis Sites, in which case a Board resolution is not required.

Before opening a program on a Shelter Crisis Site, and before identifying a new Shelter Crisis Site, the ordinance would require the Director of DSHS, or his or her designee, to:

- conduct a thorough community outreach process that includes, at a minimum, written notice to neighbors located within 300 feet of the Shelter Crisis Site, information about how neighbors may provide input into the proposed programming at the Shelter Crisis Site, and the hosting of one community meeting; and
- develop a site-specific Health, Sanitation, and Security Plan that will adequately address: 1) the outreach efforts that will be made to persons experiencing homelessness in the area surrounding the Shelter Crisis Site; 2) the steps that will be taken to ensure that the area surrounding the Shelter Crisis Site remains clean and sanitary; and 3) the steps that will be taken to protect the safety of persons and properties located near the Shelter Crisis Site.

Lastly, the ordinance would require the Director of DSHS, or his or her designee, to submit to the Mayor and the Board of Supervisors by no later than February 28, 2019, a report that describes the number of persons that were served by programs at the Shelter Crisis Sites.

Background Information

According to the January 2017 Point in Time Homeless Count administered by the Department of Homelessness and Supportive Housing, there were approximately 7,499 people experiencing homelessness in San Francisco on a single night. Of those persons, 58% were unsheltered, 21% were under the age of 25 years, 33% identified as female, and 32% were over the age of 51 years with attendant deteriorating physical and mental health.

On November 28, 2017, Mayor Lee declared a goal of transitioning 1,000 people off the streets of San Francisco before the end of winter. The City's ability to meet this goal, which will require the rapid execution of construction contracts, is threatened by current market conditions for construction projects. The Bay Area is experiencing an unprecedented construction boom. As a result, contractors may have the ability to forgo government projects if they require extensive, and prolonged administrative requirements. In addition, the tragic wildfires that occurred in Northern California in October 2017 have increased the demand for, and limited the availability of, many construction contractors.

The unique challenge of erecting temporary shelters presents contracting challenges that are not present in other contexts. For example, some items to be procured, such as large tents, are only available from one vendor, and that vendor requires that its specially trained staff or subcontractors erect the tents.

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