



Executive Summary

Planning Code Text Amendment

HEARING DATE: July 22, 2021

90-Day Deadline: August 17, 2021

Project Name: Conditional Use Authorization Requirements Regarding Residential Care Facilities
Case Number: 2021-005135PCA [Board File No. 210535]
Initiated by: Supervisors Mandelman & Ronen/ Introduced May 11, 2021
Staff Contact: Audrey Merlone, Legislative Affairs
Audrey.merlone@sfgov.org, 628-652-7534
Reviewed by: Aaron Starr, Manager of Legislative Affairs
aaron.starr@sfgov.org, 628-652-7533

Recommendation: Approval with Modifications

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to eliminate the Conditional Use requirement for Residential Care Facilities for seven or more people in RH-1 and RH-2 Districts; require Conditional Use Authorization for a change of use or demolition of a Residential Care Facility; and consideration of certain factors in determining whether to grant Conditional Use Authorization.

THE WAY IT IS	THE WAY IT WOULD BE
Residential Care Facilities for seven or more people require Conditional Use authorization in RH-1(D), RH-1(S), RH-1, and RH-2 Districts, but are principally permitted in all other RH zoning Districts	Residential Care Facilities for seven or more people would be principally permitted in all RH Zoning Districts.
Residential Care Facilities do not require Planning Commission review to change their use (unless the proposed new use requires a CUA) or to demolish their building.	Any proposal to change a use <i>from</i> a Residential Care Facility to any other use must receive Conditional Use authorization, even if the Residential Care Facility was established without proper permits. Any proposed demolition of a Residential Care Facility will also require a CUA.

Background

- In January of 2019, Board File No. 180915 became active, which allowed Residential Care Facilities for seven or more people as principally permitted in RH-3, RC, RM, RTO, DTR, MUG, MUO, MUR, RED, and WMUG Districts, and above the ground floor in all NCD's. The Planning Commission approved the Ordinance unanimously.
- In October of 2019, the Board approved interim controls for 18 months which require a Conditional Use authorization and specified findings for a proposed change of use from a Residential Care Facility (Board File No. 190908)¹. In April of 2021, the interim controls were extended for an additional six months (Board File No. 210147).
 - Since the interim controls became effective, there have been five Conditional Use applications filed for the removal of a Residential Care Facility.
 - 628 Shotwell: This application is pending before the Commission, after having been continued several times. This project would convert an existing Residential Care Facility to two Dwelling Units. The building has not operated as an RCF since 2015 when a fire shuttered the building.
 - 801 38th Avenue: This application to convert to a Single-Family home was approved by the Commission on March 11, 2021. The RCF was established at the site in 1976 for six people, increasing to 12 people in 2000. The RCF was vacated in 2019. The property sold and was being used as an owner occupied, single-family residence when said owners discovered they were required to file a CUA to legally establish the Residential use.
 - 220 Dolores Street, 141 Leland Avenue, & 129 Hyde Street: These three sites were all approved unanimously by the Commission on May 6, 2021, because although the sites were changing their use from RCF's, the new use at each site was 100% affordable group housing, and the sites will remain within MOHCD's system of housing for people with AIDs/HIV.
 - There have been two Conditional Use applications approved to create new Residential Care Facilities since October of 2019. 1535 Van Dyke Ave required a CUA because it is in an RH-1 district, and 5500 Mission Street required a CUA because it was proposing a non-residential use more than 6,000sqft in the Excelsior Outer Mission NCD. Two applications have also been approved to increase the capacity of existing Residential Care Facilities (1301 Bacon Street and 658 Shotwell St.) for a total increase in 107 beds.
- In December of 2019, the Planning Commission unanimously approved a proposed Ordinance (Board File No. 190757) that would, among other unrelated amendments, principally permit Residential Care Facilities for seven or more people in all RHD's. The proposed Ordinance is still pending before the Land Use and Transportation Committee.

¹ The CUA findings in the interim controls are the basis for the CUA considerations in the proposed Ordinance, however they are not identical.

Issues and Considerations

Conditional Use Criteria

In addition to the standard criteria in Section 303, the proposed ordinance includes criteria for the Commission to consider when evaluating these Conditional Use applications. These new criteria are as follows:

- (1) Information provided by the Department of Public Health, the Human Services Agency, the Department of Disability and Aging Services, the Golden Gate Regional Center, and/or the San Francisco Long-Term Care Coordinating Council with regard to the population served, nature and quality of services provided, and capacity of the existing Residential Care Facility;*
- (2) Data on available beds at licensed Residential Care Facilities within a one-mile radius of the site, and assessment from any of the above agencies regarding whether these available beds are sufficient to serve the need for residential care beds in the neighborhoods served by the Residential Care Facility proposed for a change of use or demolition, and in San Francisco;*
- (3) Whether the Residential Care Facility proposed for a change of use or demolition will be relocated or its capacity will be replaced at another Residential Care Facility Use, and whether such relocation or replacement is practically feasible; and*
- (4) Whether the continued operation of the existing Residential Care Facility by the current operator is practically feasible and whether any other licensed operator or any of the above agencies has been contacted by the applicant seeking the change of use or demolition, or has expressed interest in continuing to operate the facility.*

Permissibility of Residential Care Facilities

Because of recent changes to the Planning Code, Residential Care Facilities are widely permitted in San Francisco. With the passage of this ordinance, Residential Care Facilities will be permitted in most areas of San Francisco, as over 50% of the city's parcels are zoned RH-1 and RH-2. The zoning districts where it is prohibited tend to be the more industrial parts of the City such as M-2, PDR, and SALI zoning districts. In some Neighborhood Commercial Districts, the use is prohibited on the ground floor and allowed on the upper floors to help preserve an active commercial street front. The following table illustrates where there will still be restrictions on RCF's if the proposed Ordinance is approved:

Residential Care Facilities: Districts with Restrictions	
ZONING DISTRICT	CONTROL
C3-S	C
Folsom Street NCTD	NP @ ground floor; P @ 2nd story & above
M-2	NP
North Beach NCD	NP @ ground floor; P @ 2nd story & above
Pacific Avenue NCD	C @ ground floor; P @ 2nd story & above
PDR (all districts)	NP

RCD	NP @ ground floor; C @ 2nd story & above
RED-MX	NP
SALI	NP
SPD	C
UMU	C
WMUO	NP
<i>*Table does not include SUD's that may have additional restrictions or properties under the jurisdiction of OCII (Mission Bay).</i>	

Definition of Residential Care Facilities

Planning Code Section 102 defines a Residential Care Facility as:

An Institutional Healthcare Use providing lodging, board and care for a period of 24 hours or more to persons in need of specialized aid by personnel licensed by the State of California. Such facility shall display nothing on or near the facility that gives an outward indication of the nature of the occupancy except for a sign as permitted by Article 6 of this Code, shall not provide outpatient services, and shall be located in a structure which remains residential in character. Such facilities shall include, but not necessarily be limited to, a board and care home, family care home, long-term nursery, orphanage, rest home or home for the treatment of addictive, contagious or other diseases, or psychological disorders.

A Residential Care Facility is designed to provide long-term care in which the population it serves considers the facility their “home”. They are not considered a Health Service Use, as Residential Care Facilities do not offer outpatient services, may or may not have Medical Doctors on staff, and are generally designed to treat patients of specific demographics, such as the elderly, or those suffering from substance abuse, in a residential setting.

Defining Skilled Nursing Facilities (SNF’s):

The Sponsor introduced the Ordinance partly in response to the findings of the Post-Acute Care Project, which is discussed further in the following subsection. The study focuses on the loss of a specific type of medical bed, and medical facility known as “Skilled Nursing Facilities” or “SNFs”. SNFs provide short-term care, long-term care, or a combination thereof. Residents often consider facilities oriented toward long-term stays “home.” Whereas facilities oriented toward short-term stays, with a focus on rehabilitation or care following an illness or injury, have a resident community constantly in flux. San Francisco acute care SNFs primarily provide short-term rehabilitative care, while facilities like Laguna Honda Hospital and the Jewish Home have a greater number of beds oriented towards long-term patient stays.

Freestanding SNFs commonly referred to as nursing homes, provide most of the institutional short and long-term care in the United States. It is important to understand that SNF beds are considered a higher level of care. These are not beds that are simply located in a hospital or medical facility. The care being provided through a SNF bed is usually intensive and requires constant monitoring by a medical professional. These beds are not commonly found in large amounts in most Residential Care Facilities; however, they can be located nursing homes, and rehab facilities.

Post-Acute Care Project:

San Francisco's only subacute unit was located on CPMC's St. Luke's campus. In 2011, California Pacific Medical Center (CPMC, part of Sutter Health) announced that it expected to close this facility by 2019, when the new St. Luke's Hospital opened. As a result, the City entered into a Development Agreement with CPMC that requires CPMC to work with San Francisco Department of Public Health and other hospitals to develop proposals for providing subacute care services in San Francisco. One product of this requirement was the "Post-Acute Care Project" study, released in 2016². Some of the key findings of the study were as follows:

- San Francisco's growing older population coupled with the high cost of doing business in the City and low reimbursement rates for long-term skilled nursing care may result in a capacity problem for institutional skilled nursing care needs in the future.
- Growing Aging Population: As of the report date, San Francisco had 22 skilled nursing beds per 1,000 adults age 65 and older. If San Francisco were to maintain this rate as our population ages, the city would need 4,287 SNF beds –an increase of nearly 70% (1,745) over the current supply – by 2030.
- One approach to reducing the demand for institutional skilled nursing care is to increase the availability and integration of home- and community-based care. Key elements of home and community-based care range from home-based health and personal care services to community behavioral health programs, to community living options that include Residential Care Facilities for the Elderly (RCFEs— Assisted Living Facilities, Board and Care Homes) and alternative community housing arrangements, to community adult day services and social support programs.

Draft 2019 Healthcare Master Plan

In late 2019, the Planning Department and the Department of Public Health published the Draft 2019 Healthcare Master Plan³. The draft Plan states that:

- Low reimbursement rates and high operating costs due to the high cost of living in San Francisco has led to a shortage in the supply of Residential Care for the Elderly (RCFE) beds.
- In 2010 the number of long-term nursing and residential care facilities in San Francisco was 197. By 2018, the number of facilities had dropped to 160.
- The demand for both SNFs and RCFE facilities is projected to increase due to demographic shifts.
- In San Francisco, emergency room visits due to acute and chronic alcohol use disorder continue to increase across all race/ethnicity groups, with the homeless population especially at risk.
- San Francisco should increase access to and capacity of long-term care options for its growing senior population, those seeking treatment for substance abuse, mental health, and for persons with disabilities to support their ability to live independently in the community.
- Although most medical services are not permitted in Residential zoning districts, the zoning for Residential Care Facilities is the most permissive of any medical service and allowed in most of the City (a map of residential care zoning may be found on page 64 of the HCSM Plan 2019 draft).

² https://www.sfdph.org/dph/hc/HCAgen/HCAgen2016/Feb%202016/Post-Acute%20Care%20Project%20Report_02.10.16.pdf

³ <https://sfplanning.org/project/health-care-services-master-plan-update-2019>

- The San Francisco Campus for Jewish Living, a RCFE, opened in 2020 in the Excelsior, and can serve approximately 300 individuals.

Financial Feasibility of RCF's

In 2020, the Mayor's Office of Housing and Community Development (MOHCD) released a report on the RCF's for the chronically ill, or RCFCI's⁴. The 2020 study found that about half of the residents of the RCFCI's no longer need the 24/7 nursing and attendant care required in a licensed facility but cannot find appropriate housing to allow them to exit the RCFCI's. One solution was exhibited by the sites at Dolores, Leland, and Hyde Street referenced in the Background section of this Executive Summary. The facilities were delicensed to create a ladder of care that will best meet the needs of current and future residents who need some level of support. The report also found that for RCFCI's:

Because of the inter-connection of funding and licensure, program operators are on a path of "let's make this work within existing confines" until things no longer work and then face the potential need to close if we must. Government funders would do well to support programs in ways to avoid closure, through assistance and incentives.

The report stated that in recent years, the number of RCFCI's had declined by nearly 23%. The changes were primarily attributed to two factors: financial difficulty and/or decreased demand. The financial difficulty came from a combination of flat or decreasing government funding and decreased philanthropic support while operating costs continued to increase. As mentioned previously, some facilities also saw a decrease in demand for higher levels of supportive care and less interest from clients for congregate living options as opposed to independent living arrangements.

A 2019 report from the San Francisco Long-Term Care Coordinating Council Assisted Living Workgroup regarding affordable assisted living in the City had similar findings⁵. In part, the report stated:

- As of August 2018, there were 101 assisted living facilities with a total of 2,518 assisted living beds and since 2012, the City had lost 43 assisted living facilities which had provided 243 assisted living facility beds;
- The number of assisted living facilities in the City has decreased, and the decrease primarily occurred through the closure of small facilities, particularly the board and care homes with six or fewer beds, that are generally more affordable;
- Assisted living facilities in the City face economic challenges that make it difficult for them to continue to operate, such as slim profit margins and difficulty in finding employees; and
- There is unmet need for affordable assisted living facility placements, and that as of January 2019,

⁴ <https://sfmohcd.org/sites/default/files/Documents/RFPs/Leland%20House%20RFP%20-%20May%202021/Final%20Report%20MOHCD%20RCFCI%20Strategic%20Assessment%2007-06-20.pdf>

⁵ A presentation on this report is attached as Exhibit B.

available waitlist data indicates that at least 103 persons require such placements.

These reports on the changing demands for and major funding shortfalls RCFCI's face highlights an ongoing issue that all RCF's are experiencing. Although the proposed Ordinance will assist in making RCF's easier to open or legalize in most areas of the City, it will not assist in preventing existing RCF's from going out of business due to financial hardship, nor will it have a significant impact on the steep financial cost to open a new RCF. The Mayor and Board of Supervisors have attempted to make up for the decrease in federal funding for RCF's over the last several years, including allocating specific funding for RCF's in the City.⁶ These types of financial support programs should continue to be promoted and supported, over relying on zoning controls to stem the loss of RCF's across the City.

General Plan Compliance

The Housing Element supports fostering a housing stock that meets the needs of all residents across lifecycles. The proposed Ordinance will better enable Residential Care Facilities, including nursing and retirement homes, to establish themselves by removing many of the process limitations set by bed number maximums for Institutional Uses.

The Commerce and Industry Element strives to promote the provision of adequate health services to all geographical districts and cultural groups in the city. The proposed Ordinance will assist in expanding the reach of Residential Care Facilities across the city, by loosening the restrictions on where they may locate by-right, and by removing the size restrictions based on the number of beds provided.

Racial and Social Equity Analysis

The Healthcare Services Master Plan found that in San Francisco, emergency room visits due to acute and chronic alcohol use disorder continue to increase across all race/ethnicity groups, with the homeless population especially at risk. The Plan recommends San Francisco increase access to and capacity of long-term care options for its growing senior population, those seeking treatment for substance abuse, mental health, and for persons with disabilities to support their ability to live independently in the community. As Skilled Nursing Facilities in the City continue to decline, Residential Care Facilities have been found to be a positive alternative. These types of facilities are usually smaller in nature and located across the City in residential and neighborhood commercial areas. Their type of care and location increases the possibility for residents across many demographics to age in place and remain a part of their local community.

Implementation

The Department has determined that this Ordinance will impact our current implementation procedures. It will increase the cost and time associated with processing otherwise principally permitted projects associated with the loss of a Residential Care Facility.

⁶ <https://sfmayor.org/article/mayor-london-breed-announces-additional-investments-programs-help-city-residents-most-need>

Recommendation

The Department recommends that the Commission *approve with modifications* the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department's proposed recommendations are as follows:

1. Modify the provision which requires Conditional Use authorization to remove a Residential Care Facility to expire (sunset) after three years.
2. Encourage the sponsor and other City agencies to continue to seek and support non-land use solutions to alleviate the financial burdens faced by current Residential Care Facilities.
3. Amend the Ordinance to only require a Conditional Use authorization for the proposed removal of a Residential Care Facility if the RCF was established legally.
4. Modify the first Conditional Use criteria to allow other parties that may be relevant to the case to be consulted.

Basis for Recommendation

The Department supports the proposed Ordinance because it will make it easier for Residential Care Facilities to establish themselves in San Francisco and ensure that the removal of a Residential Care Facility is given careful consideration. In 2016, San Francisco's Post-Acute Care Project recommended expanding opportunities for Residential Care in San Francisco neighborhoods, including Residential Care Facility for the Elderly (RCFE) facilities. Requiring Conditional Use approval or not permitting the use altogether contradicts the Post-Acute Care Project's identified need for additional beds to care for the elderly and those suffering from long-term illnesses. As the number of SNFs in San Francisco continue to decline, Residential Care Facilities are one way of filling the gap in long-term care. As long-term care continues to shift to a more residential model, Residential Care Facilities are also in increasing demand. However, staff finds that the issues and complexity around providing sufficient access to Residential Care Facilities in San Francisco far exceeds the effectiveness of local land use tools; therefore, we are recommending the following modifications to address this:

Recommendation 1: Modify the provision which requires Conditional Use authorization to remove a Residential Care Facility to expire (sunset) after three years. Although requiring a CUA to remove a use may prevent some landlords from pushing an existing business out, it does not and cannot make the existing business stay operational. If the RCF closes and no applicant is willing to go through the CUA process to change the use, then the space or building will sit vacant, which doesn't serve anyone. The Department has seen this happen in other situations where the Code requires a CUA to remove a use, such as with Grocery Stores and Automobile Service Stations. That's not to say that such a control can't be helpful in helping the City stem the loss of this very important use, but it is not a permanent solution to the problem.

Requiring a CUA to remove the use can also be a disincentive for landlords to lease a property to new Residential Care Facilities. The most recent example of placing this type of restriction into the Code was in the mayor's pending Small Business Recovery Act, which requires a CUA to remove a Nighttime Entertainment use. The Mayor's Office included the CUA provision because of the immediate concern over the loss of Nighttime Entertainment uses due to the pandemic; however, the provision also includes a three-

year sunset because they were also concerned that it may deter landlords from signing leases for Nighttime Entertainment uses in the future. Placing a sunset on this provision will help alleviate similar concerns.

Recommendation 2: Encourage the sponsor and other City agencies to continue to seek and support non-land use solutions to alleviate the financial burdens faced by current Residential Care Facilities. As mentioned above, the proposed land use control is not a permanent solution to the loss of Residential Care Facilities. It is imperative that the City continue to seek financial remedies for Residential Care Facilities that are struggling to stay open. Of the five cases that came before the Planning Commission through the interim controls, three were approved in part because the proposal would continue to serve the same population but at a lower financial cost. The other two have not operated as RCF's for many years due to either a fire or the operation going out of business. Requiring a CUA for the proposed removal of a RCF may deter a landlord from pushing out the RCF. It may also provide the City more time to find a new operator for the space, but ultimately, it's financial feasibility that is making these uses go out of business. Funding through grants, budget allocations, and other measures should be considered to retain and increase RCF's in the City.

Recommendation 3: Amend the Ordinance to only require a Conditional Use authorization for the proposed removal of a Residential Care Facility if the RCF was established legally. Staff recommends amending the Ordinance to only require CUA for RCF's established legally because determining whether a particular property was operating as an RCF *without* permits can be extremely challenging. The Ordinance's proposal to expand the number of zoning districts where RCF's large and small may operate as a Principally permitted use will also create simple and affordable paths to legalization for most if not all RCF's currently operating in the City without Planning Department approval. If the Ordinance's provision to expand where RCF's may operate as a Principally permitted use is approved, RCF's will be allowed in the vast majority of the city as-of-right.

Beyond Planning Department approval, as currently drafted, the Ordinance proposes to require a CUA for the removal of a RCF regardless of their receiving *any* municipal permits. The Department does not support the attempted retention of RCF's that have not obtained permits essential to their safe operation. Although it can be argued that RCF's may operate safely without Planning Department approval, the same cannot be said for the other permits RCF's are required to obtain such as DBI, Health Department, and State certifications.

Recommendation 4: Modify the first Conditional Use criteria to allow other parties that may be relevant to the case to be consulted. Staff recommends modifying Sec. 303(aa)(1) because it limits the organizations and agencies that may provide information regarding the population served, nature and quality of service provided, and capacity of the RCF being proposed for removal. Although the Department supports the concept of this CUA finding, the language should be modified to allow other agencies or nonprofit organizations that may have relevant information on the RCF to be consulted on information for the application. The Department recommends amending the subsection to state:

(1) Information provided by the Department of Public Health, the Human Services Agency, the Department of Disability and Aging Services, the Golden Gate Regional Center, ~~and/or~~ the San Francisco Long-Term Care Coordinating Council, or any other relevant organization with regard to the population served, nature and quality of services provided, and capacity of the existing Residential Care Facility;

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: SFHSA Update from 2019 Long-Term Care Coordinating Council Report on Assisted Living Facility Capacity
- Exhibit C: Board of Supervisors File No. 210535



EXHIBIT A

PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: July 22, 2021

Project Name: Conditional Use Authorization Requirements Regarding Residential Care Facilities
Case Number: 2021-005135PCA [Board File No. 210535]
Initiated by: Supervisor Mandelman / Introduced May 11, 2021
Staff Contact: Audrey Merlone, Legislative Affairs
Audrey.Merlone@sfgov.org, 628-652-7534
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 TO ELIMINATE THE REQUIREMENT OF CONDITIONAL USE AUTHORIZATION FOR RESIDENTIAL CARE FACILITIES FOR SEVEN OR MORE PEOPLE IN RESIDENTIAL, HOUSE (RH) DISTRICTS; REQUIRE CONDITIONAL USE AUTHORIZATION FOR A CHANGE OF USE OR DEMOLITION OF A RESIDENTIAL CARE FACILITY, AND CONSIDERATION OF CERTAIN FACTORS IN DETERMINING WHETHER TO GRANT CONDITIONAL USE AUTHORIZATION; ADOPTING FINDINGS, INCLUDING ENVIRONMENTAL FINDINGS, PLANNING CODE SECTION 302 FINDINGS, AND FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND PLANNING CODE SECTION 101.1.

WHEREAS, on May 11, 2021 Supervisor Mandelman introduced a proposed Ordinance under Board of Supervisors (hereinafter “Board”) File Number 210535, which would amend the Planning Code to eliminate the requirement of Conditional Use Authorization for Residential Care Facilities for seven or more people in Residential, House (RH) Districts; require Conditional Use Authorization for a change of use or demolition of a Residential Care Facility, and consideration of certain factors in determining whether to grant Conditional Use Authorization;

WHEREAS, The Planning Commission (hereinafter “Commission”) conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on July 22, 2021; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Sections 15378 and 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 with modifications** 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 Commission supports the proposed Ordinance because it will make it easier for Residential Care Facilities to establish themselves in San Francisco and ensure that the removal of a Residential Care Facility is given careful consideration. In 2016, San Francisco's Post-Acute Care Project recommended expanding opportunities for Residential Care in San Francisco neighborhoods, including Residential Care Facility for the Elderly (RCFE) facilities. Requiring Conditional Use approval or not permitting the use altogether contradicts the Post-Acute Care Project's identified need for additional beds to care for the elderly and those suffering from long-term illnesses. As the number of SNFs in San Francisco continue to decline, Residential Care Facilities are one way of filling the gap in long-term care. As long-term care continues to shift to a more residential model, Residential Care Facilities are also in increasing demand. However, the Commission finds that the issues and complexity around providing sufficient access to Residential Care Facilities in San Francisco far exceeds the effectiveness of local land use tools; therefore, we are recommending the following modifications to address this.

1. Modify the provision which requires Conditional Use authorization to remove a Residential Care Facility to expire (sunset) after three years.
2. Encourage the sponsor and other City agencies to continue to seek and support non-land use solutions to alleviate the financial burdens faced by current Residential Care Facilities.
3. Amend the Ordinance to only require a Conditional Use authorization for the proposed removal of a Residential Care Facility if the RCF was established legally.
4. Modify the first Conditional Use criteria to allow other parties that may be relevant to the case to be consulted.

In the City's FY 12-13 budget, responsibility for providing strategic direction, planning and



oversight of early care and education programs was consolidated in the new agency, OECE

The proposed Ordinance will correct the Planning Code so that it is in line with the City's current practices and adopted budget.

General Plan Compliance

The proposed Ordinance and the Commission's recommended modifications are 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.

The proposed Ordinance will expand opportunities for Residential Care in San Francisco neighborhoods, including Residential Care Facilities for the Elderly facilities, those seeking treatment for substance abuse, mental health, and for persons with disabilities to support their ability to live independently in the community.

COMMERCE AND INDUSTRY ELEMENT

OBJECTIVE 7

ENHANCE SAN FRANCISCO'S POSITION AS A NATIONAL AND REGIONAL CENTER FOR GOVERNMENTAL, HEALTH, AND EDUCATIONAL SERVICES.

Policy 7.3

Promote the provision of adequate health and educational services to all geographical districts and cultural groups in the city.

The proposed Ordinance will assist in expanding the reach of Residential Care Facilities across the city, by loosening the restrictions on where they may locate by-right, and by removing the size restrictions based on number of beds provided.

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 WITH MODIFICATIONS the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on July 22, 2021.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: July 22, 2021



SAN FRANCISCO
HUMAN SERVICES AGENCY

EXHIBIT B

San Francisco Assisted Living Facility Capacity

Update from 2019 Long-Term Care
Coordinating Council Report

Susie Smith, Deputy Director of Policy and Planning
March 15, 2021





SAN FRANCISCO
HUMAN SERVICES AGENCY

Background: 2019 Report

***“Supporting Affordable
Assisted Living in San
Francisco”***

2019 Assisted Living Facility Report

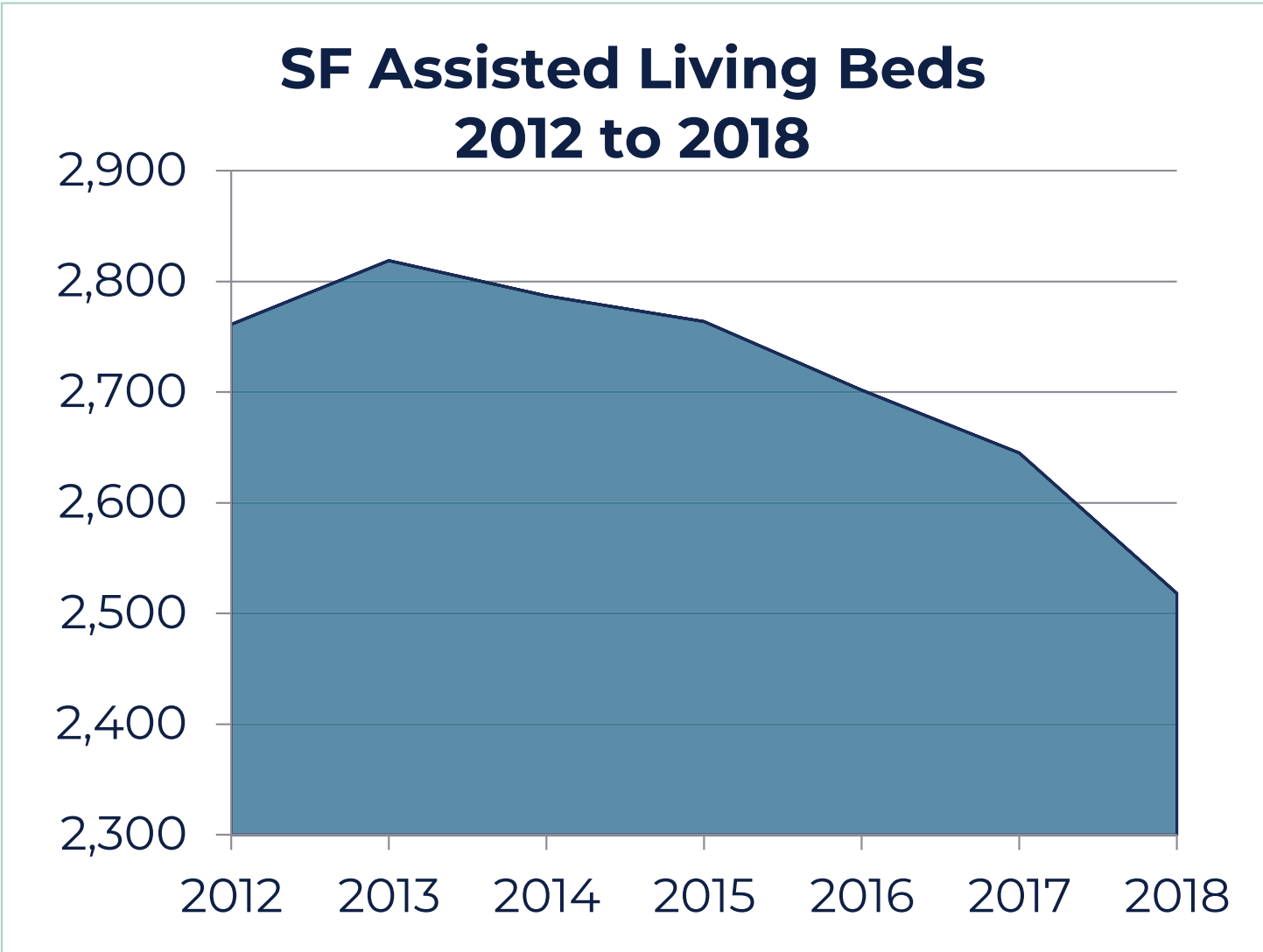
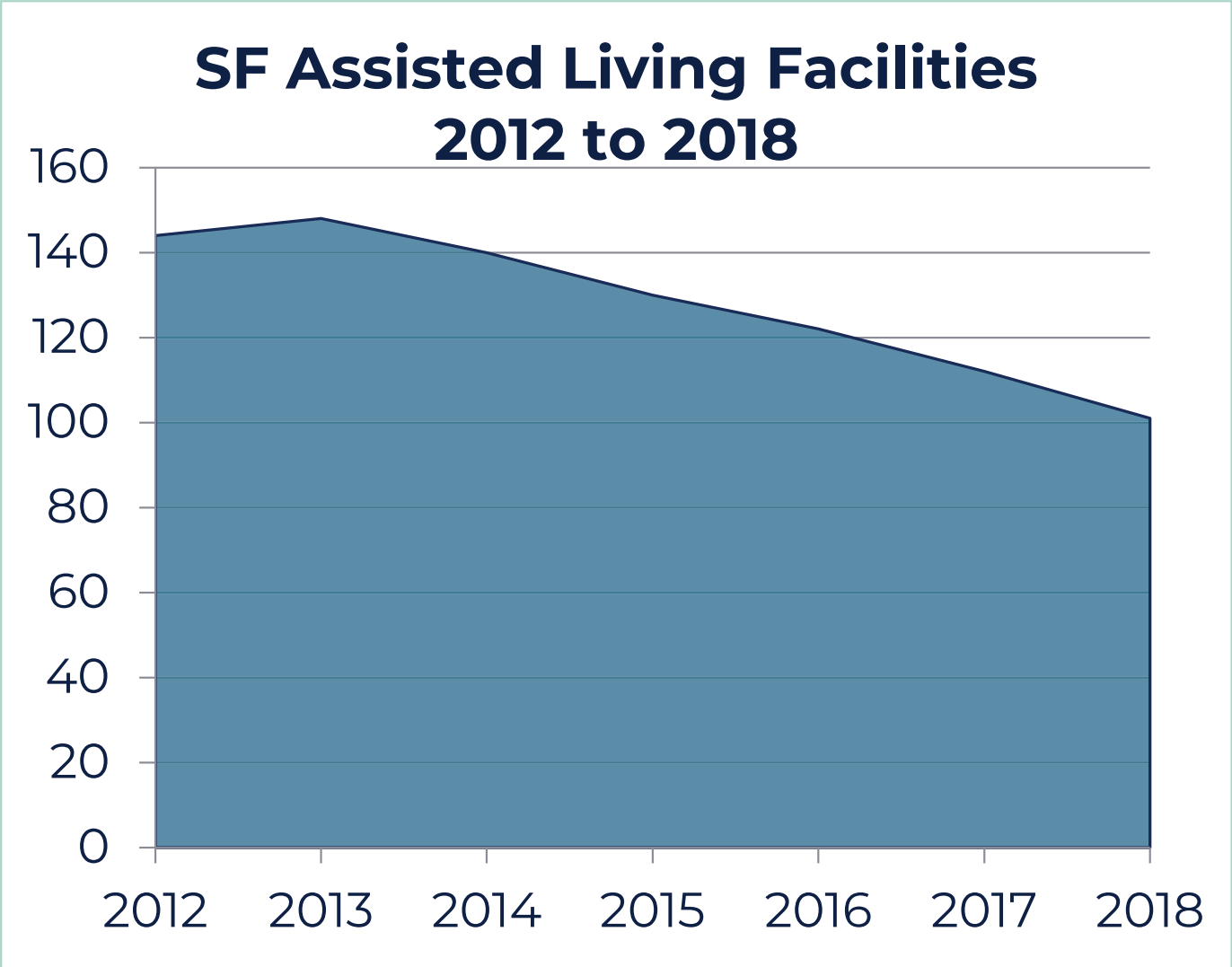
Background and Context

- Long-Term Care Coordinating Council (LTCCC) advises the Mayor and City on policy, planning, and service delivery issues for older adults and people with disabilities to promote an integrated and accessible long-term care system.
- Study prompted by concern that people in need of assisted living are unable to procure for a variety of reasons, particularly low-income individuals
- Report published in January 2019 with key findings and recommendations



San Francisco Assisted Living Capacity

Change Between 2012 and 2018

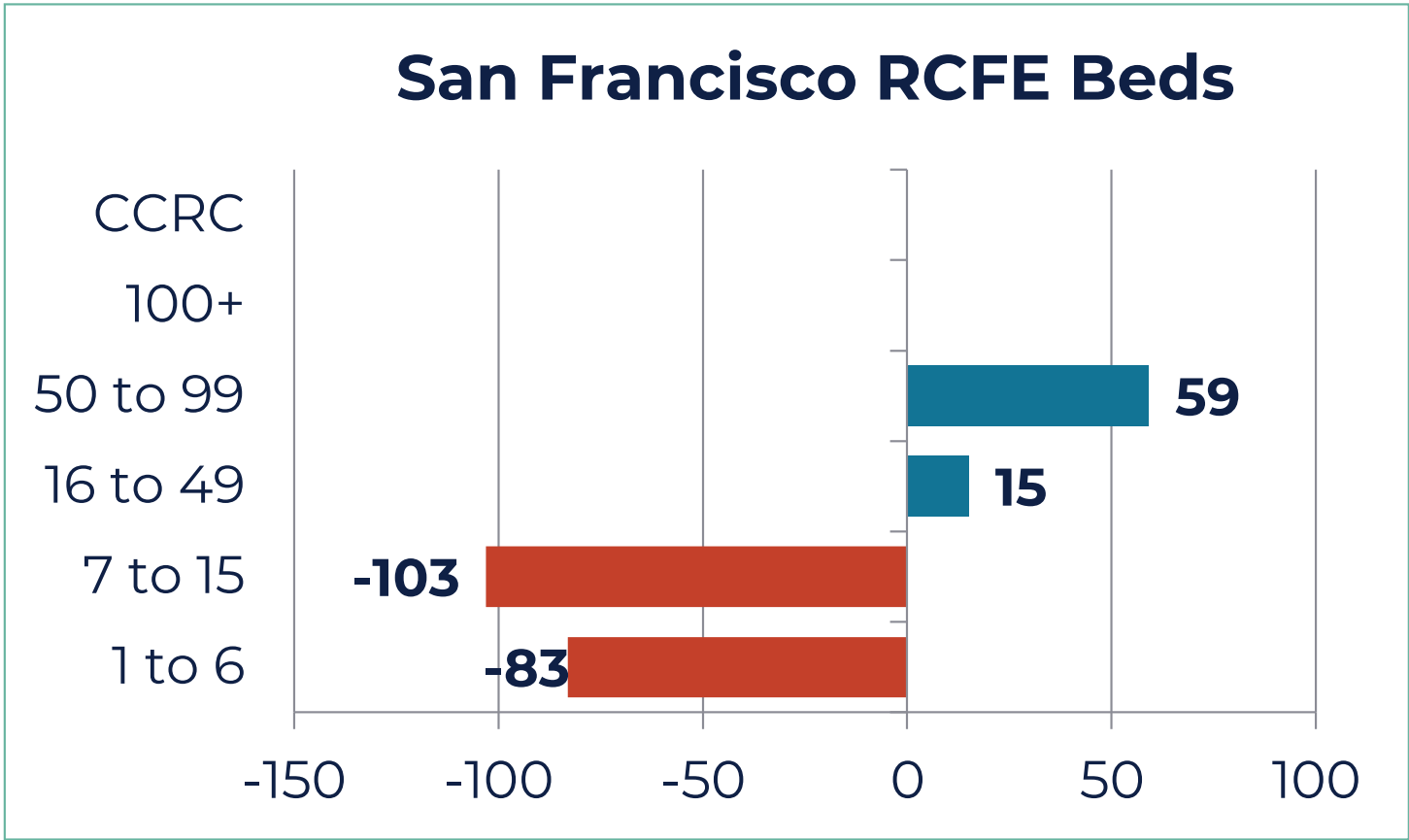
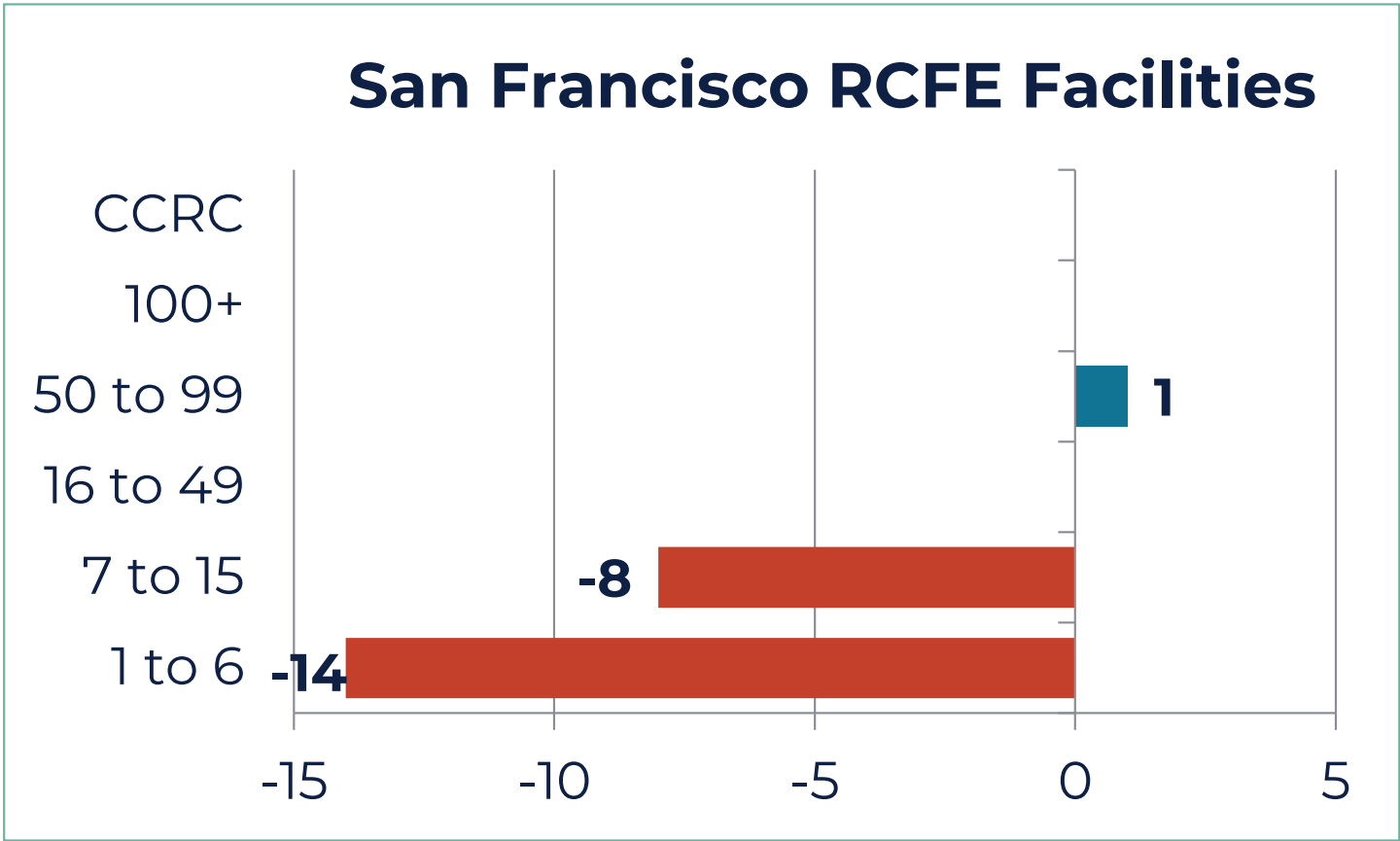


Source: CA Department of Social Services, August 2018



Residential Care Facilities for the Elderly

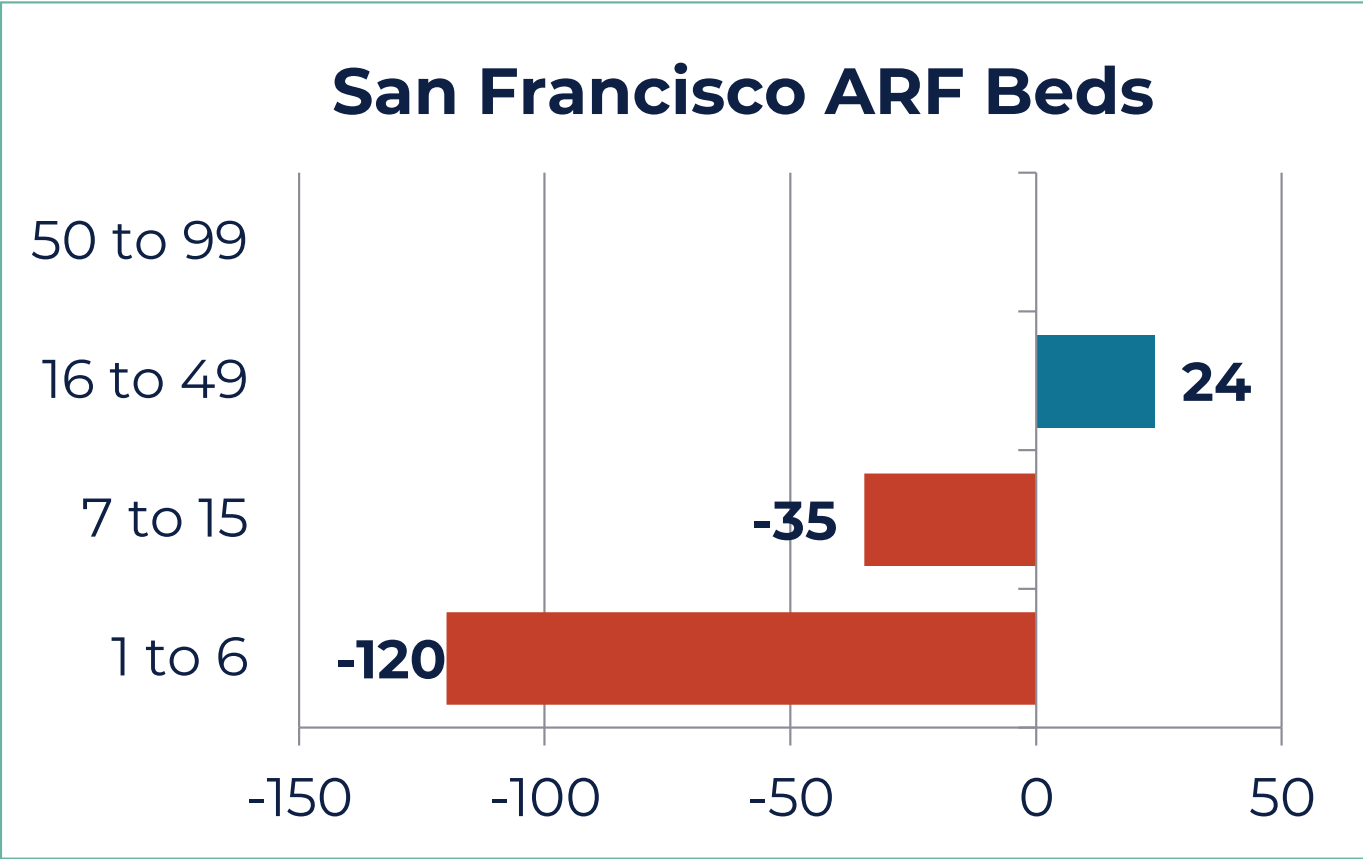
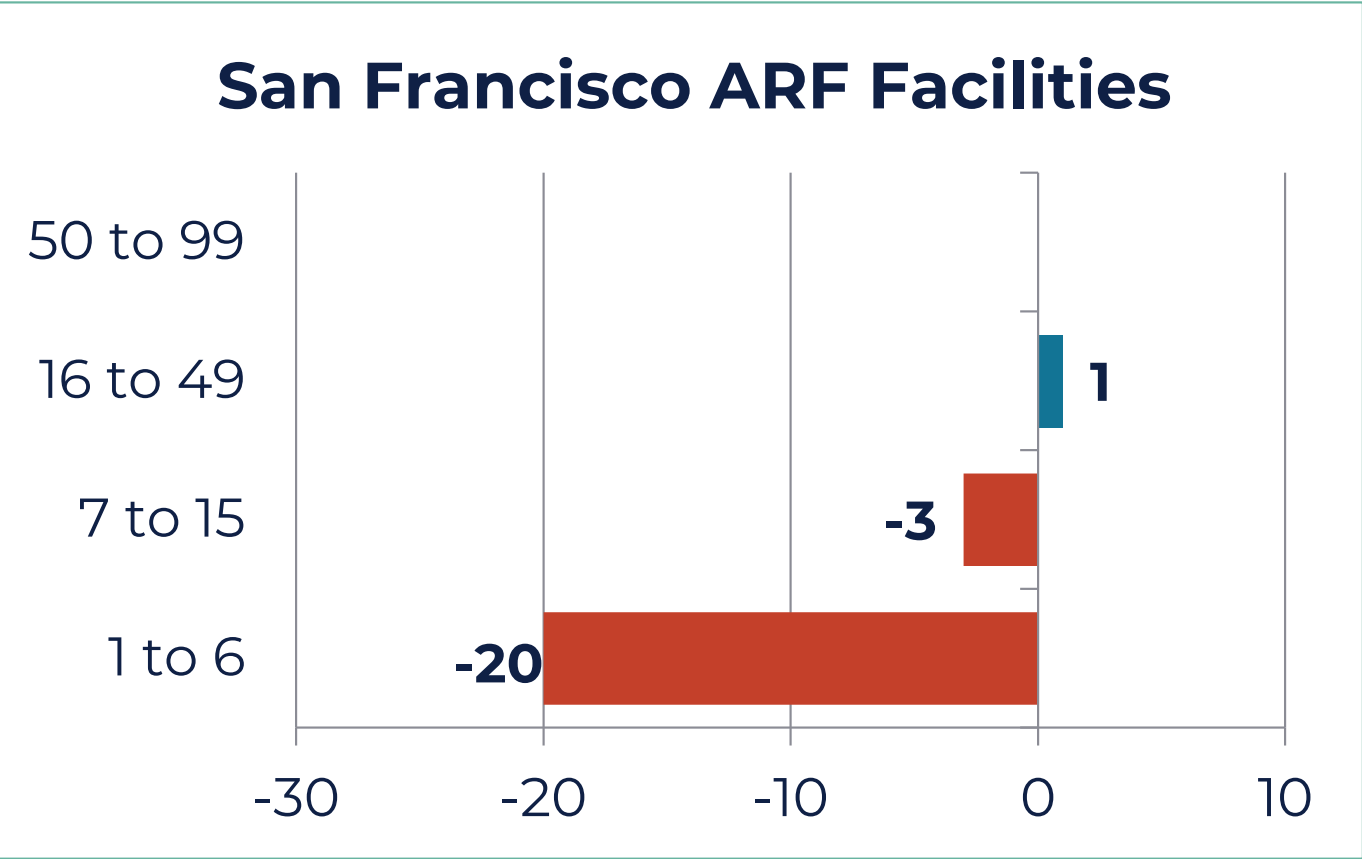
Change Between 2012 and 2018



Source: CA Department of Social Services, August 2018

Adult Residential Facilities

Change Between 2012 and 2018



Source: CA Department of Social Services, August 2018



SAN FRANCISCO
HUMAN SERVICES AGENCY

Updated Data on Assisted Living Capacity

2021 Trends

Current Capacity

San Francisco Assisted Living Facilities

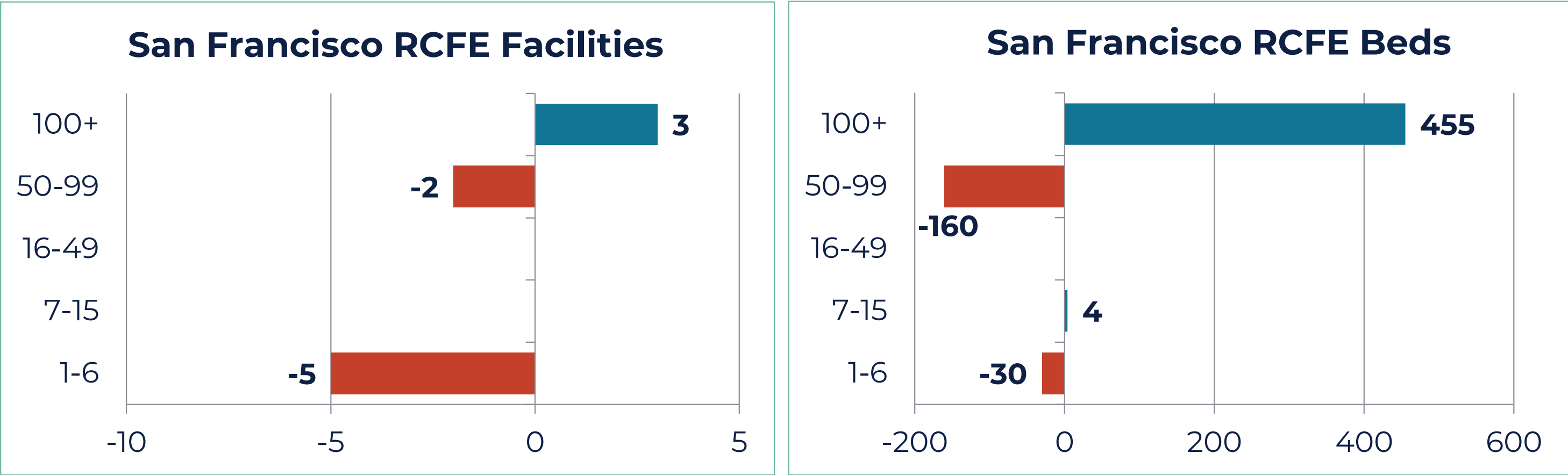
RCFE January 2021		
Size (# Beds)	Facilities	Beds
1-6	15	88
7-15	19	237
16-49	8	279
50-99	4	263
100+	9	1,442
Total	55	2,309

ARF January 2021		
Size (# Beds)	Facilities	Beds
1-6	24	142
7-15	7	80
16-49	6	161
50-99	1	55
100+	0	0
Total	38	438



Residential Care Facilities for the Elderly

Change Between 2018 and 2021



Source: CA Department of Social Services, January 2021



Adult Residential Facilities

Change Between 2018 and 2021



Source: CA Department of Social Services, January 2021



SAN FRANCISCO
HUMAN SERVICES AGENCY

www.sfhsa.org



EXHIBIT C

[Planning Code - Conditional Use Authorization Requirements Regarding Residential Care Facilities]

Ordinance amending the Planning Code to eliminate the requirement of Conditional Use Authorization for Residential Care Facilities for seven or more people in Residential, House (RH) Districts; require Conditional Use Authorization for a change of use or demolition of a Residential Care Facility, and consideration of certain factors in determining whether to grant Conditional Use Authorization; affirming the Planning Department's determination under the California Environmental Quality Act; and making findings of consistency with the General Plan, the eight priority policies of Planning Code, Section 101.1, and public necessity, convenience, and general welfare findings pursuant to Planning Code, Section 302.

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

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

Section 1. Land Use and Environmental Findings.

(a) The Planning Department has determined that the actions contemplated in this ordinance comply with the California Environmental Quality Act (California Public Resources Code Sections 21000 et seq.). Said determination is on file with the Clerk of the Board of Supervisors in File No. 210535 and is incorporated herein by reference. The Board affirms this determination.

1 (b) On _____, the Planning Commission, in Resolution No. _____,
2 adopted findings that the actions contemplated in this ordinance are consistent, on balance,
3 with the City's General Plan and eight priority policies of Planning Code Section 101.1. The
4 Board adopts these findings as its own. A copy of said Resolution is on file with the Clerk of
5 the Board of Supervisors in File No. _____, and is incorporated herein by reference.

6 (c) Pursuant to Planning Code Section 302, the Board of Supervisors finds that this
7 ordinance will serve the public necessity, convenience, and welfare for the reasons set forth in
8 Planning Commission Resolution No. _____, recommending approval of the proposed
9 designation.

10
11 Section 2. General Findings.

12 (a) Residential Care Facilities, as defined in Planning Code Sections 102 and
13 890.50(e) and established with or without the benefit of any permits required under City law,
14 provide lodging, board, and care for 24 hours or more to persons in need of specialized aid by
15 State-licensed personnel, and include board and care homes, family care homes, long-term
16 nurseries, orphanages, rest homes, or homes for the treatment of addictive, contagious, or
17 other diseases, or psychological disorders.

18 (b) San Francisco has the highest percentage of seniors and adults with disabilities of
19 any urban area in California, and the number of seniors is steadily increasing, especially those
20 over the age of 85.

21 (c) Over 40% of San Francisco's seniors live without adequate support networks, in
22 part because their families cannot find affordable housing in the City or because they do not
23 have children. This problem is especially acute among LGBTQ seniors.

24 (d) In January 2019, the San Francisco Long-Term Care Coordinating Council's
25 Assisted Living Workgroup issued a report regarding affordable assisted living in the City,

1 which is on file with the Clerk of the Board of Supervisors in File No. _____, and which
2 found:

3 (1) As of August 2018, there were 101 assisted living facilities with a total of
4 2,518 assisted living beds and since 2012, the City had lost 43 assisted living facilities which
5 had provided 243 assisted living facility beds;

6 (2) The number of assisted living facilities in the City has decreased, and the
7 decrease has primarily occurred through the closure of small facilities, particularly the board
8 and care homes with six or fewer beds, which are generally more affordable than other
9 facilities;

10 (3) Assisted living facilities in the City face economic challenges, such as slim
11 profit margins and difficulty in finding employees, which make it difficult for them to continue to
12 operate; and

13 (4) There is unmet need for affordable assisted living facility placements, and as
14 of January 2019, available waitlist data indicated that at least 103 persons require such
15 placements.

16 (e) In October 2019, the City adopted Resolution No. 430-19, which imposed interim
17 controls for an 18-month period to require Conditional Use Authorization and specified
18 findings for a proposed change of use from a Residential Care Facility.

19 (f) The Planning Department issued a report dated January 29, 2021, which found
20 that, since the effective date of Resolution No. 430-19 on October 11, 2019:

21 (1) Two Conditional Use applications had been filed for the removal of a
22 Residential Care Facility, one seeking to convert a previously closed facility with five assisted
23 living beds into a single-family home, and the second to convert a closed facility with six
24 assisted living beds into two residential units; and
25

1 (2) Residential Care Facilities are considered an Institutional Use that is
2 permitted in Residential zoning districts, with the exception of the RH-1 and RH-2 zoning
3 districts, where new Residential Care Facilities of seven or more beds are conditionally
4 permitted; are not permitted in PDR districts; are not permitted on the ground floor in the North
5 Beach and Folsom Street Neighborhood Commercial Districts and Regional Commercial
6 Districts, and are conditionally permitted on the upper floors in those districts; and are
7 conditionally permitted in the Pacific Avenue Neighborhood Commercial District.

8 (g) The circumstances that caused the City to adopt the interim controls continue to
9 exist, with preliminary data provided by the Human Services Agency showing the loss of an
10 additional 11 assisted living facilities from January 2019 to January 2021, accounting for a
11 loss during that period of 226 assisted living facility beds in facilities with fewer than 100 beds.

12 (h) In April 2021, the City adopted Resolution No. 139-21, which extended the interim
13 controls for an additional 6-month period to require Conditional Use Authorization and
14 specified findings for a proposed change of use from a Residential Care Facility through
15 October 11, 2021.

16
17 Section 3. The Planning Code is hereby amended by adding Section 202.11 and
18 revising Sections 209.1 and 303, to read as follows:

19 * * * *

20 **SEC. 202.11. LIMITATION ON CHANGE IN USE OR DEMOLITION OF RESIDENTIAL CARE**
21 **FACILITY.**

22 Notwithstanding any other provision of this Article 2, a change in use or demolition of a
23 Residential Care Facility use, as defined in Section 102, shall require Conditional Use authorization
24 pursuant to Section 303, including the specific conditions in that Section for conversion of such a use.
25 This Section 202.11 shall not authorize a change in use if the new use or uses are otherwise prohibited.

SEC. 209.1. RH (RESIDENTIAL, HOUSE) DISTRICTS.

Table 209.1

ZONING CONTROL TABLE FOR RH DISTRICTS

Zoning Category	§ References	RH-1(D)	RH-1	RH-1(S)	RH-2	RH-3
* * * *						
NON-RESIDENTIAL STANDARDS AND USES						
* * * *						
Institutional Use Category						
Institutional Uses*	§ 102	NP	NP	NP	NP	NP
****	****	****	****	****	****	****
Residential Care Facility	§ 102	P (3)	P (3)	P (3)	P (3)	P
****	****	****	****	****	****	****

* Not listed below.

* * * *

(3) [Note deleted] ~~C required for seven or more persons.~~

* * * *

1 **SEC. 303. CONDITIONAL USES.**

2 * * * *

3 (aa) Change in Use or Demolition of Residential Care Facility. With respect to a change of
4 use from or demolition of a Residential Care Facility, as defined in Sections 102 and 890.50(e) of the
5 Planning Code, including a Residential Care Facility established with or without the benefit of any
6 permits required under the Municipal Code, in addition to the criteria set forth in subsections (c) and
7 (d) of this Section 303, the Commission shall take into account the following factors when considering
8 a Conditional Use Authorization for the change of use or demolition of a Residential Care Facility:

9 (1) Information provided by the Department of Public Health, the Human Services
10 Agency, the Department of Disability and Aging Services, the Golden Gate Regional Center, and/or the
11 San Francisco Long-Term Care Coordinating Council with regard to the population served, nature and
12 quality of services provided, and capacity of the existing Residential Care Facility;

13 (2) Data on available beds at licensed Residential Care Facilities within a one-mile
14 radius of the site, and assessment from any of the above agencies regarding whether these available
15 beds are sufficient to serve the need for residential care beds in the neighborhoods served by the
16 Residential Care Facility proposed for a change of use or demolition, and in San Francisco;

17 (3) Whether the Residential Care Facility proposed for a change of use or demolition
18 will be relocated or its capacity will be replaced at another Residential Care Facility Use, and whether
19 such relocation or replacement is practically feasible; and

20 (4) Whether the continued operation of the existing Residential Care Facility by the
21 current operator is practically feasible and whether any other licensed operator or any of the above
22 agencies has been contacted by the applicant seeking the change of use or demolition, or has expressed
23 interest in continuing to operate the facility.

1 Section 4. Effective Date. This ordinance shall become effective 30 days after
2 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
3 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
4 of Supervisors overrides the Mayor's veto of the ordinance.

5
6 Section 5. Scope of Ordinance. In enacting this ordinance, the Board of Supervisors
7 intends to amend only those words, phrases, paragraphs, subsections, sections, articles,
8 numbers, punctuation marks, charts, diagrams, or any other constituent parts of the Municipal
9 Code that are explicitly shown in this ordinance as additions, deletions, Board amendment
10 additions, and Board amendment deletions in accordance with the "Note" that appears under
11 the official title of the ordinance.

12
13 APPROVED AS TO FORM:
14 DENNIS J. HERRERA, City Attorney

15 By: /s/ Victoria Wong
16 VICTORIA WONG
Deputy City Attorney

17 n:\legana\as2021\2100249\01530971.docx
18
19
20
21
22
23
24
25