MEMORANDUM

April 19, 2019

TO: MEMBERS, PORT COMMISSION
    Hon. Kimberly Brandon, President
    Hon. Willie Adams, Vice President
    Hon. Gail Gilman
    Hon. Victor Makras
    Hon. Doreen Woo Ho

FROM: Elaine Forbes
    Executive Director

SUBJECT: Request approval of resolution authorizing the Executive Director to execute a Memorandum of Understanding between the Port and the Department of Homelessness and Supportive Housing for temporary use of a portion of Seawall Lot 330 for the proposed Embarcadero SAFE Navigation Center (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. 19-16)

DIRECTOR'S RECOMMENDATION: Approve attached resolution

EXECUTIVE SUMMARY
At the March 12, 2019 Port Commission Meeting, the Department of Homelessness and Supportive Housing (HSH) proposed building a temporary 175-225 bed SAFE Navigation Center on a portion of property at Seawall Lot 330 (corner of The Embarcadero at Beale Street) owned by the Port of San Francisco (“Port”) for a term of four years.

The proposal is part of the Mayor’s initiative to open 1,000 new shelter beds for homeless residents by 2020. SAFE Navigation Centers provide 24/7 access for homeless residents, allow partners, pets and personal belongings, and provide support services to connect residents with permanent housing. Over 135 members of the public attended the meeting for this item and 66 provided comments.

At the March 26 and April 9 Port Commission meetings, 8 and 21 speakers, respectively, provided further public comment regarding the proposed project. Port staff also received written comments (emails), which may be found here on the Port's website.

THIS PRINT COVERS CALENDAR ITEM NO. 8A
This staff report summarizes the City’s community outreach efforts over the past five weeks regarding the proposal to locate a SAFE Navigation Center on a portion of Seawall Lot 330, community concerns and requests, and the terms of a proposed memorandum of understanding¹ between the Port and HSH for use of approximately 46,600 square feet of Seawall Lot 330 (the Premises) for a period not to exceed thirty-two (32) months (5 months for set up, 24 months of operations and 3 months for site clean-up). Subject to Port Commission approval, the agreement may be extended for an additional 24 months of operations based on the criteria articulated on page 9. If approved, the site will offer a maximum of 200 shelter beds and wrap around services for homeless individuals.

STRATEGIC PLAN
The City’s proposal to locate a SAFE Navigation Center on the Premises (the Embarcadero SAFE Navigation Center) is temporary. The City’s objective to expand shelter for homeless residents and 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 2017 Point-In-Time count estimates that 7,500 people experience homelessness in San Francisco on any given night including 4,300 unsheltered individuals living on the streets. Based on data gathered by HSH, there are currently over 1,200 individuals waiting for shelter beds in San Francisco each night.

The Port has its own experience with homelessness. Homeless individuals and encampments are visible on Port property at Justin Herman Plaza, Brannan Street Wharf, Fisherman’s Wharf, around the Ferry Building and in pier sheds throughout the waterfront. Port staff does not have the resources or expertise to adequately respond to these populations. However, the Port’s strategies for addressing homelessness have always been based in compassion, while working in collaboration with relevant City agencies to help connect individuals with housing and services.

In February 2016, a temporary shelter facility was opened at Pier 80 to help provide needed shelter during the El Niño storms. The facility was comprised of a tent structure that supported 180 people and included an area for sleeping, dining, separate men’s and women’s showers, storage facilities, animal kennel, and common areas. In addition, Department of Public Health teams visited the site three times a week to provide medical care. Pier 80 was operated by St. Vincent De Paul Society until its closure in July 2016.

¹ 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
In September 2016, the Port Commission approved a memorandum of understanding between the Port and HSH for a Central Waterfront (Dogpatch) Navigation Center located on 25th and Michigan Streets, for a three-year term (the “Central Waterfront Navigation Center”). The site, opened in May 2017, includes 64 beds, a community room, dining areas, staff offices, women’s and men’s restrooms, storage space, an outdoor courtyard, and seating areas. The facility occupies 14,000 square feet of enclosed area including 6,000 square feet of outdoor space. To date 385 unique individuals have utilized the Central Waterfront Navigation Center. The Dogpatch Neighborhood Association recently voted to urge HSH and the Port to extend the term of the Central Waterfront Navigation Center because the facility has become a vital part of the neighborhood.

San Francisco began operating Navigation Centers in 2015. Navigation Centers are a shelter model that provide 24/7 access, allow residents to bring their partners, pets and belongings with them, as well connect residents with services and housing. The City currently operates six Navigation Centers including one temporary site on Port property, the Central Waterfront Navigation Center.

- Civic Center (93 beds)
- Central Waterfront/Dogpatch (64 beds)
- Division Circle (125 beds)
- Bayshore (128 beds)
- Bryant (84 beds)
- Hummingbird Navigation Center (29 beds)

In October 2018, Mayor London Breed announced a plan to open 1,000 new shelter beds for homeless residents by 2020; to date, with the opening of Bayshore and Bryant Navigation Centers (128 and 84 beds respectively) the City has opened 212 beds. Additional beds will be provided through a combination of new and expanded Navigation Centers and Shelter and Access for Everyone (SAFE) Navigation Centers (each a “SAFE Navigation Center”). SAFE Navigation Centers will incorporate the operational elements of a Navigation Center, but will be less capital-intensive on a per-bed basis than Navigation Centers due to their larger capacity.

The Mayor has directed staff to look at all neighborhoods and districts to identify potential SAFE Navigation Center locations. The City has proposed building a temporary SAFE Navigation Center on the Premises, for a term of 2 years with an option to renew for one additional two year term. Through a cross-departmental effort lead by HSH, Seawall Lot 330 was chosen as the first of multiple new SAFE Navigation Center sites proposed throughout the City.

2 Hummingbird Navigation Center is funded and operated by the San Francisco Department of Public Health
SITE DESIGN AND CONSTRUCTION
San Francisco Public Works ("Public Works") will design the proposed Embarcadero SAFE Navigation Center and manage construction. Public Works proposes to utilize temporary materials that are physically appealing and complimentary with the neighborhood. The proposed design will allow for easy removal of the facility upon the expiration or early termination of the MOU (defined below). The San Francisco Police Department ("SFPD") will advise Public Works in their design to determine the best placement of lighting and security cameras.

The proposed program for the site includes: dormitories with 130 beds to start ramping up to a total of two hundred (200) beds over 7 months, a community room/dining area, staff offices, a reception office, restrooms and personal hygiene, laundry facilities, storage, and utilities. Initially the facility will serve up to 130 people increasing up to 165 in month 4 and then up to 200 starting in month 7. Additional features include a main entry/drop-off point, a courtyard with seating, picnic tables and shading, and a designated pet area.

The proposed Embarcadero SAFE Navigation Center will occupy approximately 46,600 square feet of enclosed area including approximately 10,500 square feet of outdoor space for courtyards and circulation (approximately half the size of Seawall Lot 330). Figure 1 below shows the location of the proposed facility. Figure 2 shows a concept plan.

Figure 1: Proposed Location on Port Property
PROPOSED SERVICES AND OPERATION OF THE FACILITY

Proposed services
The Embarcadero SAFE Navigation Center will build on the concepts and lessons learned from existing Navigation Centers, to create a place that provides a safe, nurturing, and welcoming environment for unsheltered individuals.

The Embarcadero SAFE Navigation Center will offer a place to sleep and also provide meals, facilities for personal hygiene, and access to City services, including counseling, community services, and medical and mental health services. The Embarcadero SAFE Navigation Center is not intended to provide permanent housing but will provide a temporary location for people to stay off of the streets while they work on their individualized service and housing plans.

All guests will be assessed for housing and enrolled into the City’s ONE System; the centralized database for all homeless services in San Francisco. The ONE System allows HSH to coordinate referrals to housing, and to track program utilization and client outcomes.

Facility operations
A nonprofit 501(c)(3) operator qualified to run the facility will be selected by HSH to manage the Embarcadero SAFE Navigation Center. HSH will negotiate the annual
operations budget and site specific staffing plan for the Embarcadero SAFE Navigation Center with the selected non-profit provider and funded from non-Port sources. Site staff will include an on-site site manager, program manager, shift supervisors, service coordinators, case managers, and janitorial staff for 24/7 operations. In addition, there will be 24/7, on-site security.

The non-profit operator will be contractually bound by a Good Neighbor Policy. A sample Good Neighbor Policy is attached as Exhibit A. The Good Neighbor Policies require that the facility operator:

- Collaborate with neighbors and city agencies to address neighborhood concerns;
- Attend community meetings;
- Provide the 24/7 phone number of the SAFE Navigation Center to residents and area businesses;
- Minimize client impacts upon the neighborhood by prohibiting walk-ins;
- Discourage noise and loitering; on all sidewalks adjacent to the Premises;
- Inform residents and area businesses about SAFE Navigation Center services;
- Ensure that staff and clients maintain the site and the immediate surrounding area in a safe and clean manner.

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

PUBLIC SAFETY

To improve public safety in the area:

- SFPD will create and maintain a safety zone surrounding the Embarcadero SAFE Navigation Center, bounded by Folsom Street, Harrison Street, Second Street, the Bay and extending up along the Embarcadero to the Ferry Building (the “Safety Zone” depicted below).

- SFPD will assign beat officers to patrol the Safety Zone each day (7 days per week) and focus on loitering, drug use/sale, and tents enforcement within the Safety Zone. Specific hours to be determined.

- SFPD will partner with on-site security at the facility to ensure coordination on any issues that arise.
• The on-site security personnel will have a direct contact to Healthy Streets Operations Center to report loitering, drug use/sale and tents. In the event of criminal activity, security will alert SFPD via 911.

• SFPD will regularly monitor crime statistics for the area surrounding the SAFE Navigation Center to ensure that crime is not rising in the area. If crime statistics indicate an increase in crime, SFPD will seek to implement enhancements to the current safety plan.

The facility will initially focus on serving the unsheltered homeless population in or near the waterfront: near Market Street, Fourth Street and the Bay (the “Outreach Zone” depicted below.

COMMUNITY OUTREACH
Since the March 12, 2019 Port Commission meeting, HSH and the Mayor’s Office have organized a number of community meetings to provide information about the project to neighborhood residents, and gather input and feedback from the community about the proposed temporary Embarcadero SAFE Navigation Center. They have hosted two large community meetings at Delancey Street Foundation (March 12 and April 3), and have attended three Waterfront Advisory Group meetings (Fisherman’s Wharf Advisory Group on March 19, a joint meeting of the Central Waterfront and North Eastern Waterfront Advisory Groups on March 20 and a second Central Waterfront Advisory Group meeting on April 17). In addition, they have attended six homeowner association
meetings at buildings near Seawall Lot 330 (Watermark HOA on March 21, Portside HOA on March 27, The Brannan HOA on April 1, 88 Townsend HOA on April 10, King HOA on April 11 and the Infiniti on April 14), and have presented to the South Beach | Rincon | Mission Bay Neighborhood Association on April 15. In addition, they have provided tours of the Central Waterfront and Division Circle Navigation Centers. All meetings were well attended, allowing many to voice questions, and opinions about the project, but with limited time for dialog.

Community members consistently voiced concerns about the location, size, cleanliness and safety around the proposed navigation center, in person at meetings, and in writing.

Some of the key concerns include:

- Location of facility – concern with impacts to quality of life within the adjacent community, a high-density residential neighborhood, proximate to schools, children, elderly and visitors to the public areas along the waterfront and ballpark
- Size of facility – concern that a 225 bed facility will be the largest Navigation Center facility to date in San Francisco, and invite a larger homeless population to the neighborhood than presently exists
- Safety – concern that Navigation Center will precipitate an increase in drug use, drug dealing, loitering, burglary and assaults within the neighborhood
- Sanitation – concern about human waste, needles, and other debris in parks, sidewalks

The Mayor’s office also convened a small group of key neighborhood stakeholders to promote a richer dialogue that was not possible in larger group settings. The informal working group has met weekly, beginning on March 20. Working group members included representatives from the South Beach/Rincon/Mission Bay Neighborhood Association, the Brannan HOA, the Watermark HOA, the Portside HOA, and other neighborhood stakeholders. Key program staff from the San Francisco Police Department, the Port, Public Works and HSH has attended the meetings to discuss site specific design, security and homeless services questions and concerns as needed. A number of suggestions were discussed focused upon maintaining a good quality of life in the neighborhood, including additional police services dedicated to the neighborhood (e.g. 2 bike-police officers) and reductions to the project size and lease term. Neighbors also asked for more specific data about navigation center program outcomes, local homeless data, and insight into site selection.

Below are some key data points provided by HSH and the Mayor’s Office to the community:

**Navigation Center Programmatic Outcomes**

- 46% of guests exit homelessness
- 14% of guests are timed out
- 10% of guests exit due to serious or repeated rule violations
• 30% of guests exit on their own
• HSH is working to better predict who will leave on their own and prepare follow-up case management with the Homeless Outreach Team. Staff work with guests nearing the end of a time-limited stay to secure a traditional shelter bed and/or make other arrangements. At time of exit, transportation to another shelter or 24 hour drop-in is offered.
• On March 29, HSH conducted a point-in-time count of the proposed outreach zone and identified 179 unsheltered people.

Site Selection
• Representatives from the Mayor’s Office, Public Works, City Administrator’s Office and HSH jointly identify prospective sites
• To date, the City has reviewed over 100 potential sites for SAFE Navigation Centers
• Key criteria the City team uses for evaluating sites include: square footage, utilities, proximity to public transportation, ownership (public ownership is preferred), neighborhood need, and lease term

REVISED PROPOSAL
In light of community input and feedback as well as discussions with Supervisor Haney, the Mayor’s office and HSH have revised the original proposal.

The revised proposal is for a 200 bed facility, with a two-year term that may be renewed for two additional years if the Port Commission finds that the City has been able to demonstrate the following:

1. A decrease, over a two-year period, in the number of unsheltered homeless people in the Outreach Zone,
2. HSH has provided dedicated cleaning services in the area (days and hours of cleaning), through a partnership with a nonprofit organization,
3. HSH has provided quarterly reports on navigation center utilization and outcomes, cleaning efforts, publicly available crime statistics and other community impact measures, and
4. compliance with the good neighbor policy.

Initially the facility will serve up to 130 people and gradually ramp up until it reaches maximum capacity of 200 individuals. Capacity will increase up to 165 starting in month 4 and grow up to 200 starting in month 7. The City will provide an operations report every two months during the ramp up phase, then move to quarterly reports once the facility is operating at full capacity.

The City believes that the gradual ramp up will ensure that neighborhood concerns are successfully addressed.
EMBARCADERO SAFE NAVIGATION CENTER MOU

Port staff propose to enter into a memorandum of understanding with HSH to set forth the terms of use for the Premises, including payment of fair market rent for an initial term of up to 32 months (5 months for construction and set up 24 months of operations and 3 months for site cleanup)(the “MOU”), with the option to extend the MOU for a second 24 months of operations.

While residential use of Port property is not typically allowed without the authorization of the California Legislature the proposed shelter use is an acceptable interim use of Port property, because this segment of Seawall Lot 330 is not needed for public trust purposes and the Port will receive fair market value for the use as required by State law.

Table 1 below describes the proposed terms of the MOU:

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Neighbor Policy (a sample good neighbor policy is attached as Exhibit B), operation of the SAFE 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 facilities, and provision social services for up to 200 people experiencing homelessness.

As part of implementing this MOU, Port staff will work with the current parking operator to reduce its operational footprint.

CALIFORNIA ENVIRONMENTAL QUALITY ACT
The Planning Department determined that the project is categorically exempt from CEQA as a Categorical Exemption Class 32, Infill Development.” The determination is posted on the Planning Department website and is on file with the Secretary of the Port Commission.”

If the Port Commission approves the proposed MOU through the attached resolution, its action constitutes the “Approval Action” (as defined by SF 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 SF Admin Code 31.16. Typically an appeal must be filed within 30 calendar days of the approval action.³

NEXT STEPS
HSH and the Mayor’s Office will continue to meet regularly with the informal working group to inform the development and implementation of the SAFE Navigation Center operator.

Port Staff are working to return to the Port Commission in June with an informational item to discuss a potential competitive solicitation framework for Piers 30-32 and Seawall Lot 330 per the Port Commission’s direction at the February 26, 2019 meeting; here is a link to the staff report.

RECOMMENDATION
Port staff recommends that the Port Commission approve the resolution authorizing the Executive Director to execute a Memorandum of Understanding between the Port and HSH for the proposed Embarcadero SAFE Navigation Center on a portion of Seawall Lot 330.

³ 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.
Exhibits
   A. Premises
   B. Sample Good Neighbor Policy
EXHIBIT A: Premises
**Exhibit B: Sample Good Neighbor Policy**

“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 will include a Good Neighbor Policy in its contract or grant agreement with the operator of the SA.F.E. Navigation Center located at Seawall Lot 330 (“**Embarcadero S.A.F.E. Navigation Center**”) with the same or similar language to the following provisions. This policy is part of the scope of work within the contract or grant and will include the provisions outlined below.

The non-profit agency contracted to operate the Embarcadero S.A.F.E. Navigation Centers will:

A. Work with neighbors, DHSH, SFPD, Public Works, DPH 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. 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 Embarcadero S.A.F.E. Navigation Center as they arise.

D. Minimize the impact on the neighborhood of Embarcadero S.A.F.E. Navigation Center guests entering, exiting, or waiting for services. The Embarcadero S.A.F.E. Navigation Center 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 DHSH and other City agencies, inform neighborhood businesses and residents of the services available at the Embarcadero S.A.F.E. Navigation Center and how individuals are referred.

H. 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.

I. Take all reasonable measures to ensure the sidewalks adjacent to the facility are not blocked.
WHEREAS, California Government Code Sections 8698 through 8698.2 authorize the governing body of a political subdivision, including the San Francisco Board of Supervisors, to declare the existence of a shelter crisis upon a finding by the governing body that a significant number of persons within the jurisdiction are without the ability to obtain shelter, and that the situation has resulted in a threat to the health and safety of those persons; and

WHEREAS, In April 2016, the Board of Supervisors enacted Ordinance No. 57-16, declaring a shelter crisis in the City and County of San Francisco (the “City”), finding that in January 2015, there were 6,686 individuals in San Francisco who were homeless. Since that time, the shelter crisis has grown; and

WHEREAS, On January 15, 2019, Mayor London N. Breed introduced legislation to affirm that a shelter crisis still exists in San Francisco, which legislation allows the City to take more immediate action to address the homelessness crisis; and

WHEREAS, On April 4, 2019, Mayor London N. Breed signed legislation to declare a shelter crisis and to amend the San Francisco Administrative Code and Planning Code to streamline contracting for and siting of homeless shelters (Ordinance 61-19); and

WHEREAS, According to the January 2017, Point in Time Homeless Count administered by the Department of Homelessness and Supportive Housing (HSH), there were approximately 7,500 individuals experiencing homelessness in San Francisco on a single night; and

WHEREAS, HSH proposes to create a temporary SAFE Navigation Center on Port property (the “Embarcadero SAFE Navigation Center”) to provide temporary housing and services to homeless individuals as they prepare to move into permanent housing; and

WHEREAS, HSH wishes to enter into a Memorandum of Understanding (an “MOU”) with the Port for use of a portion Seawall Lot 330 (the
“Property”) for the Embarcadero Navigation Center for a period of up to 56 months; and

WHEREAS, HSH and the Port successfully partnered in 2016 to develop and construct a Navigation Center, known as the Central Waterfront Navigation Center on Port property located on a portion of 25th Street as described in Memorandum of Understanding No. M-16161; and

WHEREAS, San Francisco 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

WHEREAS, There are numerous homeless individuals present in and around Port property; and

WHEREAS, The Port and HSH have negotiated a Memorandum of Understanding (the “Embarcadero MOU”), on file with the Secretary of the Port Commission; and

WHEREAS, The permitted uses in the Embarcadero MOU are temporary in nature. On April 19, 2019, the Planning Department issued a determination that the permitted uses described in the Embarcadero MOU is categorically exempt from CEQA as 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, That the Port Commission hereby approves the proposed Embarcadero MOU between the Port and HSH on terms substantially consistent with those described [in the Embarcadero MOU] on file with the Secretary of the Port Commission; and be it further

RESOLVED, That the Port Commission hereby finds that the use of the Property for the temporary operation of the Embarcadero SAFE Navigation Center is a permissible interim use of Port property because the Property is not needed for public trust purposes and does not provide access to San Francisco Bay, (ii) the term of the Embarcadero MOU will be for thirty two (32) months with an option for twenty-four (24)
additional months of operations; (iii) no permanent structures will be constructed that prevent future public trust uses on the Property; and (iv) the Port will receive fair market value rent for the use of the Property; 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 Embarcadero MOU on terms substantially consistent with those described in the Embarcadero MOU on file with the Secretary of the Port Commission; 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 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 purpose and 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 April 23, 2019.

_____________________,
Secretary