

**REVISED LEGISLATIVE DIGEST**

(Substituted, 2/12/2019)

[Administrative, Planning Codes - Streamlined Contracting for Homeless Services and Siting for Homeless Shelters]

**Ordinance amending the Administrative Code and Planning Code to authorize the Departments of Homelessness and Supportive Housing (HSH) and Public Works to enter into and amend contracts without requiring competitive bidding for construction work and professional and other services relating to sites and programs for people experiencing homelessness; permitting Homeless Shelters in PDR (Production Distribution Repair) and SALI (Service/Arts/Light Industrial) districts; authorizing HSH to operate Navigation Centers for more than two years; 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 and County of San Francisco (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 Ordinances No. 57-16 and 29-18, and Resolution No. 319-18, the Board of Supervisors has declared the existence of a shelter crisis.

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. In 2018, the Board of Supervisors enacted Ordinance No. 29-18, which waived competitive bidding requirements for contracts and leases relating to a number of identified Shelter Crisis Sites, as well as the City's existing Navigation Centers and homeless shelters. The expedited contracting and leasing authority that was granted by Ordinance No. 29-18 will expire on March 1, 2019.

Chapter 106 of the City's Administrative Code regulates the opening and operation of Navigation Centers. Currently, Navigation Centers are defined as temporary facilities, and once opened may operate at a specific site for no fewer than six months and no more than two years without approval of adjustment or extension of the time limit by resolution of the Board of Supervisors.

Currently, homeless shelter uses are permitted in Production, Design, and Repair (“PDR”) and Service/Arts/Light Industrial (“SALI”) districts only with conditional use authorization, and only if such use would operate for no more than four years.

Amendments to Current Law

The proposed ordinance would reaffirm the Board of Supervisors’ prior declarations of a shelter crisis.

The proposed ordinance would allow the Departments of Homelessness (“HSH”) and Supportive Housing and Public Works to enter into and amend contracts and grants for professional and other services or commodities relating to projects addressing homelessness without using a competitive bidding process. For purposes of this authority, “projects addressing homelessness” are projects designed to prevent homelessness through the provision of housing subsidies or other services, and projects designed to provide shelter, housing, food, and/or social services to people experiencing homelessness. The authority to enter into and amend contracts without competitive bidding would expire five years from the effective date of the ordinance, or on the effective date of an ordinance making a finding that according to the most recent Point in Time Homeless Count, there are fewer than 5,250 homeless persons in San Francisco, whichever date is earlier.

The proposed ordinance would also allow the Department of Public Works to enter into or amend contracts for public works and improvements without using a competitive bidding process, provided the contracts are for public works or improvements for the construction, repair, or improvement of one or more sites that will be used for the primary purpose of providing housing, shelter, or services to people experiencing homelessness. The authority to enter into and amend contracts without competitive bidding would expire five years from the effective date of the ordinance, or on the effective date of an ordinance making a finding that according to the most recent Point in Time Homeless Count, there are fewer than 5,250 homeless persons in San Francisco, whichever date is earlier.

The proposed ordinance would also eliminate the requirement that the Board of Supervisors approve by resolution an extension of the deadline for operation of a Navigation Center beyond two years, and would clarify that HSH may enter into grant agreements with nonprofit organizations to provide services relating to Navigation Centers.

The proposed ordinance would amend the Planning Code to provide that during a declared shelter crisis, homeless shelters that are located or constructed on land owned or leased by the City would be principally permitted in PDR and SALI districts and therefore would not require a conditional use permit, and would not be subject to the four-year limit, but may operate permanently.

Background Information

In 2016, through the enactment of Ordinance No. 57-16, the Board of Supervisors declared the existence of a shelter crisis in San Francisco, based on findings that in January 2015, there were 6,686 individuals in San Francisco who were homeless. Since that time, the shelter crisis has grown. According to the January 2017 Point in Time Homeless Count administered by HSH, 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, and 32% were over the age of 51 years with attendant deteriorating physical and mental health.

On October 2, 2018, Mayor London Breed declared her intent that the City add 1,000 new shelter beds for people experiencing homelessness, with half of the new beds becoming available by the summer of 2019, and the remainder becoming available by 2020. The beds will become available as a result of establishing new Navigation Centers, expanding existing Navigation Centers, and opening a new type of shelter called a SAFE Center, a name that stands for Shelter Access for Everyone.

In 2016, the Board of Supervisors enacted Ordinance No. 117-16, requiring the City to open and operate six Navigation Centers to address street homelessness and connect homeless people to health and mental health services, housing, and other benefits. The City has complied with that mandate, and plans to expand upon this successful model of shelter and service delivery. Ordinance No. 117-16 provided that once a Navigation Center opened, it could operate for no more than two years without approval of extension of the time limit by resolution of the Board of Supervisors. In light of the success of Navigation Centers, the capital investments that are required to open a center, and the fact that Navigation Centers have not been found to have had adverse impacts on the neighborhoods in which they have been located, the Board of Supervisors has, in Resolution No. 180522, approved the extension of two Navigation Centers beyond the two-year limit.

For all HSH-funded projects that involve new construction, a change in use, or an expansion of an existing use at a specific location, HSH complies with the requirements of Administrative Code Chapter 79 (Citizens' Right-to-Know Act of 1998) and Chapter 79A by providing community notice that it is considering approval of such a project, and by establishing a process by which members of the public may obtain additional information about the project, and submit comments. Before opening a new facility, HSH staff collaborate with the member of the Board of Supervisors who represents the district in which the facility will be located, to conduct a thorough community outreach process that includes, at a minimum, written notice to neighbors located within 300 feet of the facility, information about how neighbors may provide input into the proposed programming at the facility, and the hosting of a community meeting. After opening a facility, HSH takes steps to ensure that its immediate surroundings are kept clean and secure.

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