



MEMORANDUM

October 6, 2023

TO: MEMBERS, PORT COMMISSION
Hon. Kimberly Brandon, President
Hon. Willie Adams, Vice President
Hon. Gail Gilman
Hon. Ed Harrington
Hon. Steven Lee

FROM: Elaine Forbes
Executive Director 

SUBJECT: Request approval of a resolution authorizing the Director to execute a Memorandum of Understanding with the Department of Homelessness and Supportive Housing (“HSH”) for temporary use of a portion of Seawall Lot 330 for the continued operation of the Embarcadero SAFE Navigation Center for a term of 2 years with one – 2-year option to extend.

DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution No. 23-45

EXECUTIVE SUMMARY

The Port Commission heard an informational presentation on this topic on September 12, 2023. Staff provides this updated memorandum to address questions during the meeting with additions indicated in underline below.

As part of the Mayor's initiative to open 1,000 new shelter beds for homeless residents by 2020, the Port Commission authorized a Memorandum of Understanding (“MOU”) between the Port of San Francisco and the Department of Homelessness and Supportive Housing (“HSH”) at the April 23, 2019 Port Commission Meeting allowing HSH to open and operate a temporary 200-bed SAFE Navigation Center on a portion of the property at Seawall Lot 330 (corner of The Embarcadero at Beale Street) for an initial operational term of 24 months. HSH exercised the option to extend for an additional 24-month operational period (the “Option to Extend”) and on October 26, 2021 the Port Commission approved Resolution 21-45 authorizing the Option to Extend through December 29, 2023. SAFE Navigation Centers provide 24/7 access for homeless residents, allow partners,

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pets, and personal belongings, and provide support services to connect residents with permanent housing.

STRATEGIC OBJECTIVE

The City's objective to expand shelter for homeless residents and provide a pathway to permanent housing is aligned with the Port Commission's Strategic Plan Livability strategy:

"Livability: Work with City and community partners to ensure that Port improvements result in advances in the environment, social equity, and San Francisco's livability."

BACKGROUND

San Francisco faces persistent and significant challenges regarding homelessness. The 2022 Point-In-Time ("PIT") count estimated that 7,754 people experience homelessness in San Francisco on any given night, including over 4,000 unsheltered individuals.

San Francisco began operating Navigation Centers in 2015. Navigation Centers are a shelter model that provides 24/7 access, allows residents to bring their partners, pets, and belongings with them, as well as connects residents with services and housing. The City currently operates eight Navigation Centers, including two sites on Port property: the Central Waterfront Navigation Center and the Embarcadero SAFE Navigation Center (the "ESNC").

The original MOU for operation of the ESNC was entered into on June 26, 2019 and provided HSH with one Option to Extend for 24 months provided all Option Exercise Conditions and terms set forth in the MOU are satisfied. Operations at the ESNC began shortly before the COVID-19 pandemic in December of 2019. HSH exercised the Option to Extend, approved by the Port Commission on October 26, 2021, which extended the term through December 29, 2023

The COVID-19 pandemic significantly impacted operations at the facility as well as throughout the City's Temporary Shelter System. HSH and their contracted provider Five Keys worked to implement all applicable public health guidance including limiting guest capacity to 91 in addition to other COVID-19 mitigation and prevention measures such as health screenings, masking protocols, social distancing, and offering all COVID-vulnerable guests' placement in the City's Shelter in Place ("SIP") hotel program.

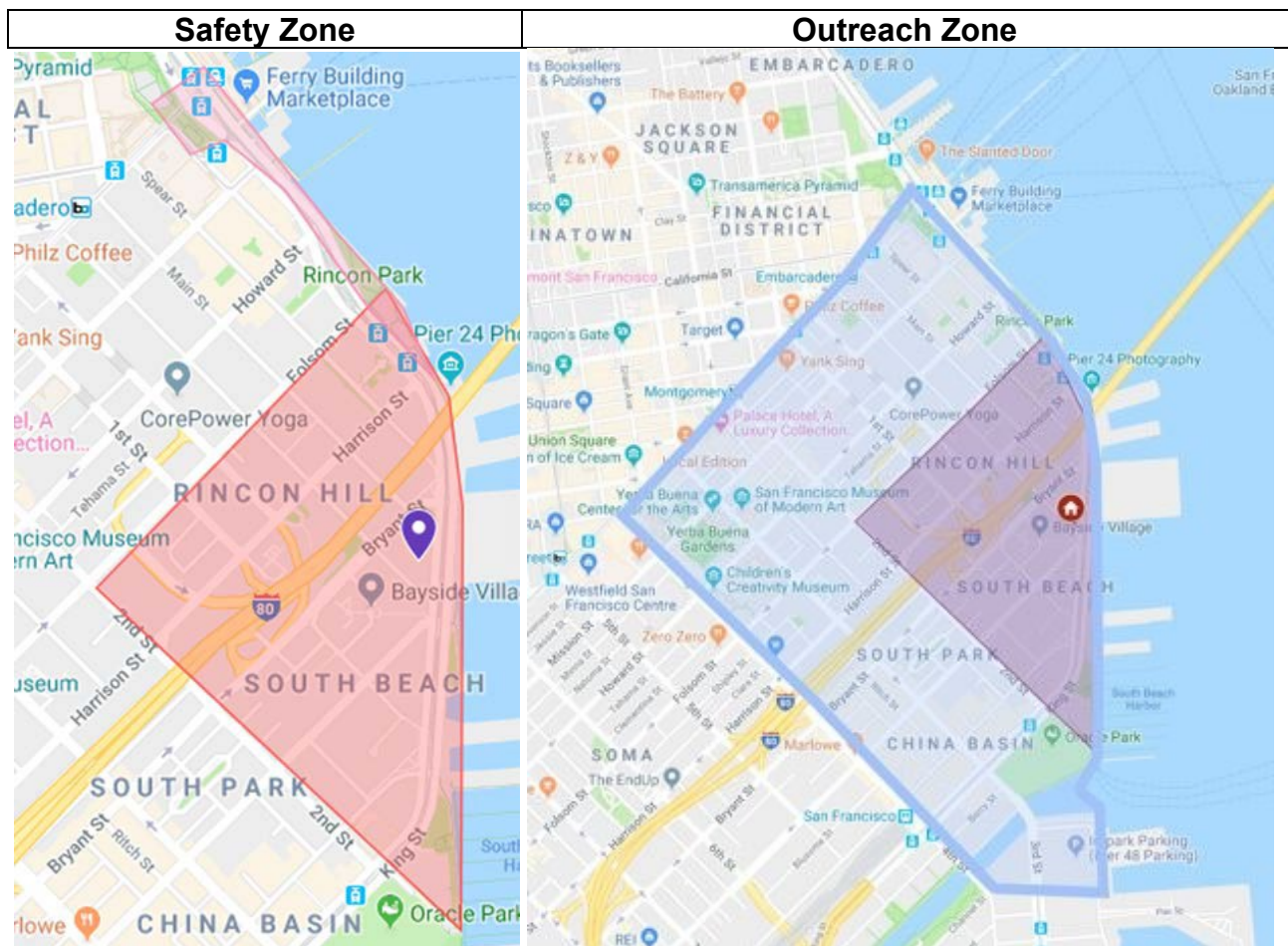
In May 2023, HSH began the reinflation process for the ESNC and as of August 16, 2023, all 200 beds are occupied. Since the program's opening in December 2019, the ESNC has served 849 unique guests. In FY 2022-23, 414 unique guests were served at the ESNC. During the same period, there were 89 exits from the ESNC, with 23 guests, or 27% moving to housing.

HSH has requested a new MOU to provide HSH permission to continue to occupy the site and operate the ESNC.

SITE OPERATIONS

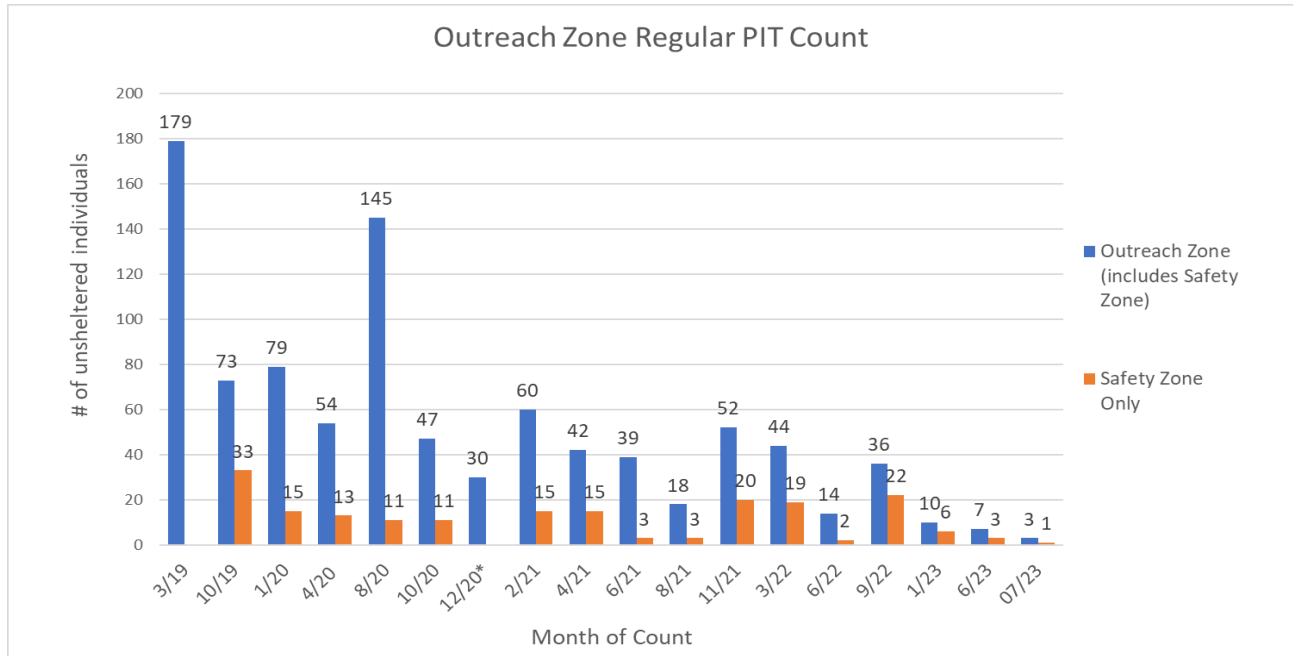
The ESNC offers a low-barrier shelter welcoming partners, pets, and possessions for up to 200 guests. Five Keys is a non-profit operator and provides 2 daily meals, laundry and showers, case management, housing and benefits navigation, referrals to services, wellness checks, support groups, social events, and activities.

Regular counts of unsheltered individuals in the Outreach and Safety Zones (shown below) have been conducted by the San Francisco Homeless Outreach Team (“SFHOT”) as part of the Healthy Streets Operations Center’s (“HSOC”) tent and vehicle count. Information from these counts is included in regular reports that are published on the Port’s website and presented to the ESNC Advisory Group and community members during regular public meetings.



Referrals to the program run through the City’s centralized placement process, with prioritization for community placements from the Outreach Zone through SFHOT and HSOC. The ESNC site does not accept walk-ins and 88.5% of the guests referred to the site from May through June 2023 were community placements made by SFHOT and HSOC. During the reinflation of the ESNC in May through June 2023, all unhoused individuals in the Outreach Zone were offered a bed at the ESNC at least once; SFHOT provided outreach 3 times per week in the Outreach Zone.

The Outreach and Safety Zones were identified when opening the ESNC and continue to be prioritized by the SFHOT and SFPD Southern Station. Under the current MOU between HSH and the Port, HSH and the City were required to demonstrate a decrease in the number of unsheltered people in the Outreach Zone. Between the initial point-in-time (“PIT”) count in March 2019 and July 2023, there was a 98% decrease in the count of unsheltered people in the Outreach Zone.



Homelessness is highly dynamic and variable. We will continue to conduct point-in-time counts in the Outreach Zone and will be tracking trends over time.

* This is an estimate based on a count conducted on December 15, 2020. Due to data quality issues, we are unable to provide the count of unsheltered people in the Safety Zone specifically or a precise number in the Outreach Zone.

Five Keys provides dedicated cleaning to a designated area around the ESNC at least 2 times per day in teams of two. Services include the following:

- Pick up litter and garbage.
- Engage with unsheltered individuals in the area.
- Respond to cleaning requests from neighbors via the public text line.
- Flag larger debris for DPW or outreach needs for SFHOT.

HSH works with the host community to understand the unique needs of the area and address those needs through available channels for every temporary shelter program it operates. A standard Good Neighbor Policy is included in all temporary shelter contracts, including the shelter programs located on Port property – Central Waterfront Navigation Center, ESNC, and Pier 94 Trailer/RV Site. SFPD has committed to continue coverage of the Safety Zone with dedicated beat officers, as reflected in the Interdepartmental Agreement.

Central Waterfront, like the ESNC, is supported by an Interdepartmental Agreement between City Departments to ensure the area surrounding the program is consistently

receiving appropriate services from those Departments. The Agreement for Central Waterfront includes a commitment from SFPD for passing calls in the area, a commitment that aligns with the needs of this area.

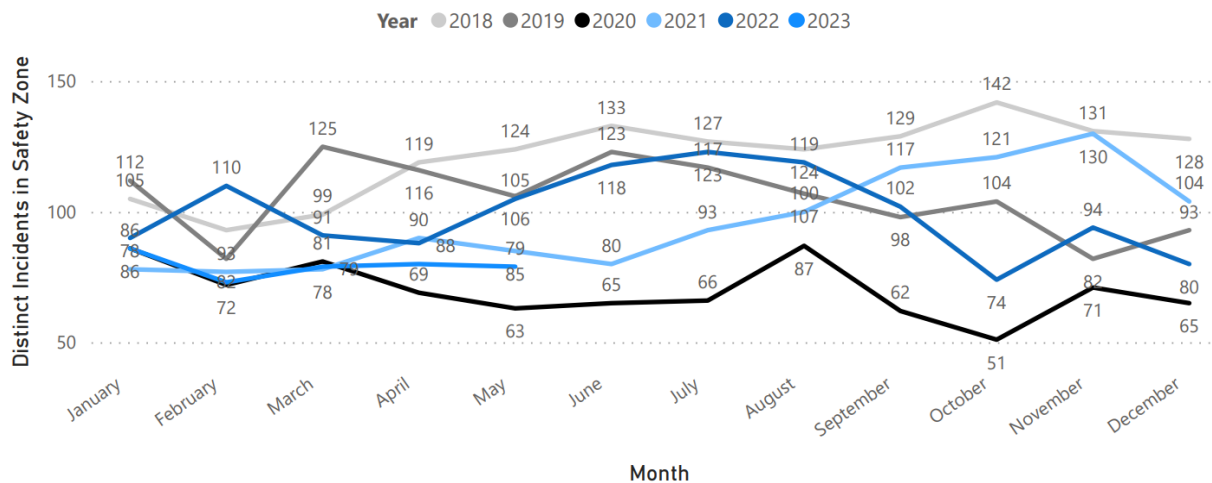
Heightened security, including dedicated beat officers, is not recommended for the Central Waterfront and Pier 94 locations due to the distance between the projects and residential properties, as well as the smaller size of the projects. Central Waterfront, with a capacity of 64 guests, is a much smaller footprint than the 200-guest capacity ESNC.

ESNCAG

The Embarcadero SAFE Navigation Center Community Advisory Group (“ESNCAG”) was created in 2019. ESNCAG meets quarterly to address developments relevant to the ESNC and facilitates inclusive communication and collaboration among ESNCAG members, City departments, and the public to promote the safety and quality of life of everyone in the neighborhood. ESNCAG has been a successful model of continued community participation that HSH has replicated at other programs across the City. This group will continue to meet throughout the life of the ESNC to support communication and collaboration. Under a new MOU, HSH will take over the facilitation of these meetings from the Port, with Port staff remaining actively involved. Meetings will continue to include regular updates and review of program metrics, the cleaning program, and SFPD crime statistics.

SFPD provides updated crime statistics at each ESNCAG meeting. The following chart provides an overview of distinct incidents in the Safety Zone by month and year since 2018. As shown, incidents in the Safety Zone continue to be below the 2018 rate prior to the opening of the ESNC, demonstrating a positive impact of the resources dedicated to this area.

Distinct Incidents in Safety Zone by Month and Year



PROPOSED MOU

The proposed MOU will include the existing Good Neighbor Policy. Under the Good Neighbor Policy, Five Keys is required to fulfill the following requirements:

- Work with neighbors and city agencies to ensure neighborhood concerns are heard and addressed (through public text line, cleaning, and engagement in the neighborhood, etc.).
- Provide a public phone number that will be answered at all times and respond to complaints and issues at the program as they arise.
- Based on feedback from the community, this is the public text line where designated Five Keys staff receive texts and respond within 48 hours.
- Minimize the impact on the neighborhood by limiting referrals not allowing walk-ins and having 24/7 access to the program.
- Actively discourage and address excessive noise from program participants or those in the immediate vicinity.
- Actively discourage loitering in the area immediately surrounding the program.
- Inform neighborhood businesses and residents of the services available at the program and how guests are referred.
- Five Keys recently updated a flier on how to contact the program and other city agencies with concerns and questions and distributed these fliers throughout the neighborhood as well as with the Community Advisory Group.
- Maintain the safety and cleanliness of the area immediately surrounding the facility, including ensuring staff and guests do not block the driveways of neighboring residents and businesses.
- Take all reasonable measures to ensure sidewalks adjacent to the facility are not blocked.

There are several City partners that support the work of Five Keys and the ESNC:

- **Department of Homelessness and Supportive Housing (HSH)** – funds operations of the site and works closely with Five Keys, manages shelter referral process, ensures SFHOT provides regular outreach to unsheltered individuals in the Outreach and Safety Zone, and conducts a quarterly count of unsheltered individuals in the Zones as part of the quarterly count conducted by DEM, and participates in the community advisory group including providing monthly written reports and presentations during quarterly meetings.
- **Port of San Francisco (Port)** – currently facilitates the community advisory group and supports the grounds of the property.
- **SFPD Southern Station (SFPD)** – provides dedicated beat officers within the Safety Zone, provides monthly reports that include information on publicly available crime statistics and other community impact measures in the Safety Zone, and participates in a community advisory group.
- **Department of Public Works (DPW)** – provides frequent street cleaning and cleaning of nearby areas including the Beale cul-de-sac and participates as needed in the community advisory group.
- **Department of Emergency Management’s Healthy Streets Operations Center (HSOC)** – supports with resolution of encampments in the area through coordination of resources and services through multiple city agencies.

These City partners have entered into an interdepartmental letter of understanding to document departmental commitments to support unsheltered individuals and street conditions in the Safety and Outreach Zones. Interdepartmental Agreements have been effective in holding participating departments accountable to their commitments and managing expectations of the host community. These agreements reflect practices that are already in place under the current MOU between HSH and the Port. This letter will be incorporated into a new MOU between HSH and the Port.

The term of the proposed MOU is 2 years, commencing December 30, 2023 and there is an option to extend for an additional 2 years. The option to extend is subject to Port Commission approval in its sole discretion.

The Port will retain the right to terminate the MOU at any time with 6 months' notice should the developer for the Pier 30-32 project be prepared to take delivery of Seawall Lot 330, which includes the ESNC.

The rent structure for the new MOU is based on the rates set forth in the current MOU, which were developed based on expected parking revenue generated by spaces on which the ESNC is located. Effective December 30, 2023, the rent will increase by 3% over the prior rate and continue to increase by 3% per year throughout the term of the new MOU. As of December 30, 2023, the monthly rent paid to the Port will be \$41,059.92.

PUBLIC OUTREACH

HSH coordinated public outreach meetings on July 13, 2023, and August 16, 2023 to review the plan for a new MOU. The new MOU ~~will also be~~ was also presented to the Northern Advisory Committee on September 20, 2023 for discussion and comment. In general, public comments have primarily concerned SFPD staffing for patrols in the Safety Zone, loitering and encampments in the Safety Zone, and a concern the MOU could be extended after reaching the end of the proposed term of 2 years with one – 2 year option to extend.

RECOMMENDATION NEXT STEPS

Port staff ~~intends to return to~~ recommends the Port Commission ~~to seek authorization to enter into~~ approve Memorandum of Understanding M-17094 with the San Francisco Department of Homelessness and Supportive Housing for a 2-year term with one – 2-year option to extend on such terms and conditions as described in this staff report.

Prepared by: Sandra Oberle, Senior Property Manager
Real Estate and Development

For: Kimberley Beal, Acting Deputy Director
Real Estate and Development

**PORT COMMISSION
CITY AND COUNTY OF SAN FRANCISCO**

RESOLUTION NO. 23-45

WHEREAS, Charter Section B3.581 empowers the Port Commission with the power and duty to use, conduct, operate, maintain, manage, regulate, and control the Port area of the City and County of San Francisco; and

WHEREAS, The Port Commission authorized at its April 23, 2019 meeting the Executive Director or her designee to enter into a Memorandum of Understanding (“Prior MOU”) with the Department of Homelessness and Supportive Housing (“HSH”) for the use of a portion of Seawall Lot 330 for the Embarcadero SAFE Navigation Center for thirty-two (32) months with an option to extend for twenty-four (24) additional months (the “Option to Extend”); and

WHEREAS, The Port Commission determined at its October 26, 2021 meeting that HSH provided the required documentation to support the option exercise for twenty-four (24) additional months (the “Option to Extend”); and

WHEREAS, The initial operational term of the Prior MOU, as extended, is set to expire on December 29, 2023; and

WHEREAS, HSH wishes to enter into a new Memorandum of Understanding (the “MOU”) with the Port for the use of a portion of Seawall Lot 330 for the Embarcadero SAFE Navigation Center; and

WHEREAS, The Port and HSH have negotiated the MOU on file with the Secretary of the Port Commission; and

WHEREAS, The permitted uses in the MOU are temporary in nature. On April 19, 2019, The Planning Department issued a determination that the permitted uses described in the Prior MOU are categorically exempt from CEQA and a Categorical Exemption Class 32, Infill Development; and

WHEREAS, Under the proposed MOU, the Port will be paid rent consistent with the Port’s Parameter Rent Schedule and lost revenue from parking operations; now, therefore be it;

RESOLVED, The Port Commission hereby approves the proposed MOU between the Port and HSH on terms substantially consistent with those described in the MOU on file with the Secretary of the Port Commission; and be it further

RESOLVED, The Port Commission hereby finds the use of Seawall Lot 330 for the temporary operation of the Embarcadero SAFE Navigation Center is a permissible interim use of Port property because (i) it is not needed for public trust purposes and does not provide access to San Francisco

Bay; (ii) the Term of the MOU will be for twenty-four (24) months with an option for twenty-four (24) additional months of operations; (iii) no permanent structures are or will be constructed that prevent future public trust uses; and (iv) the Port will receive fair market value rent for the use of Seawall Lot 330; and be it further

RESOLVED, That following approval by the Executive Director of HSH, the Port Commission authorized the Executive Director of the Port, or her designee, to execute the MOU on terms substantially consistent with those described in the MOU on file with the Secretary of the Port Commission; and be it further

RESOLVED, That the Port Commission authorizes the Executive Director of the Port to enter into any additions, amendments, or other modifications to the MOU or any other agreement necessary to effectuate the purpose of the MOU and this resolution that the Executive Director, in consultation with the City Attorney, determines are in the best interest of the Port, do not materially increase the obligations or liabilities of the Port, and are necessary and advisable to complete the transaction and effectuate the intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director, or her designee, of any such documents.

I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of October 10, 2023.

Secretary