

City & County of San Francisco
London N. Breed, Mayor



Office of the City Administrator
Carmen Chu, City Administrator
Andrico Q. Penick, Director of Real Estate

May 6th, 2024

Department of Public Health
Acquisition of real property
624 Laguna Street

Through Carmen Chu
City Administrator

Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Carlton B. Goodlett Place
San Francisco, CA 94102

RE: Acquisition – 624 Laguna Street

Dear Board Members:

Attached for consideration is a Resolution authorizing the acquisition of 624 Laguna Street, a 17,770 square foot assisted living facility that is licensed for 56 beds. The Department of Public Health (DPH) is seeking to acquire this facility to preserve these services in the community and expand the number of assisted living beds in San Francisco that are accessible to clients of the City's public health system. The facility will serve low-income senior and adult residents who require support with daily tasks.

DPH and the Real Estate Division (RED) conducted a search of assisted living facilities in San Francisco and determined that this facility is well-suited to DPH's goal of expanding and preserving its portfolio of residential care and treatment beds. This expansion is a major element of Mental Health SF, the City's strategic framework for improving the behavioral health system for San Francisco's most vulnerable residents.

The building at 624 Laguna Street was constructed in 2006 as a purpose-built assisted living facility. It includes private bedrooms for residents and both indoor and outdoor communal spaces where active programming will be provided to engage residents.

The Department of Public Works has completed an assessment of the condition of the building and an environmental review of the site and determined the building is suitable for City use without further renovation.

RED negotiated a price of \$13,780,000.00 for the acquisition of 624 Laguna Street. Upon review, I accepted a third-party appraisal (by a certified Member of the Appraisal Institute), and confirmed that the acquisition price is at or below air Market Value.. The appraisal was reviewed and affirmed by a second MAI appraiser.

The Planning Department found that the acquisition of the facility is not considered a project under the California Environmental Quality Act (CEQA) and that it is consistent with the eight priority policies of the General Plan.

The Real Estate Division recommends approval of this acquisition. If you have any questions regarding this matter, please contact Jeff Sues at the Real Estate Division office at 415-554-9860.

Respectfully,



Andrico Q. Penick

cc. Dr. Grant Colfax, Director DPH