



# EXECUTIVE SUMMARY

## PLANNING AND ADMINISTRATIVE CODE TEXT AMENDMENT

**HEARING DATE: December 10, 2020**

Continued from December 3, 2020

**90-Day Deadline:** February 1, 2021

**Project Name:** Allowing Temporary Use of Hotels and Motels for Permanent Supportive Housing  
**Case Number:** 2020-009054PCA [Board File No. 201218]  
**Initiated by:** Mayor Breed / Introduced October 27, 2020  
**Staff Contact:** Veronica Flores, Legislative Affairs  
Veronica.Flores@sfgov.org, 628-652-7525  
**Reviewed by:** Aaron Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533

**Recommendation:** Approval

### Planning Code Amendment

The proposed Ordinance would amend the Planning Code and Administrative Code to allow certain Hotels and Motels to be used for Permanent Supportive Housing purposes without thereby abandoning or discontinuing the hotel use.

The Way It Is Now	The Way It Would Be
<p>PLANNING CODE AMENDMENTS</p> <p>For Hotels subject to regulation under Administrative Code Chapter 41 (“Chapter 41”), certain units designated as tourist units within a residential hotel may be used for Permanent Supportive Housing without losing their designation under Chapter 41 as tourist units.</p>	<p>The Planning Code would include a new Code Section confirming that Hotels subject to regulation under Chapter 41 may be used for Permanent Supportive Housing without losing their land use designation as tourist units. This proposed amendment is clean-up in nature as it will reflect a provision that already exists in the Administrative Code.</p>

<p>For all other Hotels or Motels not designated under Chapter 41, it is considered a change of use when they are temporarily used as Permanent Supportive Housing and change back to their previous land use. Under the Planning Code, a use that has been discontinued for a certain period of time (usually around three years) could lose the ability to continue that use if the current zoning would not allow the use or would require Conditional Use Authorization (CUA).</p>	<p>The Ordinance would allow all other Hotels or Motels to be used for Permanent Supportive Housing for an initial 20 years without losing their land use designation of Hotel or Motel. The Planning Director can authorize unlimited extensions (of two years at a time) to ensure alternative housing accommodations for the existing tenants.</p>
<p>New residential uses are subject to development standards, including but not limited to density, rear yard, open space, exposure, etc.</p>	<p>Hotels and Motels temporarily converted to Permanent Supportive Housing would be exempt from development standards applicable to new residential uses. Additionally, such Permanent Supportive Housing pursued under this Ordinance would not be subject to any development impact fees.</p>
<p>Changing from Permanent Supportive Housing to any non-residential use triggers the Residential Conversion requirements of Section 317.</p>	<p>Section 317 would exempt any changes from Permanent Supportive Housing pursued under this Ordinance to pre-existing lawful Hotel or Motel uses. Such changes would not be considered a Residential Conversion.</p>
<p>ADMINISTRATIVE CODE AMENDMENT</p>	
<p>Chapter 41 Hotels are permitted a temporary change of occupancy from a tourist unit to a residential unit, until said tenant voluntarily vacates the property or is evicted with just cause, without changing the legal status of that unit as a tourist unit.</p>	<p>The Ordinance would also allow non-Chapter 41 Hotels a temporary change of occupancy to Permanent Supportive Housing without changing the legal status of that unit as a tourist unit, until lawful termination of such Permanent Supportive Housing use.</p>

**Background**

In July 2020, Mayor Breed announced the Homelessness Recovery Plan, which will help the City create more housing and shelter for those experiencing homelessness. This plan proposes to expand the Homelessness Response System to ensure those sheltering in place during the COVID-19 crisis do not return to the streets. Permanent Supportive Housing has been one of the most effective ways to ending chronic homelessness for people with long histories of homelessness and complex health care needs. The proposed Ordinance creates more opportunities of meeting the plan’s goal of opening 1,500 new units of Permanent Supportive Housing in the next two years.

In response to the COVID-19 pandemic, the City has opened more than 20 Shelter in Place (SIP) Hotels to assist our most vulnerable residents. Once the SIP Hotel program ends, the existing residents will need to be transitioned to a Permanent Supportive Housing. Many of the SIP Hotels found that providing Permanent Supportive Housing has been financially viable during the slowdown in tourism. Some SIP Hotels also expressed

interest to the Department of Homelessness and Supportive Housing (HSH) to be able to continue as Permanent Supportive Housing in the future. This Ordinance builds on these efforts in addressing homelessness and providing more opportunities for Permanent Supportive Housing.

## Issues and Considerations

### Permanent Supportive Housing

The Ordinance supports Permanent Supportive Housing, as defined under Article VI of the Administrative Code, which states:

Permanent Supportive Housing shall mean housing units for Clients that include on-site supportive services, including, without limitation, intake and assessment of Clients' needs, outreach to the Clients to assist them with health or social needs, management of the health or social needs of Clients, mediation of disputes with the property management, and referrals for services to the Clients.

Permanent Supportive Housing shall not include any shelter that offers temporary overnight sleeping space on a short-term basis provided by the City on City-owned or leased property or through a contractual arrangement.

HSH partners with established non-profits and other professionals to provide Permanent Supportive Housing, which is long-term affordable housing with on-site social services to people exiting chronic homelessness. The temporary conversion of tourist rooms to Permanent Supportive Housing is just one approach to address problems faced by those experiencing homelessness.

### Administrative Code Chapter 41 Hotels

Chapter 41 was enacted to address the housing shortage for the elderly, the disabled, and low-income persons by preserving residential hotel units. The City established a moratorium on the demolition or conversion of residential hotel units to any other use in 1979. The City also required all Hotels to establish the number of residential and tourist units in the hotel as of September 23, 1979 to help determine which hotels would be subject to or exempt from Chapter 41 restrictions. The Department of Building Inspection (DBI) verified these statuses and has since monitored and maintained this inventory.

Chapter 41 allows a temporary change of occupancy for tourist rooms to residential hotel units and back, without losing the Hotel land use designation. The Ordinance would update the Planning Code to reflect this provision that is already permitted under the Administrative Code and is therefore more clean-up in nature. The Ordinance would also expand this concept to those Hotels not listed in Chapter 41. Without this additional change, other Hotels and Motels seeking to providing Permanent Supportive Housing would be considered a change of use under the Planning Code.

### Non-Chapter 41 Hotels

The Ordinance would apply the same benefit afforded to Chapter 41 Hotels described above to all other Hotels or Motels. However, non-Chapter 41 Hotels or Motels used for Permanent Supportive Housing may only do so for an initial period of up to 20 years without losing their land use designation. Currently, a use that has been discontinued or abandoned for a certain period of time (usually around three years) could lose the ability to

continue that use if the current zoning would not allow the use or would require a CUA. The proposed Ordinance would remove this requirement allowing the property to revert to a Hotel or Motel use without going through a change of use process.

As the initial contract for a non-Chapter 41 Hotel nears its termination date, HSH and the Permanent Supportive Housing provider, if any, would assess which of the following is the more appropriate path for that site:

- *Continue as Permanent Supportive Housing* by applying for a building permit application and any required land use entitlements to legally establish Permanent Supportive Housing at the property. In doing so, the property thereby loses the Hotel or Motel land use designation.
- *Revert to a Hotel or Motel use* with at least one year's notice to the Planning Department and HSH. The initial temporary authorization may be extended by the Planning Director by up to two years at a time. However, such extensions shall only be granted to ensure alternative housing accommodations are found for the existing tenants.

The proposed Ordinance would provide more flexibility for non-Chapter 41 Hotels and maximizes opportunities for Permanent Supportive Housing.

## Residential Conversions

Section 317 seeks to preserve residential uses by requiring a CUA when an application would result in one of the following instances:

- A residential use would be demolished;
- A residential use would be converted into a non-residential use; or
- When two or more residential uses are merged, in certain circumstances.

The Ordinance proposes to allow Hotels or Motels to retain their established land use designation without being considered a Residential Conversion when temporarily converting to Permanent Supportive Housing and back. Without this Ordinance, non-Chapter 41 Hotels would need to submit a permit application and any required land use entitlements in order to revert to their previous land uses.

## COVID-19 Pandemic Impacts on Homelessness

Before the COVID-19 pandemic, homelessness in San Francisco was already on the rise, increasing 18% from 2015-2019.<sup>1</sup> The advent of COVID-19 heightened the need to devote City resources to ensuring that people experiencing homelessness, and particularly those with high vulnerability to illness, are safely sheltered, receive critical health and service supports, and are moved to permanent housing as quickly and equitably as possible. The City opened SIP Hotels to help prevent the spread of COVID-19 and protect the health of our most vulnerable residents. Looking beyond the COVID-19 pandemic, those placed in the SIP Hotels need to be transitioned into Permanent Supportive Housing options. This Ordinance is critical in achieving these efforts.

In addition to expanded exits to homelessness, the City will invest further in homelessness prevention as the City anticipates that people experiencing the crisis of homelessness may increase as the economic

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<sup>1</sup> [2019 San Francisco Homeless Count & Survey Comprehensive Report](#)

impacts of the COVID-19 pandemic evolve.

The immediate need to address the additional health and safety concerns COVID-19 has placed on those experiencing homelessness is noted in the Homelessness Recovery Plan, which states: the City will invest further in homelessness prevention as the City anticipates that people experiencing the crisis of homelessness may increase as the economic impacts of the COVID-19 pandemic evolve. Part of these efforts includes 6,000 placements available for people experiencing homelessness, including 4,500 placements in Permanent Supportive Housing. The City also reactivated the adult shelter system, which currently operates at a reduced capacity to meet social distancing requirements. The Homelessness Recovery Plan also notes the importance of safe relocation efforts after COVID-19 subsides. The Ordinance, in conjunction with these existing efforts, meets the short- and long-term needs of addressing and preventing homelessness.

### **Economic Recovery**

With the onset of COVID-19 and related travel restrictions, tourism in San Francisco has spiraled in a downward trend resulting in Hotels struggling to remain open. The San Francisco Chronicle reported that 70 of the city's 215 Hotels have been forced to close and that occupancy rates were approximately 6% just prior to the shelter-in-place orders, compared to the average 80-85% occupancy rate in San Francisco. This negatively effects our local economy and also resulted in hundreds of furloughs directly and immediately impacting people's livelihoods.

Those functioning as SIP Hotels in response to the COVID-19 pandemic found that it has been economically viable to operate as SIP Hotels under the current circumstances. As the pandemic continues and while waiting to return to more-regular tourist patterns, this opportunity for non-Chapter 41 Hotels will be critical to keeping businesses open and retaining jobs for employees.

**Recommendation No. 7.4: Acquire hotels and other buildings to be converted into Permanent Supportive Housing for people experiencing homelessness.**

Additionally, the proposed Ordinance directly relates to Policy Recommendation 7.4 from the [Economic Recovery Taskforce Report](#), which states: Acquire hotels and other buildings to be converted into Permanent Supportive Housing for people experiencing homelessness. HSH's current model focuses on leasing buildings and hiring property managers and non-profits to manage buildings and provide services to tenants. These efforts have been keeping some Hotels afloat and retains hundreds of jobs in San Francisco. Additionally, this allows adaptive reuse of Hotels to meet current Permanent Supportive Housing needs, with the flexibility to easily revert to Hotels without being considered a change of use.

### **Homekey Grant Funding**

In September, Governor Newsom announced that \$236 million was available for Homekey funding for 20 projects statewide. Homekey allows for the largest expansion of housing for people experiencing homelessness in recent history, while addressing the continuing health and social service needs of this vulnerable population from the COVID-19 pandemic. HSH partnered with Episcopal Community Services, an established Permanent Supportive Housing provider, and successfully applied for Homekey funding. The City was awarded approximately \$74 million dollars to acquire both The Granada Hotel and Hotel Diva. The Granada Hotel, a 232-

unit Single Room Occupancy building, includes some existing tenants, including some low-income senior residents. Hotel Diva includes 130 rooms and is currently used as a SIP Hotel. Both Hotel acquisitions and the Homekey funding align with the Ordinance's goal to provide more Permanent Supportive Housing. The proposed Ordinance is not required to proceed with the Homekey funding because Homekey focuses on acquiring Hotels while this Ordinance provides another path for the City to lease Hotels and contract out services from non-profits that specialize in providing these services.

### **General Plan Compliance**

The proposed Ordinance supports the Housing Element's Goals to reduce homelessness and the risk of homelessness by providing more opportunities for Permanent Supportive Housing. This expands the existing effort by also allowing other hotels not designated under Chapter 41 of the Administrative Code to temporarily convert tourist rooms into Permanent Supportive Housing. Permanent Supportive Housing, which includes on-site supportive services assistance with health or social needs and referrals for services for the residents, has proved an effective resource in reducing homelessness. The proposed Ordinance also supports the Commerce and Industry Element's goal to retain existing commercial activity and jobs, which has been particularly difficult for the hotel industry given the COVID-19 pandemic and travel restrictions.

### **Racial and Social Equity Analysis**

Understanding the benefits, burdens and opportunities to advance racial and social equity that the proposed Planning and Administrative Code amendments provide is part of the Department's Racial and Social Equity Initiative. This is also consistent with the Mayor's Citywide Strategic Initiatives for equity and accountability and with the forthcoming Office of Racial Equity, which will require all Departments to conduct this analysis.

The Planning and Administrative Code amendments in the proposed Ordinance would protect our most vulnerable populations experiencing homelessness. There has been an increase in those experiencing homelessness in recent years, and this is further exacerbated by COVID-19. The Ordinance helps address this issue by allowing all Hotels and Motels (regardless of Chapter 41 designations) to temporarily change to Permanent Supportive Housing and back, without losing their land use designation. This additional opportunity for Permanent Supportive Housing comes at a time of greatest need amidst the uncertainty of COVID-19. The Ordinance may entice non-Chapter 41 Hotels to partner with HSH on Permanent Supportive Housing knowing that there is the opportunity to easily revert to the Hotel or Motel use at the end of the initial partnership. That being said, should HSH or a non-Chapter 41 decide that the partnership be terminated at any given Hotel or Motel, all parties should outline a plan on relocation efforts sooner rather than later to ensure the existing tenants in Permanent Supportive Housing are able to transition to safe, stable housing in a timely manner. This is critical in ensuring the City meets the tenants' short- and long-term needs.

HSH is also looking at more long-term solutions that advance racial and social equity through access to permanent housing. One of the tools being utilized to acquire over 360 units of Permanent Supportive Housing in 2021 is through the State's Homekey Grant Program that has awarded over \$78 million to San Francisco. The required match from San Francisco is made possible through City partners and through the Housing Accelerator Fund which seeks to create and preserve affordable housing. This Permanent Supportive Housing will be the first step towards realizing the Mayor's Homelessness Recovery Plan Goal of developing 1,500 new units of PSH over the next two years.

## Implementation

The Department has determined that this ordinance will not impact our current implementation procedures.

## Recommendation

The Department recommends that the Commission *approve* the proposed Ordinance and adopt the attached Draft Resolution to that effect.

## Basis for Recommendation

The Department is recommending approval of the proposed Ordinance because it supports the Housing Element's and Homelessness Recovery Plan goals of reducing homelessness and the risk of homelessness by providing more opportunities for Permanent Supportive Housing. Permanent Supportive Housing, which includes on-site supportive services assistance with health or social needs and referrals for services for the residents, has proved an effective resource in reducing homelessness.

This Ordinance expands on all of HSH's existing efforts to improve the City's response to homelessness and reduce adult chronic homelessness. HSH currently partners with Chapter 41 Hotels to temporarily convert tourist rooms into Permanent Supportive Housing and back without losing their land use designation. The Ordinance would afford all other Hotels and Motels the same opportunity, with an initial time period of up to 20 years. This additional approach is especially important right now given the uncertainty of COVID-19.

## Required Commission Action

The proposed Ordinance is before the Commission so that it may approve it, reject it, or approve it with modifications.

## Environmental Review

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c) and 15378 because they do not result in a physical change in the environment.

## Public Comment

As of the date of this report, the Planning Department has not received any public comment regarding the proposed Ordinance.

## Attachments:

- Exhibit A: Draft Planning Commission Resolution
- Exhibit B: Board of Supervisors File No. 201218

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# PLANNING COMMISSION DRAFT RESOLUTION

**HEARING DATE: December 10, 2020**

**Project Name:** Allowing Temporary Use of Hotels and Motels for Permanent Supportive Housing  
**Case Number:** 2020-009054PCA [Board File No. 201218]  
**Initiated by:** Mayor Breed/ Introduced October 27, 2020  
**Staff Contact:** Veronica Flores, Legislative Affairs  
Veronica.Flores@sfgov.org, 628-652-7525  
**Reviewed by:** Aaron D Starr, Manager of Legislative Affairs  
aaron.starr@sfgov.org, 628-652-7533

**RESOLUTION APPROVING A PROPOSED ORDINANCE THAT WOULD AMEND THE PLANNING CODE AND ADMINISTRATIVE CODE TO ALLOW CERTAIN HOTELS AND MOTELS TO BE USED FOR PERMANENT SUPPORTIVE HOUSING PURPOSES WITHOUT THEREBY ABANDONING OR DISCONTINUING THE HOTEL USE; AFFIRMING THE PLANNING DEPARTMENT’S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN, AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1; AND MAKING FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.**

WHEREAS, on October 27, 2020, Mayor Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 201218, which would amend the Planning Code and Administrative Code to allow certain hotels and motels to be used for Permanent Supportive Housing purposes without thereby abandoning or discontinuing the hotel use;

WHEREAS, The Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on December 10, 2020; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15060(c); and

WHEREAS, the Planning Commission has heard and considered the testimony presented to it at the public hearing and has further considered written materials and oral testimony presented on behalf of

Department staff and other interested parties; and

WHEREAS, all pertinent documents may be found in the files of the Department, as the custodian of records, at 49 South Van Ness Avenue, Suite 1400, San Francisco; and

WHEREAS, the Planning Commission has reviewed the proposed Ordinance; and

WHEREAS, the Planning Commission finds from the facts presented that the public necessity, convenience, and general welfare require the proposed amendment; and

MOVED, that the Planning Commission hereby **approves** the proposed ordinance.

## Findings

Having reviewed the materials identified in the preamble above, and having heard all testimony and arguments, this Commission finds, concludes, and determines as follows:

The proposed Ordinance will reduce homelessness and the risk of homelessness by providing more opportunities for Permanent Supportive Housing.

## General Plan Compliance

The proposed Ordinance consistent with the following Objectives and Policies of the General Plan:

### HOUSING ELEMENT

#### OBJECTIVE 4

**FOSTER A HOUSING STOCK THAT MEETS THE NEEDS OF ALL RESIDENTS ACROSS LIFECYCLES.**

##### Policy 1.1

Provide a range of housing options for residents with special needs for housing support and services.

#### OBJECTIVE 5

**ENSURE THAT ALL RESIDENTS HAVE EQUAL ACCESS TO AVAILABLE UNITS.**

##### Policy 5.5

Minimize the hardships of displacement by providing essential relocation services.

#### OBJECTIVE 6

**REDUCE HOMELESSNESS AND THE RISK OF HOMELESSNESS.**

##### Policy 6.1

Prioritize permanent housing and service enriched solutions while pursuing both short- and long-term strategies to eliminate homelessness.

Policy 6.4

Improve coordination among emergency assistance efforts, existing shelter programs, and health care outreach services.

**COMMERCE AND INDUSTRY ELEMENT**

**OBJECTIVE 2**

**MAINTAIN AND ENHANCE A SOUND AND DIVERSE ECONOMIC BASE AND FISCAL STRUCTURE FOR THE CITY.**

Policy 2.1

Seek to retain existing commercial and industrial activity and to attract new such activity to the city.

*The proposed Ordinance supports the Housing Element's Goals to reduce homelessness and the risk of homelessness by providing more opportunities for Permanent Supportive Housing. This expands the existing effort by also allowing other hotels not designated under Chapter 41 of the Administrative Code to temporarily convert tourist rooms into Permanent Supportive Housing. Permanent Supportive Housing, which includes on-site supportive services assistance with health or social needs and referrals for services for the residents, has proved an effective resource in reducing homelessness. The proposed Ordinance also supports the Commerce and Industry Element's goal to retain existing commercial activity and jobs, which has been particularly difficult for the hotel industry given the COVID-19 pandemic and travel restrictions.*

**Planning Code Section 101 Findings**

The proposed amendments to the Planning Code are consistent with the eight Priority Policies set forth in Section 101.1(b) of the Planning Code in that:

1. That existing neighborhood-serving retail uses be preserved and enhanced and future opportunities for resident employment in and ownership of such businesses enhanced;

*The proposed Ordinance would not have a negative effect on neighborhood serving retail uses and will not have a negative effect on opportunities for resident employment in and ownership of neighborhood-serving retail.*

2. That existing housing and neighborhood character be conserved and protected in order to preserve the cultural and economic diversity of our neighborhoods;

*The proposed Ordinance would not have a negative effect on housing or neighborhood character.*

3. That the City's supply of affordable housing be preserved and enhanced;

*The proposed Ordinance would not have an adverse effect on the City's supply of affordable housing.*

4. That commuter traffic not impede MUNI transit service or overburden our streets or neighborhood

parking;

*The proposed Ordinance would not result in commuter traffic impeding MUNI transit service or overburdening the streets or neighborhood parking.*

5. That a diverse economic base be maintained by protecting our industrial and service sectors from displacement due to commercial office development, and that future opportunities for resident employment and ownership in these sectors be enhanced;

*The proposed Ordinance would not cause displacement of the industrial or service sectors due to office development, and future opportunities for resident employment or ownership in these sectors would not be impaired.*

6. That the City achieve the greatest possible preparedness to protect against injury and loss of life in an earthquake;

*The proposed Ordinance would not have an adverse effect on City's preparedness against injury and loss of life in an earthquake.*

7. That the landmarks and historic buildings be preserved;

*The proposed Ordinance would not have an adverse effect on the City's Landmarks and historic buildings.*

8. That our parks and open space and their access to sunlight and vistas be protected from development;

*The proposed Ordinance would not have an adverse effect on the City's parks and open space and their access to sunlight and vistas.*

### **Planning Code Section 302 Findings.**

The Planning Commission finds from the facts presented that the public necessity, convenience and general welfare require the proposed amendments to the Planning Code as set forth in Section 302.

NOW THEREFORE BE IT RESOLVED that the Commission hereby APPROVES the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on December 10, 2020.

Jonas P. Ionin

*Commission Secretary*

AYES:

NOES:

ABSENT:

ADOPTED: December 10, 2020

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1 [Planning, Administrative Codes - Temporary Use of Hotels and Motels for Permanent  
2 Supportive Housing]

3 **Ordinance amending the Planning Code and Administrative Code to allow certain**  
4 **hotels and motels to be used for Permanent Supportive Housing purposes without**  
5 **thereby abandoning or discontinuing the hotel use; affirming the Planning**  
6 **Department's determination under the California Environmental Quality Act; making**  
7 **findings of consistency with the General Plan, and the eight priority policies of**  
8 **Planning Code, Section 101.1; and making findings of public necessity, convenience,**  
9 **and welfare under Planning Code, Section 302.**

10  
11 NOTE: **Unchanged Code text and uncodified text** are in plain Arial font.  
12 **Additions to Codes** are in *single-underline italics Times New Roman font*.  
13 **Deletions to Codes** are in *strikethrough italics Times New Roman font*.  
14 **Board amendment additions** are in double-underlined Arial font.  
15 **Board amendment deletions** are in ~~strikethrough Arial font~~.  
16 **Asterisks (\* \* \* \*)** indicate the omission of unchanged Code  
17 subsections or parts of tables.

18 Be it ordained by the People of the City and County of San Francisco:

19 Section 1. Environmental and Land Use Findings.

20 (a) The Planning Department has determined that the actions contemplated in this  
21 ordinance comply with the California Environmental Quality Act (California Public Resources  
22 Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of  
23 Supervisors in File No. \_\_\_\_\_ and is incorporated herein by reference. The Board affirms  
24 this determination.

25 (b) On \_\_\_\_\_ 2020, the Planning Commission, in Resolution No. \_\_\_\_\_, adopted  
findings that the actions contemplated in this ordinance are consistent, on balance, with the

1 City’s General Plan and eight priority policies of Planning Code Section 101.1. The Board  
2 adopts these findings as its own. A copy of said Resolution is on file with the Clerk of the  
3 Board of Supervisors in File No. \_\_\_\_\_, and is incorporated herein by reference.

4 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code  
5 amendments will serve the public necessity, convenience, and welfare for the reasons set  
6 forth in Planning Commission Resolution No. \_\_\_\_\_ and the Board incorporates such reasons  
7 herein by reference. A copy of Planning Commission Resolution No. \_\_\_\_\_ is on file with the  
8 Clerk of the Board of Supervisors in File No. \_\_\_\_\_.

9  
10 Section 2. General Findings.

11 (a) The tourism and hospitality sector of the San Francisco economy plays a vital role  
12 in drawing visitors to the City in record numbers. Due to the COVID-19 crisis, approximately  
13 70 hotels in the City have been forced to close, furloughing hundreds of employees in the  
14 process. In addition, SFGate reports that as of September 2020, approximately 15,000 hotel  
15 rooms were still off the market, with occupancy rates for open hotels as low as 5%.

16 (b) While the tourist hotel industry recovers from this crisis and evolves, the public  
17 interest would be served if tourist hotels were repurposed to provide needed Permanent  
18 Supportive Housing. The City could allow tourist hotels to partner with the City or other non-  
19 profit providers to house, for temporary periods, individuals in need of Permanent Supportive  
20 Housing, while allowing these hotels to revert to their tourist uses at the conclusion of these  
21 partnerships if needed. Such a program could provide positive incentives for these hotels to  
22 be used for Permanent Supportive Housing in the near-term.

23 (c) In July 2020, Mayor Breed announced the Homelessness Recovery Plan, which  
24 proposes to expand the Homelessness Response System to ensure those sheltering in place  
25 during the COVID-19 crisis do not return to the streets, and which includes the largest



1 expansion of Permanent Supportive Housing in 20 years along with an expansion of the full  
2 array of services needed, such as Rapid Rehousing for adults, problem solving, time-limited  
3 rental subsidies, and connections to health care, employment, and other resources to end  
4 homelessness for people with a variety of housing needs.

5 (d) Part of the Mayor’s Homelessness Recovery Plan is the goal of opening 1500 new  
6 units of Permanent Supportive Housing. In July 2020, the Department of Homelessness and  
7 Supportive Housing (“HSH”) released a Request for Information seeking suitable properties in  
8 the City for Permanent Supportive Housing and received approximately 80 submissions,  
9 including many from tourist hotels in the City.

10 (e) As of July 2020, San Francisco had approximately 8,000 units of Permanent  
11 Supportive Housing that provided permanent homes and services to approximately 10,000  
12 San Franciscans. Permanent Supportive Housing is the most effective evidence-based  
13 solution to ending chronic homelessness, and the availability of such housing also prevents  
14 new incidents of homelessness among highly vulnerable people with long experiences of  
15 homelessness. The properties can also provide critical services to residents.

16 (f) As of August 31, 2020, the City had opened 24 Shelter in Place (SIP) Hotels,  
17 housing people with high vulnerability to COVID-19, providing rooms for more than 2,000  
18 people. Once this program ends, clients housed in the SIP Hotels will need to be transitioned  
19 to a permanent supportive housing option. Tourist hotels could provide a very strong  
20 opportunity for providing this permanent supportive housing.

21 (g) Before the COVID-19 pandemic, homelessness in San Francisco was already on  
22 the rise, increasing 18% from 2015-2019. The advent of COVID-19 heightened the need to  
23 devote City resources to ensuring that people experiencing homelessness, and particularly  
24 those with high vulnerability to illness, are safely sheltered, receive critical health and service  
25 supports, and are moved to permanent housing as quickly and equitably as possible.

1  
2 Section 3. The Planning Code is hereby amended by adding Section 205.6 and  
3 revising Section 317, to read as follows:  
4

5 **SEC. 205.6. USE OF HOTELS AND MOTELS FOR TEMPORARY RESIDENTIAL**  
6 **PURPOSES.**

7 **(a) Residential Use Authorized.**

8 (1) Any Hotel or Motel use may be used for Permanent Supportive Housing, as defined  
9 in Administrative Code Section 20.54.2, as may be amended from time to time, for up to 20 continuous  
10 years without losing its land use designation as a Hotel or Motel use under the Planning Code,  
11 irrespective of whether such existing Hotel or Motel use is a principally permitted, conditionally  
12 permitted, or nonconforming use.

13 (2) Any Hotel or Motel use in a building that is subject to the terms of Administrative  
14 Code Chapter 41 may use all or any portion of such Hotel or Motel for Permanent Supportive Housing,  
15 as defined in Administrative Code Section 20.54.2, as may be amended from time to time, without  
16 losing its land use designation under the Planning Code as a Hotel or Motel at any time.

17 **(b) Application.** The property owner or the property owner's authorized agent (in either case,  
18 "Applicant") shall submit an application for this Permanent Supportive Housing use to the Planning  
19 Department, on a form prepared by the Planning Department. The application shall include any  
20 applicable fees pursuant to Planning Code Section 350, and an affidavit signed by the Applicant and  
21 property owner, acknowledging the proposed Permanent Supportive Housing use of the property.

22 **(c) No Conversion, Change, Discontinuance, or Abandonment of Use.** The approval or  
23 commencement of the Permanent Supportive Housing use as a temporary use as authorized under this  
24 Section 205.6 shall not be considered a conversion, discontinuance, abandonment, or change of use for  
25 purposes of this Code, notwithstanding Sections 178 and 183 of this Code. Any Hotel or Motel use in a

1 building that is not subject to Administrative Code Chapter 41, for which a Permanent Supportive  
2 Housing use is authorized, shall retain its authorized land use(s) under the Planning Code for a period  
3 of up to twenty years following approval of such temporary use. Any Hotel or Motel that is subject to  
4 Administrative Code Chapter 41 shall retain its authorized land use(s) under the Planning Code for as  
5 long as such property is used for Permanent Supportive Housing. Such authorized land uses, including  
6 any nonconforming uses, shall become operative upon the expiration, termination, or abandonment of  
7 this temporary Permanent Supportive Housing use authorization.

8 **(d) Application of Other Development Controls and Requirements.** The Permanent  
9 Supportive Housing use that is authorized pursuant to this Section 205.6 shall not be required to  
10 comply with development standards applicable to new residential uses, including but not limited to  
11 density, rear yard, open space, exposure, and other requirements set forth in Articles 1.2, 1.5, or 2 of  
12 the Planning Code. The Permanent Supportive Housing project will not be subject to any development  
13 impact fees set forth in Article 4 of the Planning Code as a prerequisite to obtaining temporary use  
14 authorization pursuant to this Section 205.6.

15 **(e) Termination of a Permanent Supportive Housing Use.** Prior to the termination of the  
16 Permanent Supportive Housing use authorized under this Section 205.6, the Department of  
17 Homelessness and Supportive Housing (“HSH”) shall work with the Permanent Supportive Housing  
18 service provider, if any, to relocate existing occupants of the supportive housing who do not wish to  
19 become direct tenants of the property owner or landlord when the Permanent Supportive Housing use  
20 terminates. No less than one year prior to expiration of any agreement or temporary use authorization  
21 under this Section 205.6 to provide Permanent Supportive Housing, a property owner, program  
22 manager, or landlord shall provide notice to the Planning Department and HSH of any intent not to  
23 renew any agreement with the City or seek any extensions of this temporary use authorization, in order  
24 to allow HSH and the service provider to assist in relocating existing occupants of the Permanent  
25 Supportive Housing.

1           (f) **Information to the Public.** The Department shall make available to the public on its  
2 website a list of all properties approved for Permanent Supportive Housing use under this Section  
3 205.6, along with applicable time frames for each property, and may in its discretion make available on  
4 its website additional information pertaining to the temporary residential use.

5           (g) **Extension of Initial Temporary Authorization.** The Planning Director may grant one or  
6 more extensions to this temporary authorization. However, each extension may be for a period of no  
7 more than two years, and the primary purpose of any such extension must be to ensure alternative  
8 housing accommodations for tenants of the temporary residential use. No extensions of time shall be  
9 required for Hotel and Motel uses in buildings that are subject to the provisions of Administrative Code  
10 Chapter 41.

11  
12           **SEC. 317. LOSS OF RESIDENTIAL AND UNAUTHORIZED UNITS THROUGH**  
13 **DEMOLITION, MERGER AND CONVERSION.**

14           \* \* \* \*

15           **(c) Applicability; Exemptions.**

16           \* \* \* \*

17           (6) If a Hotel or Motel is lawfully used for Permanent Supportive Housing purposes in  
18 accordance with Planning Code Section 205.6, and such housing use ceases, the space may return to  
19 its pre-existing lawful Hotel or Motel use without complying with this Section 317, and such return to a  
20 non-residential use shall not be considered a Residential Conversion.

21           \* \* \* \*

22  
23           Section 4. Chapter 41 of the Administrative Code is hereby amended by revising  
24 Section 41.19, to read as follows:

1           **SEC. 41.19. TEMPORARY CHANGE OF OCCUPANCY.**

2           (a) Temporary Change of Occupancy.

3           \* \* \* \*

4                       (4) A tourist unit may be used for Permanent Supportive Housing, as defined in  
5 Administrative Code Section 20.54.2, as may be amended from time to time, without changing the legal  
6 status of that unit as a tourist unit under this Chapter 41, until lawful termination of such Permanent  
7 Supportive Housing use in accordance with the provisions of Planning Code Section 205.6(e). The  
8 hotel owner or operator shall provide written notice to the Department of Building Inspection that all  
9 or a portion of its hotel is being used for Permanent Supportive Housing no less than 10 days prior to  
10 such occupancy, and shall provide written notice to the Department of Building Inspection when such  
11 use has terminated within 10 days of such termination.

12  
13           Section 5. Effective Date. This ordinance shall become effective 30 days after  
14 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the  
15 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board  
16 of Supervisors overrides the Mayor’s veto of the ordinance.

17  
18           Section 6. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors  
19 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,  
20 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal  
21 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment

22 //  
23 //  
24 //  
25 //

