

1 [Purchase of Real Property - Georgios Markoulakis and Crisula Markoulakis, as Trustees of
2 the Markoulakis Family Trust, Dated November 6, 2008 - 822 Geary Street and 629 Hyde
3 Street - \$6,320,000]

4 **Resolution 1) approving and authorizing the Director of Property to acquire certain real**
5 **property located at 822 Geary Street and 629 Hyde Street (“Property”); 2) approving**
6 **and authorizing an Agreement of Purchase and Sale for Real Estate for the acquisition**
7 **of the Property, for the purchase price of \$6,300,000 plus an estimated \$20,000 for**
8 **typical closing costs, for a total amount of \$6,320,000 from Georgios Markoulakis and**
9 **Crisula Markoulakis, as Trustees of the Markoulakis Family Trust, Dated November 6,**
10 **2008 (“Purchase Agreement”); 3) authorizing the Director of Property to execute the**
11 **Purchase Agreement, make certain modifications, and take certain actions in**
12 **furtherance of this Resolution and the Purchase Agreement, as defined herein; 4)**
13 **affirming the Planning Department’s determination under the California Environmental**
14 **Quality Act; 5) adopting the Planning Department’s findings that the Purchase**
15 **Agreement, and the transaction contemplated therein, is consistent with the General**
16 **Plan, and the eight priority policies of Planning Code, Section 101.1; and 6) requesting**
17 **the Director of Health to make certain subsequent reports to the Board of Supervisors**
18 **relating to the Property, as defined herein.**

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20 WHEREAS, The Department of Public Health (“DPH”) strives to protect and promote
21 the health of all San Franciscans by providing a wide range of public health services and
22 programs; and

23 WHEREAS, On December 6, 2019, the San Francisco Board of Supervisors passed
24 an Ordinance amending the Administrative Code to establish Mental Health San Francisco
25 (“Mental Health SF”), which provides access to mental health services, substance use

1 treatment, and psychiatric medications to all adult San Francisco residents with mental illness
2 and/or substance abuse who are homeless, uninsured, or enrolled in Medi-Cal or Healthy San
3 Francisco; and

4 WHEREAS, The Property includes approximately 9,056 square feet of land and a
5 single story building with mezzanine and adjacent vacant lot; and

6 WHEREAS, The Property was determined to be an ideal space for the purpose of
7 establishing behavioral health programs that will serve individuals in the community that
8 are experiencing behavioral health crises or are in need of community based behavioral
9 health services and care; and

10 WHEREAS, The City, through DPH and the Real Estate Division, in consultation with
11 the Office of the City Attorney, has negotiated the Purchase Agreement to acquire the
12 Property from the Seller for \$6,300,000 (“Purchase Price”), substantially in the form approved
13 by the Director of Property and the Director of Health and on file with the Clerk of the Board of
14 Supervisors in File No. 211204, incorporated herein by reference; and

15 WHEREAS, The Purchase Price, plus an estimated \$20,000 for typical closing costs,
16 are collectively referred to as the “Acquisition Cost”; and

17 WHEREAS, The Director of Property has determined the Purchase Price to be at or
18 below fair market value; and

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

21 WHEREAS, Proposition C (2018) (Gross Receipts Tax for Homelessness Services
22 (“Prop C”), passed by San Francisco voters in November 2018, created the Homelessness
23 Gross Receipts Tax to fund the Our City, Our Home Fund; and

24 WHEREAS, DPH anticipates using Prop C funding to purchase the Property; and

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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. 211204 and is incorporated herein by reference; the Board
8 affirms these determinations; now, therefore, be it

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

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

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

1 necessary or advisable to complete the transaction contemplated in the Purchase
2 Agreement, and that effectuate the purpose and intent of this Resolution, such
3 determination to be conclusively evidenced by the execution and delivery by the Director of
4 Property of any such additions, amendments, or 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 approval of the Purchase Agreement shall not be
10 construed as approval of any specific use or project on the Property; the City will conduct
11 environmental review of specific uses and/or project, following further design development
12 and study under CEQA, and will retain absolute discretion to: (1) modify potential future
13 projects to mitigate significant adverse environmental impacts, (2) select feasible
14 alternatives which avoid significant adverse impacts, (3) require the implementation of
15 specific measures to mitigate the significant adverse environmental impacts, (4) reject
16 proposed projects if the economic and social benefits of said project do not outweigh
17 otherwise unavoidable significant adverse impacts of the project, or (5) approve future
18 projects upon a finding that the economic and social benefits of said project outweigh
19 otherwise unavoidable significant adverse impacts; and, be it

20 FURTHER RESOLVED, The Board of Supervisors requests that the Director of
21 Health report no later than March 2022 regarding proposed uses of the Property, including
22 how the proposed uses address Mental Health SF requirements, estimated property
23 development and operating costs, and anticipated funding sources; and be it

24 FURTHER RESOLVED, The Board of Supervisors requests that the Director of
25 Health report no later than December 2022 an updated Bed Optimization Report and plans

1 and funding sources to implement the Bed Optimization Report recommendations for
2 additional mental health beds; and be it

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

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\$6,320,000 Available
Fund ID: 10582
Department ID: 240645
Project ID: 10036747
Authority ID:21531
Account ID:506070
Activity ID: 0001

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/s/

Ben Rosenfield
Controller

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24 RECOMMENDED:

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/s/

Andrico Penick
Director of Property

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