

## MEMORANDUM

September 9, 2016

**TO:** MEMBERS, PORT COMMISSION  
Hon. Willie Adams, President  
Hon. Kimberly Brandon, Vice President  
Hon. Leslie Katz  
Hon. Eleni Kounalakis  
Hon. Doreen Woo Ho

**FROM:** Elaine Forbes  
Interim Executive Director

**SUBJECT:** Approve resolution authorizing the Executive Director to execute a Memorandum of Understanding between the Port and the Department of Homelessness and Supportive Housing for the proposed Central Waterfront Navigation Center on 25<sup>th</sup> Street between Michigan Street and Louisiana Street and finding that the portion of 25th Street is not currently needed for trust purposes, including access to San Francisco Bay, and finding the proposed Central Waterfront Navigation Center is an acceptable interim use of Port property. (This action constitutes the Approval Action for the project for the purposes of CEQA, pursuant to Section 31.04(h) of the San Francisco Administrative Code). (Resolution No. 16- )

### **DIRECTOR'S RECOMMENDATION: Approve the Attached Resolution**

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#### **EXECUTIVE SUMMARY**

At the July 12, 2016 Port Commission meeting, the new Department of Homelessness and Supportive Housing ("HSH") proposed building a new Navigation Center on Port property on 25<sup>th</sup> Street between Michigan Street and Louisiana Street (the "Central Waterfront Navigation Center" or "Premises").

This staff report summarizes community outreach efforts regarding the proposal to site a Navigation Center in the Dogpatch neighborhood, the proposed Central Waterfront Navigation Center, and terms of a proposed Memorandum of Understanding ("MOU")<sup>1</sup> between the Port and HSH for use of the Premises for a period of up to 42 months. If approved, the site will serve as the City's 3<sup>rd</sup> Navigation Center.

**THIS PRINT COVERS CALENDAR ITEM NO. 12B**

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<sup>1</sup> Since City departments are one legal entity under the City and County of San Francisco, they cannot enter into lease agreements. Memoranda of Understanding instead define responsibilities and set business terms between City departments.

## **STRATEGIC PLAN**

Cooperation between the Port and HSH to deliver services to homeless individuals on Port property meets the Port Commission 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.”

## **COMMUNITY OUTREACH REGARDING THE PROPOSED NAVIGATION CENTER ON PORT PROPERTY**

As described in the July 12, 2016 Port Commission staff report, HSH and Port staff have attended four community meetings to discuss options for a Navigation Center in the Central Waterfront on Port property. HSH staff also presented the proposal to the Central Waterfront Advisory Group and the Southern Waterfront Advisory Committee. Both advisory groups strongly support the proposed Central Waterfront Navigation Center.

During these meetings, HSH staff stressed that the proposal would be to establish a temporary Navigation Center which would operate for up to 3 years (with a 4 month construction period and 2 month take down period), based on two principles: 1) the Navigation Center model is designed to address the problem of long-term homelessness, and there is a finite population of people who have been living on San Francisco streets for more than five years, and 2) the City is dedicated to building permanent housing, but not permanent shelters.

Some members of the public expressed strong opposition to any Navigation Center in Dogpatch, as well as frustration about street conditions in the area and the perceived lack of City and Port staff response to the encampments in Warm Water Cove Park and along Islais Creek. Other members of the public expressed strong support for the Navigation Center model and embraced the idea that Dogpatch could contribute to a solution to homelessness.

HSH and Port staff attended an additional community meeting with the Dogpatch Neighborhood Association, the Dogpatch Business Association, and the Dogpatch & Northwest Potrero Hill Green Benefit District on August 9, 2016 to discuss the proposed Central Waterfront Navigation Center. At that meeting, neighborhood representatives expressed concern about the proposal to operate the Central Waterfront Navigation Center for a period of 4 years and expressed a strong preference for a 3 year operation period. Accordingly, the term of the proposed MOU for the Central Waterfront Navigation Center between the Port and HSH has been reduced from 54 months to 42 months (including the construction and take down period).

Supervisor Malia Cohen’s Office also hosted a meeting to go over a proposed Central Waterfront Navigation Center Interagency Agreement that would outline roles and responsibilities of City departments to address homelessness in the Dogpatch neighborhood, including HSH, the San Francisco Police Department (“SFPD”), San Francisco Public Works (“SFPW”) and the Port. A copy of that agreement is attached

as Exhibit A. Respective department heads, including the Port Director, will sign that agreement. Under the proposed agreement, the Port's responsibility will be:

- Encampment Resolution: Removal of existing encampments along Islais Creek on Port, SFMTA and Caltrans property by September 1 (Complete). HSH, the Homeless Outreach Team ("HOT"), SFPD and the Port will collaborate to keep the areas clear of encampments.
- Duration of Operations: The Navigation Center will operate for up to **3 years** with an additional 6 months for a set up and take down period under a non-renewable lease. The MOU with the Port and the Street Vacation legislation reflect this 42-month timeline. (Port and HSH)

### **PROPOSED CENTRAL WATERFRONT NAVIGATION CENTER**

San Francisco Public Works ("SFPW") staff have designed the proposed Central Waterfront Navigation Center on 25<sup>th</sup> Street between Michigan Street and the former Louisiana Street, located between Sheedy Drayage and the San Francisco Municipal Transportation Agency's ("SFMTA") Muni Metro East ("MME") Facility. HSH, Port and SFPW staff consulted with SFMTA and determined that there are no inherent conflicts to siting the proposed Navigation Center adjacent to the MME Facility. One potential benefit of this location is that 25<sup>th</sup> Street east of Illinois Street has very light traffic during the day.

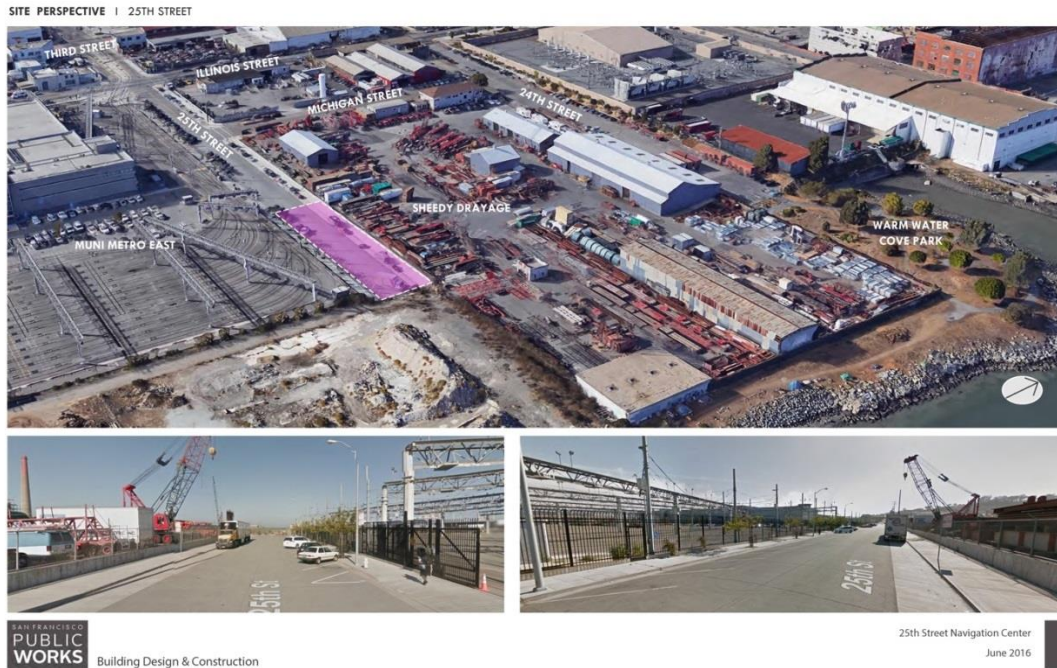
The goal of this project is to establish a Navigation Center using modular and portable building units. Building on the concepts and lessons learned from the Mission Street Center, the Central Waterfront Navigation Center will serve as a critical piece of the City's response to the homelessness crisis, by creating a transitional housing solution that is a safe, nurturing, and welcoming environment for people, pets, and their belongings. The Central Waterfront Navigation Center will be more than a place to sleep, and will provide meals, facilities for personal hygiene and unified access to City services, including counseling, community services, and integrated mobile medical and mental health care services. The Central Waterfront Navigation Center is not intended to be permanent housing but rather a transitional program to assist homeless individuals in finding more permanent housing and/or guiding them to find the help they need in response to their current situation.

The proposed program for the site includes: dormitories with a total of seventy (70) beds, a community room/dining area, staff offices, a reception office, women's and men's restrooms, laundry, storage space and utilities. The design will also include a waiting area/staff courtyard with seating, a main courtyard with seating, picnic tables and shading, and dog kennels.

The proposed facility would occupy approximately 14,000 square feet of enclosed area including 6,000 square feet of outdoor space for courtyards and circulation. The SFPW budget for the proposed project is \$3.2 million.

Figure 1 below shows the location of the proposed facility:

**Figure 1: Proposed Location on Port Property**



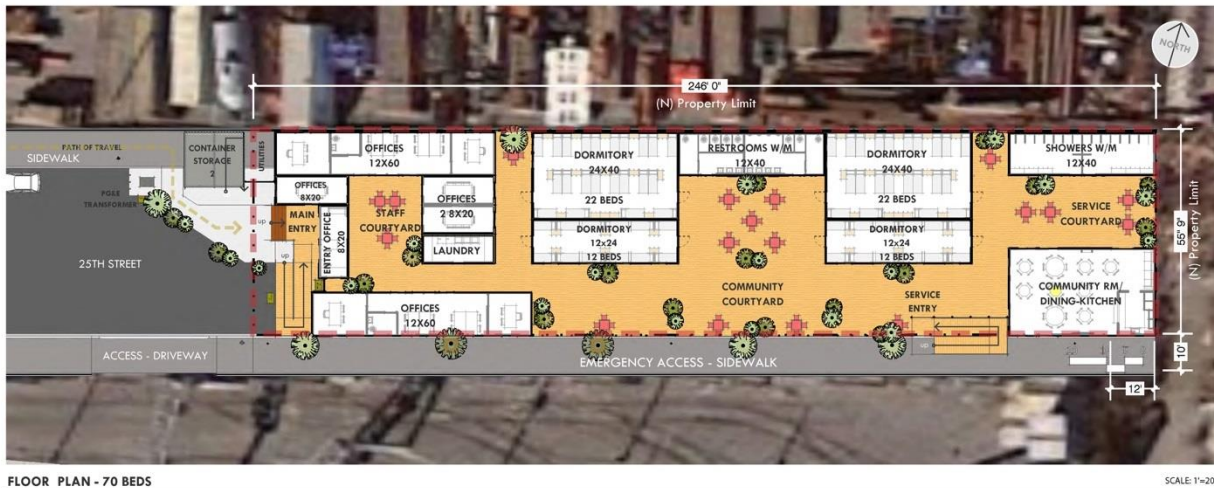
To enable the proposed facility, HSH and SFPW will submit legislation to the Board of Supervisors to vacate the dead-end portion of 25<sup>th</sup> Street between Michigan Street and Louisiana Street temporarily for up to 42 months and to allow the Central Waterfront Navigation Center to operate for up to 3 years. HSH and SFPW will also submit legislation to the Board of Supervisors to permit temporary homeless shelters as a conditional use in designated zoning districts, including Production, Distribution and Repair (“PDR”) districts.

Figures 2 and 3 below shows a concept plan for the 70 bed facility:

**Figure 2: Central Waterfront Navigation Center Concept**



**Figure 3: Central Waterfront Navigation Center Concept – Plan View**



**Central Waterfront Navigation Center MOU**

Subject to adoption of the street vacation ordinance, HSH and Port staff propose an MOU between the Port and HSH for the use of the Premises as a Navigation Center for a market rent for an interim period of up to 42 months (“Central Waterfront Navigation Center MOU”).

While residential use of Port property is not typically allowed without the authorization of the California Legislature, this segment of 25<sup>th</sup> Street is not needed for public trust

purposes (access to the Bay is currently restricted by a fence), so the proposed use is an acceptable interim use of Port property.

Table 1 below describes the proposed terms of the MOU:

<b>Table 1: Central Waterfront Navigation Center MOU</b>	
<b>Effective Date</b>	The effective date of the MOU is the same as the effective date of the ordinance vacating the portion of 25th Street between Michigan Street and Louisiana Street
<b>Premises</b>	The area located on a portion of 25th Street between Michigan Street and Louisiana Street, in the City and County of San Francisco, California, shown on <b>Exhibit B</b> , consisting of approximately 13,715 square feet of paved land
<b>Term</b>	The Term shall commence on the Effective Date and shall expire on the earliest of: (i) the date that is forty-two (42) months after the Effective Date, (ii) the date that the temporary vacation of 25th Street approved by the Board of Supervisors expires, or (iii) the cancellation or termination of the MOU in accordance with its terms. There shall be no holding over on a month to month basis after the expiration of this MOU. HSH may cancel the MOU upon thirty (30) days written notice to the Port.
<b>Port's Right of Termination</b>	If the Premises is required for a public trust purpose, the Port may terminate the MOU with 6 months' notice.
<b>Rent</b>	\$0.42/square foot, or \$5,760.30/month, escalated 3% annually, consistent with the Port Commission approved FY 2016-17 Parameter Rent Schedule for paved land. No rent for four (4) month construction period and two (2) month removal period.
<b>Security Deposit</b>	Two months' rent.
<b>Permitted Uses</b>	The construction and, subject to the requirements of the <b>Good Neighbor Policy</b> attached as <b>Exhibit C</b> , operation of the Navigation Center to provide temporary housing and services to homeless individuals which may include: food preparation and service, storage of personal property, restroom and personal hygiene facilities, laundry services, provision of medical and social services for up to 70 homeless individuals and kennel services for pets.

### **CONSTRUCTION AND OPERATION OF THE FACILITY**

SFPW will manage construction of the proposed facility under permits that the Port approves under the Port's Chief Harbor Engineer. The modular, prefabricated construction approach minimizes the need to alter 25<sup>th</sup> Street and allows for easy removal of the facility upon the expiration or earlier termination of the MOU. The sidewalk along the south side of 25<sup>th</sup> Street will remain open to the public and SFMTA employees.

The proposed establishment of the Navigation Center requires two legislative approvals by the San Francisco Board of Supervisors. The following pieces of legislation were introduced on September 6:

1. **Street Vacation Ordinance.** This proposed ordinance will temporarily vacate the portion of 25<sup>th</sup> Street generally bounded by Assessor's Block 4241/Lot 002 to the north, Seawall Lot 355 (portions of Assessor's Block 4298/002, Assessor's Block 4299/Lot 001, and Assessor's Block 4300/Lot 001) to the south; Michigan Street

to the west, and Seawall Lot 356 to the east, for a period of 42 months. The effective date of the the proposed MOU will be the effective date of the street vacation ordinance. The proposed street vacation ordinance will also authorize operation of the Central Waterfront Navigation Center for a period of 3 years under Section 106.3(b) of the San Francisco Administrative Code.

2. **Planning Code Amendment.** This proposed ordinance will allow for temporary homeless shelters subject to a case by case Conditional Use Authorization in three zoning districts where they are not currently permitted: Production Distribution and Repair (PDR), West SoMa Mixed Use Office (WMUO) and Service and Arts Light Industrial (SALI). The northern portion of the 25<sup>th</sup> Street site will be zoned PDR after the street vacation.

HSH and SFPW expect the Board of Supervisors to consider the legislation described above starting in September or October 2016.

A nonprofit 501(c)(3) operator qualified to run the facility will be selected through a competitive request for proposals. The annual budget for the Central Waterfront Navigation Center will be approximately \$2.5 million and will be funded from non-Port sources. Staffing will consist of approximately 30 FTE total staff from the non-profit operator including a site manager, program manager, shift supervisors, service coordinators, case managers, and janitorial staff. There will also be roving City staff on-site to provide benefits enrollment, medical and behavioral health support. The facility will accept referrals from HSH designated referral sources only, focusing on the long-term homeless population that is the focus of the Navigation Center model. No walk-in intakes will be accepted – a key to avoiding a situation where homeless individuals camp nearby in the hopes of being accepted at the facility.

The non-profit operator will be contractually bound by the Good Neighbor Policy attached as Exhibit B. The Good Neighbor Policy requires that the facility operator:

- Work with neighbors and city agencies to address neighborhood concerns;
- Attend community meetings;
- Provide a phone number to residents and businesses;
- Minimize client impacts and prohibit walk-ins;
- Discourage noise and loitering;
- Inform residents & businesses about Navigation Center services;
- Encourage Navigation Center residents to use the north sidewalk of 25th Street for access; and

- Ensure that staff and clients maintain the site and the immediately surrounding area in a safe and clean manner and that adjacent sidewalks are not blocked.

Failure to adhere to the Good Neighbor Policy is cause for a default under the Central Waterfront Navigation Center MOU, and, if not cured, may result in termination of the MOU.

### **CALIFORNIA ENVIRONMENTAL QUALITY ACT**

On September 8, 2016, the Planning Department issued a determination that the Central Waterfront Navigation Center satisfied the criteria for a Categorical Exemption (Class 3) pursuant to California Environmental Quality Act (“CEQA”) Guidelines Section 15303.

If the Port Commission approves the proposed MOU through the attached Resolution based on this categorical exemption, its action constitutes the “Approval Action” (as defined in S.F. Administrative Code Chapter 31, as amended, Board of Supervisors Ordinance Number 161-13). As such, the CEQA decision prepared in support of this Approval Action will be subject to appeal within the time frame specified in S.F. Administrative Code Section 31.16. Typically, an appeal must be filed within 30 calendar days of the Approval Action.<sup>2</sup>

### **NEXT STEPS**

HSH and Port staff will meet with Dogpatch neighborhood representatives on September 13, 2016 to again discuss the proposed Navigation Center. The Dogpatch Neighborhood Association is expected to vote on the proposal to provide its recommendation to the Board of Supervisors.

### **RECOMMENDATION**

Port staff recommends that the Port Commission approve the resolution authorizing the Executive Director to execute the Memorandum of Understanding between the Port and HSH for the proposed Central Waterfront Navigation Center on 25<sup>th</sup> Street between Michigan Street and Louisiana Street and finding that the portion of 25th Street is not currently needed for trust purposes, including access to San Francisco Bay.

Prepared by: Brad Benson  
Director of Special Projects

### **Exhibits**

- A: Central Waterfront Navigation Center Interagency Agreement
- B: Premises
- C: Good Neighbor Policy

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<sup>2</sup> For information on filing an appeal under Chapter 31, see the Port Commission agenda under NOTICES and contact the Clerk of the Board of Supervisors at City Hall, 1 Dr. Carlton B. Goodlett Place, Room 244, San Francisco, CA 94102, or call (415) 554-5184.



**Exhibit A:**  
**Central Waterfront Navigation Center**  
**Interagency Agreement**  
**Updated: 8/30/16**

In order for the Central Waterfront Navigation Center to be a good neighbor to the Dogpatch community, the Department of Homelessness and Supportive Housing, the San Francisco Police Department, the Port of San Francisco, and San Francisco Public Works are committed to working together to deliver high-quality city services to the community. Below are the steps that City departments will make to ensure safety and cleanliness in the Dogpatch neighborhood.

- 1) **PUBLIC SAFETY:** SFPD's top priorities are and continue to be responding to and reducing violent crime. In an effort to respond to the needs of the neighborhood SFPD will staff the Bayview 1 sector unit which includes the Navigation Center site and the surrounding neighborhood (Evans to Mariposa and Pennsylvania to the Bay). The unit will be regularly staffed by 2 officers 24/7. SFPD will also build and maintain a relationship with the Navigation Center service provider and their staff to help ensure safety at the site.

In an effort to inform the public about safety and crime stats in the neighborhood the SFPD will provide crime data for the neighborhood upon request from the community.  
**(SFPD)**

- 2) **ENCAMPMENT RESOLUTION:** Removal of existing encampments along Islais Creek on Port, SFMTA and Caltrans property by September 1. HSH, HOT, SFPD and the Port will collaborate to keep the areas clear of encampments. **(HSH, Port, SFPD and HOT)** Addressing encampments in the Dogpatch neighborhood and maintaining these areas once they are cleared will remain a priority.
- 3) **ENCAMPMENT RESPONSE:** In order to both serve people experiencing homelessness in the Dogpatch for services and minimize any "magnet effects" that neighborhood prioritization can create, HSH will:
  - Prioritize homeless encampments and population in the Dogpatch neighborhood in the initial response effort **leading up** to the opening of the 25<sup>th</sup> Street Homeless Navigation Center. As encampments in the area are addressed prior to the opening of the center, residents of the encampments will be prioritized, triaged and referred to all appropriate resources throughout the system, including shelter, housing, Navigation Centers or other appropriate care. **(HSH and HOT)**
  - HSH, HOT and Public Works will respond to any assembled encampment in the neighborhood within 72 hours after report to 311 or HOT. Response will include a site

visit, assessment of people in the camps, an offer of shelter and housing resources as available and a resolution of the encampment if possible. **(SFPD and HOT)**

- 4) **EMPLOYMENT & TRAINING OPPORTUNITIES:** Collaboration between Dogpatch and HSH/Navigation Center on training /employment opportunities for residents of the Center. This may include a partnership with the Green Benefits District. **(HSH and TBD Service Provider)**
- 5) **PERFORMANCE MEASURES:** HSH will provide success criteria and data related to resident placement, intake and homeless population through a real time dashboard and will report quarterly to the neighborhood. Navigation Center performance measures include: intake off the streets, benefits enrollment and housing placement. The Navigation Center's goals do not include reducing crime or public safety. These metrics will be reported via crime stats from the SFPD (upon request from the community). **(HSH and TBD Service Provider)**
- 6) **ADVISORY BODY:** HSH and the selected service provider will establish an Advisory Body for the Navigation Center. The Advisory Body will include Center residents, representatives of TBD service provider, HSH, and neighbors/residents. The Advisory Body will review and advise TBD service provider and HSH on the Navigation Center's community impacts, performance objectives and policies. The Advisory Board will also review this Interagency Agreement and provide a place to discuss any issues with the agreement that arise. The management of the Advisory Body will be built into HSH's contract with its service provider. **(HSH)**
- 7) **DURATION OF OPERATIONS:** The Navigation Center will operate for up to **3 years** with an additional 6 months for a set up and take down period under a non-renewable lease. The MOU with the Port and the Street Vacation legislation reflect this 42-month timeline. **(Port and HSH)**



**Exhibit C: Good Neighbor Policy**  
Proposed HSH/Central Waterfront Navigation Center

“Good Neighbor Policies” are commonly included in City contracts in order to support productive and communicative relationships between service organizations and the communities/neighborhoods in which they are located. Organizations who wish to operate the contracted services or facilities, agree to follow all provisions of the policy.

The Department of Homelessness and Supportive Housing (“HSH”) will include a Good Neighbor Policy in all Navigation Center contracts with the same or similar language to the following provisions. This policy is part of the scope of work within the grant and may include the provisions outlined below.

The non-profit agency contracted to operate Navigation Centers will:

- A. Work with neighbors, HSH, San Francisco Police Department, San Francisco Public Works, DHS and other relevant city agencies to ensure that neighborhood concerns about the facility are heard and addressed.
- B. Assign a Director, Manager, or representative to participate in and attend appropriate neighborhood and community meetings.
- C. The grantee will provide a phone number to all interested neighbors that will be answered at all times by a manager or other responsible person who has the authority to respond to complaints and issues at the Navigation Center as they arise.
- D. Minimize the impact on the neighborhood of Navigation Center guests entering, exiting, or waiting for services. Navigation Centers will do this by limiting referrals, not allowing walk-ins, and having 24/7 access to the site for registered guests.
- E. Actively discourage and address excessive noise from program clients and others who may be just outside the program site.
- F. Actively discourage loitering in the area immediately surrounding the program. Coordinate with other service providers and City agencies, as necessary, to address this issue.
- G. In conjunction with the HSH and other City agencies, inform neighborhood businesses and residents of the services available at the Navigation Center and how individuals are referred.
- H. In order to improve pedestrian safety and security at the adjacent MTA site, the grantee will encourage pedestrians to only use the north side of 25th street when entering and exiting the facility.
- I. The grantee shall implement management practices necessary to insure that staff and clients maintain the safety and cleanliness of the area immediately surrounding the facility and do not block driveways of neighboring residents or businesses.
- J. The grantee shall take all reasonable measures to ensure the sidewalks adjacent to the facility are not blocked.

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

**RESOLUTION NO. 16-38**

- 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 (City); and
- WHEREAS, under Charter Section B3.581, leases granted or made by the Port Commission shall be administered exclusively by the operating forces of the Port Commission; and
- WHEREAS, there are numerous homeless individuals present in and around Port property; and
- WHEREAS, the Department of Homelessness and Supportive Housing (HSH) proposes to create a temporary Navigation Center on Port property (the “Central Waterfront Navigation Center”) to provide temporary housing and services to homeless individuals as they prepare to return home or to move into permanent housing; and
- WHEREAS, HSH wishes to enter into a Memorandum of Understanding (MOU) with the Port for use of a portion of 25<sup>th</sup> Street between Michigan Street and Louisiana Street for the Central Waterfront Navigation Center for a period of up to 42 months; and
- WHEREAS, under the proposed MOU, the Port will be paid rent consistent with the Port’s Parameter Rent Schedule; and
- WHEREAS, the proposed use of this portion of 25<sup>th</sup> Street requires that the Board of Supervisors first vacate this portion of the street, which is a dead-end street section not needed for access to adjacent property or to San Francisco Bay, for a temporary period of up to 42 months; and
- WHEREAS, this portion of 25th Street is not needed for public trust purposes, the Navigation Center is an acceptable interim use of Port property, and the Port will have the right to terminate the MOU upon six months’ notice if the property is needed for a public trust purpose; and
- WHEREAS, the Port is willing to enter into an MOU on the terms and conditions summarized in the attached Memorandum dated September 9, 2016, subject to the Board of Supervisors’ approval of the proposed street vacation ordinance and the operation of the Central Waterfront Navigation Center for up to 3 years under San Francisco Administrative Code Section 106.3(b); and

WHEREAS, the permitted uses in the MOU are temporary in nature and on September 8, 2016, the Planning Department issued a determination that the permitted uses in the MOU satisfied the criteria for a Class 3 Categorical Exemption pursuant to California Environmental Quality Act Guidelines Section 15303; now therefore be it;

RESOLVED, that the Port Commission hereby approves the proposed MOU between the Port and HSH on terms substantially consistent with those described in the attached Memorandum; and be it further

RESOLVED, that the Port Commission hereby finds that the use of the portion of 25th Street between Michigan Street and Louisiana Street for the temporary operation of the Central Waterfront Navigation Center is a permissible interim use of public trust lands because (i) this portion of 25th Street is not needed for public trust purposes and does not provide access to San Francisco Bay; (ii) the term of the MOU will not exceed 42 months and the Port will have the right to terminate the MOU if this site becomes necessary for public trust purposes; (iii) no permanent structures will be constructed that prevent future public trust uses on this site; and (iv) the Port will receive fair market value rent for the use of this site; and be it further

RESOLVED that following approval by the Director of HSH, the Port Commission authorizes the Executive Director of the Port, or her designee, to execute the MOU on terms substantially consistent with those described in the attached Memorandum; and be it further

RESOLVED that the Port Commission authorizes the Executive Director to enter into any additions, amendments or other modifications to the MOU 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 or materially decrease the public benefits accruing to the Port, and are necessary and advisable to complete the transaction and effectuate the purpose and intent of this Resolution, such determination to be conclusively evidenced by the execution and delivery by the Executive Director of any such documents.

***I hereby certify that the foregoing resolution was adopted by the Port Commission at its meeting of September 13, 2016.***

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Secretary