

1 [Purchase of Real Property - PACIFICA SFO LLC - 624 Laguna Street - \$13,800,000]

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3 **Resolution approving and authorizing the Director of Property to acquire certain real**
4 **property located at 624 Laguna Street (“Property”); approving and authorizing an**
5 **Agreement of Purchase and Sale for Real Estate for the acquisition of the Property, for**
6 **the purchase price of \$13,780,000 plus an estimated \$20,000 for typical closing costs,**
7 **for a total amount of \$13,800,000 from PACIFICA SFO LLC, a California limited liability**
8 **company (“Purchase Agreement”); authorizing the Director of Property to execute the**
9 **Purchase Agreement, make certain modifications, and take certain actions in**
10 **furtherance of this Resolution and the Purchase Agreement, as defined herein;**
11 **affirming the Planning Department’s determination under the California Environmental**
12 **Quality Act; and adopting the Planning Department’s findings that the Purchase**
13 **Agreement, and the transaction contemplated therein, is consistent with the General**
14 **Plan, and the eight priority policies of Planning Code, Section 101.1.**

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

19 WHEREAS, DPH has a goal of expanding and preserving a portfolio of residential care
20 and treatment beds in the City of San Francisco; and

21 WHEREAS, DPH, is seeking to acquire facilities that expand the number of assisted
22 living beds in San Francisco that are accessible to clients of the City’s public health system;
23 and

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1 WHEREAS, This expansion is a major element of Mental health SF, the City’s strategic
2 framework for improving the behavioral health system for San Francisco’s most vulnerable
3 residents; and

4 WHEREAS, The Real Estate Division (“RED”), identified 624 Laguna Street (the
5 “Property”), a building consisting of approximately 17,770 square feet and licensed as an
6 assisted living facility with 56 beds (the “Facility”); and

7 WHEREAS, The Property was constructed in 2006 as an assisted living facility,
8 providing both shared and private bedrooms for residents and both indoor and outdoor
9 communal space; and

10 WHEREAS, The Facility will serve low-income senior and adult residents who
11 require support with daily tasks, and;

12 WHEREAS, The Department of Public Works has completed an assessment of the
13 condition of the building, including a seismic evaluation and an environmental review of the
14 site and determined the building was suitable for City use without further renovation; and

15 WHEREAS, The City, through DPH and RED, in consultation with the Office of the City
16 Attorney, has negotiated the Purchase Agreement to acquire the Property from the Seller for
17 \$13,780,000 (“Purchase Price”), substantially in the form approved by the Director of Property
18 and the Director of Health and on file with the Clerk of the Board of Supervisors in File
19 No. 240477, incorporated herein by reference; and

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

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

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

3 WHEREAS, Proposition C (2018) (Gross Receipts Tax for Homelessness Services
4 (“Prop C”), passed by San Francisco voters in November 2018, created the Homelessness
5 Gross Receipts Tax to fund the Our City, Our Home Fund and support DPH's expansion of
6 mental health services; and

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

8 WHEREAS, The Planning Department has determined that the actions contemplated in
9 this Resolution comply with the California Environmental Quality Act (“CEQA Determination”)
10 (California Public Resources Code, Sections 21000 et seq.); the Planning Department has
11 also determined that the actions contemplated in this Resolution are consistent, on balance,
12 with the General Plan, and eight priority policies of Planning Code, Section 101.1 (“General
13 Plan Findings”); a copy of said determination (“Planning Letter”) is on file with the Clerk of the
14 Board of Supervisors in File No. 240477 and is incorporated herein by reference; the Board
15 affirms these determinations; now, therefore, be it

16 RESOLVED, That in accordance with the recommendations of the Director of Health
17 and the Director of Property, in consultation with the City Attorney, the Board of Supervisors
18 approves the Purchase Agreement in substantially the form presented to the Board, and
19 authorizes the Director of Property to take all actions necessary or appropriate to acquire the
20 Property; and, be it

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

1 FURTHER RESOLVED, That the Board of Supervisors approves the Director of
2 Property in consultation with the Director of Health and the Office of the City Attorney, to
3 enter into any additions, amendments, or other modifications to the Purchase Agreement
4 and any other documents or instruments necessary in connection therewith (including but
5 not limited to the exhibits and ancillary agreements attached to the Purchase Agreement),
6 that the Director of Property determines are in the best interests of the City, do not
7 materially decrease the benefits to the City with respect to the Property, do not materially
8 increase the obligations or liabilities of the City, and are necessary or advisable to complete
9 the transaction contemplated in the Purchase Agreement, and that effectuate the purpose
10 and intent of this Resolution, such determination to be conclusively evidenced by the
11 execution and delivery by the Director of Property of any such additions, amendments, or
12 other modifications; and, be it

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

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

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Available: \$ 13,800,000

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

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

Funding for Fiscal Year 2024/2025 is
subject to the enactment of the Annual
Appropriation Ordinance for Fiscal Year
2024/2025

RECOMMENDED:

_____/s/_____
Andrico Penick
Director of Property

RECOMMENDED:

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