

April 9, 2021

**Department of Public Health
Lease of Real Property
1076 Howard 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: Lease for Drug Sobering Center – 1076 Howard Street

Dear Board Members:

Attached for consideration is a Resolution authorizing the lease of approximately 16,668 rentable square feet of office space located at 1076 Howard Street, for use by the Department of Public Health (DPH) for their Drug Sobering Center as part of the implementation of Mayor London Breed's Mental Health SF (MHSF), where she directed the Department to develop "at least one Drug Sobering Center.

The 1076 Howard Street building is planned for usage by DPH in furtherance of the City's Mental Health SF Program implementation and will include space for two key components of the program, a Drug Sobering Center and Street Crisis Response Teams (SCRT), with space for collaboration with DPH's Whole Person Integrated Care staff (WPIC). Mental Health SF is the City's strategic framework for improving the behavioral health response to people experiencing homelessness.

The 1st floor is proposed to house the Drug Sobering Center. The Drug Sobering Center will address the unique needs of individuals using drugs. Through targeted engagement the center will promote substance use services and social supports. It is a non-clinical model focused on harm reduction, safety, and engagement. The space includes restroom facilities for staff and clients, shower facilities, client consultation space, a medical exam room, sleeping areas for clients, quiet client activity space, and staff working spaces. The Drug Sobering Center will be a key partner and resource for the Street Crisis Response Team and Whole Person Integrated Care teams.

The 2nd floor is proposed to serve as a touch-down (rest, collaboration and administration) space for Street the Street Crisis Response Team and Whole Person Integrated Care staff teams that are all predominantly field-based staff. They work symbiotically with the Drug Sobering Center downstairs. The SCRT team works to de-escalate, or calm down, crises in the streets. They answer 911 calls that don't require a police response with the goal of reducing unnecessary emergency room visits and jail time. They will bring some of these clients to the Drug Sobering Center as an alternate destination. They also link clients to services and provide transportation to those services, and support clients with follow-up care coordination. The Whole Person Integrated Care Teams provide field-based medical care and referrals for the same population.

The center was slated for operation as "Project 180" in 2020. The original planned temporary structure on Jones and Turk Street was tabled due to DPH's prioritized response to COVID-19. When MHSF reconvened in late 2020, the original site was no longer feasible. These programs support family services as well as emergency response services as part of the DPH's mission to protect and promote the health of San Francisco.

The Real Estate Division, in response to the impact of the COVID19 pandemic and direction from the Board of Supervisors in recent transactions, negotiated the following:

- Rent: \$51.25 per rentable square foot per year
- Free rent for 6 months
- Installation of a 2nd floor restroom at Landlords sole cost
- Landlord contribution to Tenant Improvements \$916,740 (\$55 psf.)

The lease will commence on delivery of the premises, estimated to be October 1 ,2021, for a term of 8 years and six months, with an additional option to extend for 5 additional years. The Base Rent under the proposed lease would be \$71,186 per month increasing 3% per year. For the first 6 years of the lease, each July will be free. Rent commencement is expected to be October 1, 2021. The proposed Lease will be a "triple net" lease with City paying for its proportional share of taxes, insurance and maintenance of the building. City will also pay for its utilities, janitorial services and security guards, refuse and recycling costs.

We recommend approval of the proposed Lease. If you have any questions regarding this matter, please contact Andrico Penick at 415-554-9860.

Respectfully,

Andrico Penick
Director of Property

cc. Dr. Grant Colfax, Director DPH