



# **Accept and Expend Grants for Bond Behavioral Health Continuum Infrastructure Program (Bond BHCIP Round 1)**

**File # 251259: 887 Potrero Avenue**

**File # 251260: 333 7th Street**

## **BOS Budget & Finance Committee**

Kelly Kirkpatrick, Director, New Beds and Facilities, Behavioral Health Services

January 7, 2026

**SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH**

# Overview of File # 251259 and # 251260



- **Funder:** California Department of Health Care Services (DHCS)
  - **Third-Party Administrator:** Advocates for Human Potential, Inc. (AHP)
- **Grant Awards:**
  - **\$21,347,760** for 887 Potrero Avenue and **\$6,337,140** for 333 7th Street
  - 10% match requirement met by equity of City-owned project sites
- **Timeline:** May 6, 2025 – June 30, 2030
- **Resolution:** DPH is requesting **appropriation authority and approval of non-standard terms** for these grants.
  - The BOS previously authorized DPH to apply for Bond BHCIP Round 1 funding in File # 241097.

# Project Summary – 887 Potrero Avenue



- The **Behavioral Health Center (BHC)** is located at 887 Potrero Avenue, on the Zuckerberg San Francisco General Hospital campus
- San Francisco faces a **critical shortage of locked mental health treatment beds**, contributing to hospitalizations, homelessness, and repeated psychiatric crises
  - The BHC was built in 1992 as a locked facility – already meets infrastructure and licensing requirements for this level of care
- BHCIP funds will be used to **add over 50 new locked subacute mental health treatment beds to the BHC**





# Current Conditions – 887 Potrero Avenue



*Second Floor – Dayroom*



*Second Floor – Nurse Station*

# Project Summary – 333 7th Street



- Served the community for many years as a **dual diagnosis residential treatment facility** (Jo Ruffin Place) operated by Baker Places
- **The City acquired 333 7th Street in October 2024** as part of the debt repayment agreement with Baker Places (File # 240192)
- BHCIP funds will be used to **renovate and reopen the facility** as a 16-bed residential treatment program





# Current Conditions – 333 7th Street



*Kitchen*



*Client Bedroom*

# Retroactivity Statement



We are seeking **retroactive authorization** to accept these grants.

- DHCS sent the notices of conditional award for Bond BHCIP Round 1 on May 6, 2025
- Project costs are eligible to be reimbursed retroactive to the date of conditional award (May 6, 2025)
- DPH received the grant agreements from DHCS in October 2025
- DPH brought these items to the BOS after going through the fiscal approval process, including review and approval of the grant agreements by the City Attorney's Office and Controller's Office

# Non-Standard Terms in Agreements



We are seeking approval of the state's **non-standard terms** for these agreements.

The BOS has approved similar non-standard terms for past BHCIP grants.

- City agrees to record **Declarations of Restrictions** to operate the properties in compliance with the BHCIP terms for a 30-year period
- Authorizes DHCS to **apply for a receiver** for the properties in the event of the City's default
- Obligation for the City to **defend, indemnify and hold DHCS and AHP harmless**





# Conclusion

**DPH respectfully requests approval of these items.  
Thank you!**