FILE NO. 210966 RESOLUTION NO.

[Sublease Agreement - California State Lands Commission - Candlestick Point State Recreation Area - Vehicle Triage Center - Base Rent of $312,000]

Resolution authorizing and approving the Director of Property, on behalf of the Department of Homelessness and Supportive Housing, to negotiate and enter into a sublease agreement for 312,000 square feet of property owned by the California State Lands Commission and leased to the California Department of Parks and Recreation, for the City's use as a Vehicle Triage Center at Candlestick Point State Recreation Area, for an initial term of two years, commencing on or about November 1, 2021, for the base rent of $312,000 per year to be paid through in-kind, public services with an estimated value of $2,143,920; authorizing the Director of Property to execute documents, make certain modifications and take certain actions in furtherance of the sublease, as defined herein; adopting findings under the California Environmental Quality Act; and finding the proposed sublease is in conformance with the General Plan, and the eight priorities of Planning Code, Section 101.1.

WHEREAS, The Department of Homelessness and Supportive Housing's ("HSH") mission is to prevent homelessness when possible and to make homelessness a rare, brief, and one-time experience in San Francisco through the provision of coordinated, compassionate, and high-quality services; and

WHEREAS, With the enactment of Resolution No. 319-18 in October 2018, the Board of Supervisors and Mayor Breed declared a shelter crisis and affirmed San Francisco's commitment to combatting homelessness and creating or augmenting a continuum of shelter and service options for those experiencing homelessness; and

WHEREAS, According to the January 2019 Point-in-Time Homeless Count administered by HSH, there were approximately 8,035 people experiencing homelessness in San Francisco, 64% of which were unsheltered, a 17% increase since 2017; and

WHEREAS, Two-thirds of the increase in the number of unsheltered individuals from 2017 to 2019 was attributable to people sleeping in vehicles; and

WHEREAS, On May 10, 2019, the Mayor approved Ordinance No. 82-19, creating the "Safe Overnight Parking Pilot Program" to provide eligible people experiencing homelessness residing in their vehicles a place to park and sleep in their vehicles overnight, case management and other services; and

WHEREAS, The City opened the Vehicle Triage Center Pilot Program ("Pilot Program") as a temporary use of the property located at 2340 San Jose Avenue ("Balboa Upper Yard") in November 2019 to provide up to 29 parking spaces for people residing in their vehicles to safely store or stay in their vehicles while accessing a variety of services and resources to support a permanent exit from homelessness; and

WHEREAS, The Pilot Program served a total of 75 individuals during the first year of operations and was closed in March 2021 to allow for the commencement of construction of a 100% affordable housing project at Balboa Upper Yard; and

WHEREAS, Proposition C (2018) (Gross Receipts Tax for Homelessness Services) ("Prop C"), passed by San Francisco voters in November 2018, created the Homelessness Gross Receipts Tax to fund the Our City, Our Home ("OCOH") program, in order to expand and be complementary to existing funding and strategic efforts to prevent and end homelessness for San Francisco residents; and

WHEREAS, In July 2020, Mayor Breed announced her Homelessness Recovery Plan, including the goal of providing 6,000 placements into housing and temporary shelter over the next two years; and

WHEREAS, The OCOH Oversight Committee recommended in its most recent Investment Plan that the City use Prop C funds to prioritize investments into a range of different models for sheltering and supporting people experiencing homelessness, tailored to the needs of different sub-populations of people experiencing homelessness, including funding for safe parking programs; and

WHEREAS, According to the Tent, Structure and Vehicle Count conducted by the City in August 2021, there were 1,088 inhabited vehicles in San Francisco, 677 of which were located in District 10; and

WHEREAS, The Candlestick Point State Recreation Area (the "CPSRA") is owned by the California State Lands Commission and currently leased to the California Department of Parks and Recreation ("State Parks") as a public recreation area for the general public under that certain Lease No. PRC 6414.9 (the "Lease"), a copy of which is on file with the Clerk of the Board of Supervisors in File No. 210966; and

WHEREAS, Since the start of the COVID-19 pandemic, unhoused people in approximately 100-150 vehicles have lived in the vicinity of the CPSRA creating a vehicle encampment that has grown to an unsafe level; and

WHEREAS, The vehicle encampment is currently blocking public access to the CPSRA and surrounding certain portions of the CPSRA, which has forced the closure of the public bathrooms and both parking lots at the CPSRA; and

WHEREAS, The vehicles in the encampment are also releasing their grey and black water into the Bay causing environmental harm, and the vehicle encampment has become a dumping site that further exacerbates the environmental issues; and

WHEREAS, The CPSRA cannot currently operate as a park and public recreation area because of the vehicle encampment activities in the vicinity of the CPSRA and the related

environmental issues, which prohibits the general public from utilizing the CPSRA for its intended recreational purpose; and

WHEREAS, Without a safe alternative location for unhoused people living in their vehicles to camp, the City and the State Parks are limited in their ability to resolve the existing vehicle encampment; and

WHEREAS, The Pilot Program at Balboa Upper Yard was proven as an effective program for resolving vehicle encampments in the community; and

WHEREAS, The State Parks staff and multiple San Francisco City departments have collaborated to place unhoused people living in the vehicle encampment into housing and shelter, yet there is still immense need in the CPSRA that cannot be addressed until there is an alternative location for the unhoused people to go; and

WHEREAS, The City identified an approximately 312,000 square foot parking lot (commonly known as the "Boat Launch Parking Lot") within the CPSRA, Assessor's Parcel Block No. 4886, Lot No. 09 (the "Property"), as an optimal site for unhoused people residing in their vehicles to safely store or stay in their vehicles while accessing a variety of services and resources to support a permanent exit from homelessness ("Vehicle Triage Center") to resolve the vehicle encampment in the vicinity of the CPSRA; and

WHEREAS, The Property is currently unused because there is no longer a boat launch use near CPSRA, and was recommended by community stakeholders because it is private and remote, has been closed for many years, and will not impact the operations, parking or recreational use of CPSRA; and

WHEREAS, The Property has existing infrastructure, including water, sewer, pavement, and electrical poles for lights, that will allow the City to quickly convert the site into a Vehicle Triage Center; and

WHEREAS, State Parks supports the sublease of the Property to the City for a Vehicle Triage Center that would serve up to 150 vehicles; and

WHEREAS, A Vehicle Triage Center at the Property would provide critical resources to unhoused people residing in the current vehicle encampment and other recreational and passenger vehicles in the Bayview, providing a safe place to stay in their vehicles while accessing services and connecting to resources within the Homelessness Response System to support a permanent exit out of homelessness; and

WHEREAS, HSH will: (i) install a perimeter fence around the Vehicle Triage Center with a privacy screen, site lighting, guard shack, picnic area, pet area, mobile trailers, potable water bibs, trash containers, up to 150 guest parking stalls (RV and vehicles) and 15 parking stalls for staff and toilet and shower trailers, (ii) repair and improve water mains and sewer lines, as needed, and upgrade electrical service and fire water service at the Property, and (iii) pay for utility and services (janitorial, 24/7 staffing) at the Property; and

WHEREAS, In order for the Vehicle Triage Center to be a good neighbor to the Candlestick Point community, HSH, the Police Department, Public Works, Department of Emergency Management and the Municipal Transportation Agency will work together to deliver high-quality, comprehensive offsite public services to the community and in the vicinity of the CPSRA, as set forth in the Interdepartmental Agreement ("Agreement"), a copy of which is on file with the Clerk of the Board of Supervisors in File No. 210966; and

WHEREAS, The in-kind, public services under the Agreement will have an estimated value of $2,143,920 and provide a significant public benefit by (i) helping to restore CPSRA facilities, (ii) improving and restoring public access and utilization of CPSRA, and (iii) supporting the community and the surrounding area, including Hunter's Point Expressway, by placing people experiencing homelessness currently living in the vicinity of the CPSRA and District 10 into the Vehicle Triage Center; and

WHEREAS, The Agreement is intended to ensure the success of the Vehicle Triage Center, and support the operations of the CPSRA, community and people experiencing homelessness; and

WHEREAS, The Real Estate Division on behalf of HSH, in consultation with the Office of the City Attorney, has prepared a Sublease Term Sheet, a copy of which is on file with the Clerk of the Board of Supervisors in File No. 210966, setting forth the material terms of a Sublease Agreement between the City and State Parks ("Sublease"), pursuant to which the State Parks will allow the City to install the Vehicle Triage Center on the Property, upgrade and repair existing water and sewer pipelines for use at the Property; and

WHEREAS, The term of the Sublease shall be for two years commencing on or about November 1, 2021, or upon approval by the State Lands Commission as the owner and prime lessor under the Lease; and

WHEREAS, The Sublease will allow the City to fully offset the base rent by providing the in-kind, offsite public services set forth under the Agreement as consideration; and

WHEREAS, The Director of Property has determined that the in-kind, offsite public services, repairs, upgrade work, and other public benefits under the Agreement far exceed the fair market rental value of the Property for the benefit of State Lands Commission, State Parks, the community in the vicinity of the CPSRA, and the citizens of San Francisco and the State of California; and

WHEREAS, Under Administrative Code, Section 23.27, since the consideration payable by the City is less than $45 per square foot per year, an independent fair market rental appraisal is not required for approval of the Sublease; and

WHEREAS, The State Lands Commission requires the Director of Property to obtain authorization by the Board of Supervisors to execute a Sublease with State Parks under the

terms and conditions set forth in the Term Sheet prior to approval by the State Lands Commission; and

WHEREAS, In order to consummate the Sublease of the Property, the Board of Supervisors desires to authorize the execution, delivery and performance of the Term Sheet and, if approved by the State Lands Commission, the Sublease with State Parks; and

WHEREAS, On September 13, 2021, the Environmental Planning Division of the San Francisco Planning Department determined that the proposed use of the Property for a Vehicle Triage Center would not be subject to the California Environmental Quality Act, Public Resources Code, Section 21000 et seq. ("CEQA"), pursuant to California law set forth in Assembly Bill 101, California Government Code, Sections 65660 – 65668 (AB 101) (the "CEQA Determination"), a copy of which is on file with the Clerk of the Board of Supervisors in File No. 210966 and is incorporated herein by reference; and

WHEREAS, The Planning Department found the proposed Term Sheet is consistent with the General Plan and with Planning Code, Section 101.1(b) (the "General Plan Referral"), and a copy of the General Plan Referral is on file with the Clerk of the Board of Supervisors in File No. 210966 and is incorporated herein by reference; now, therefore, be it

RESOLVED, That in accordance with the recommendation of the Executive Director of HSH and the Director of Property, the Board of Supervisors approves the Term Sheet, and authorizes the Director of Property, working with the City Attorney and HSH, to negotiate, enter into, and deliver a Sublease for the Property on behalf of the City and based on the terms set forth in the Term Sheet presented to the Board of Supervisors, and any such other documents that are necessary or advisable to complete the transaction contemplated by this Resolution; and, be it

FURTHER RESOLVED, The Board of Supervisors authorizes the Director of Property to take all actions, on behalf of the City, to make any amendments or modifications to the

Sublease that the Director of Property determines, in consultation with the City Attorney, are in the best interests of the City, do not materially increase the obligations or liabilities of the City under the Term Sheet, and are necessary or advisable to complete the transaction and effectuate the purposes and intent of this Resolution and are in compliance with all applicable laws, including the City's Charter; and, be it

FURTHER RESOLVED, The Board of Supervisors authorizes the Director of Property to execute and deliver a quitclaim deed, in consultation with the City Attorney, with respect to any interest of the City in the Property under the Sublease if requested by State Parks at the expiration of the Sublease; and, be it

FURTHER RESOLVED, The form of Sublease will be generally consistent with the State's lease form previously negotiated and accepted by the City as tenant, the Lease, and shall include contracting requirements set forth in the City's Administrative Code, subject to any exemptions or waivers applicable to the State; and, be it

FURTHER RESOLVED, The Board of Supervisors finds that the Term Sheet, Sublease, and proposed use of the Property for a Vehicle Triage Center serves a public purpose for the benefit of the State of California and the City; and, be it

FURTHER RESOLVED, The Board of Supervisors endorses the proposal for a Vehicle Triage Center on the Property and the in-kind, offsite public services in the vicinity of CPSRA; and, be it

FURTHER RESOLVED, The Board of Supervisors authorizes HSH and the Department of Public Works to make the improvements to the Property described in the Term Sheet as part of the sublease transaction; and, be it

FURTHER RESOLVED, The sublease will include an obligation for the City to indemnify the State Lands Commission and State Parks for use of the Property and consistent with the existing indemnity under the Lease, and the Director of Property, in consultation with

the City Attorney, is authorized to negotiate the City's indemnity obligation, provided that such obligation is substantially consistent with the Lease; and, be it

FURTHER RESOLVED, That any action heretofore taken by any City employee or official with respect to the Sublease is hereby approved, confirmed and ratified; and, be it

FURTHER RESOLVED, That the Board of Supervisors approves and adopts the Planning Department's CEQA Determination and General Plan Referral, incorporates them into this Resolution, and confirms that the Term Sheet and proposed Sublease is consistent with the General Plan and with Planning Code, Section 101.1(b) for the reasons set forth in the General Plan Referral; and, be it

FURTHER RESOLVED, That within thirty (30) days following the execution of the sublease, the Director of Property shall provide a copy of the sublease agreement to the Clerk of the Board to include into Board File No. 210966, and, be it

FURTHER RESOLVED, That HSH and the Director of Property will report back to the Board of Supervisors upon approval of a sublease by the State Lands Commission.

RECOMMENDED:

_/s/_____
Andrico Q. Penick, Director of Property
Real Estate Division

RECOMMENDED:

_/s/_____
Shireen McSpadden, Executive Director
Department of Homelessness and Supportive Housing