

May 19, 2025

Ms. Angela Calvillo, Clerk Honorable Mayor Lurie **Board of Supervisors** City and County of San Francisco City Hall, Room 244 1 Dr. Carlton B. Goodlett Place San Francisco, CA 94102

Re: Transmittal of Planning Department Case Number 2025-002372PCA:

> Interim Housing in Hotels and Motels Board File No. 250257

Planning Commission Recommendation:

Adopt a Recommendation for Approval with Modification

Dear Ms. Calvillo and Mayor Lurie,

On May 8, 2025, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Lurie. The proposed Ordinance would allow certain Shelter-in-Place hotels to be reestablished as a Hotel use.

At the hearing the Planning Commission adopted a recommendation for approval with the following clerical modification:

Amend Planning Code Section 215(c) as follows:

Interim Housing is authorized at only the following locations: Block 3519, Lots 006, 010 and 012.

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.

Supervisor, please advise the City Attorney at your earliest convenience if you wish to incorporate the changes recommended by the Commission.

Please find attached documents relating to the actions of the Commission. If you have any questions or require further information, please do not hesitate to contact me.

Sincerely,

Aaron D. Starr

Manager of Legislative Affairs

Austin Yang Deputy City Attorney cc:

Adam Thongsavat, Liaison to the Board of Supervisors

Dylan Schneider, Manager of Legislative Affairs, Department of Homelessness and Supportive Housing

John Carroll, Office of the Clerk of the Board

ATTACHMENTS:

Planning Commission Resolution Planning Department Executive Summary





PLANNING COMMISSION RESOLUTION NO. 21733

HEARING DATE: May 8, 2025

Project Name: Interim Housing in Hotels and Motels Case Number: 2025-002372PCA [Board File No. 250257] *Initiated by:* Mayor Lurie / Introduced March 17, 2025 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

RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATION OF A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO ALLOW TOURIST HOTELS AND MOTELS TO BE USED FOR INTERIM HOUSING WITHOUT THEREBY ABANDONING OR DISCONTINUING THE HOTEL USE CLASSIFICATION UNDER THAT CODE, AND AUTHORIZING THE REESTABLISHMENT OF HOTEL USE FOR CERTAIN SHELTER-IN-PLACE (SIP) HOTELS; AMENDING THE BUILDING CODE TO ALLOW INTERIM HOUSING WITHOUT THEREBY CHANGING THE UNDERLYING OCCUPANCY CLASSIFICATION OF THE PROPERTY, ALLOWING REESTABLISHMENT OF HOTEL USE FOR SHELTER-IN-PLACE HOTELS, AND AMENDING APPENDIX P TO REMOVE RESTRICTION THAT EMERGENCY HOUSING BE LOCATED ON LAND OWNED OR LEASED BY THE CITY; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on March 17, 2025 Mayor Lurie introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250257, which would amend the Planning Code to allow tourist hotels and motels to be used for Interim Housing without thereby abandoning or discontinuing the hotel use classification under that Code, and authorizing the reestablishment of hotel use for certain Shelter-In-Place hotels; amending the Building Code to allow Interim Housing without thereby changing the underlying occupancy classification of the property, allowing reestablishment of hotel use for Shelter-In-Place (SIP) hotels, and amending Appendix P to remove restriction that emergency housing be located on land owned or leased by the City;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on May 8, 2025; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c)(2); 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 adopts a **recommendation for approval with modification** of the proposed ordinance. The Commission's proposed recommendation is as follows:

- 1. Amend Planning Code Section 215(c) as follows:
 - Interim Housing is authorized at only the following locations: Block 3519, Lot<u>s</u> 006, *010 and* 012.

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 allow certain SIP Hotels operating as non-congregate shelters beyond the COVID-19 pandemic and emergency shelter crisis to revert to Hotel and Motel uses. These SIP Hotels helped reduce homelessness and the risk of homelessness by providing more opportunities for shelter beds. The proposed Ordinance supports this formerly SIP Hotels to easily revert to their prior land use.

General Plan Compliance

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.



Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed Ordinance supports the Commerce and Industry Element's goals of supporting our local economy and businesses. Local tourism boosts our local economy and we need Hotels and Motels support this tourism. Specifically, the proposed Ordinance responds to Objective 2 to maintain and enhance a sound and diverse economic base by allowing three formerly SIP Hotels to revert to Hotel and Motel uses. Additionally, this supports Policy 2.1 to retain existing commercial activity. Lastly, the proposed Ordinance supports Policy 2.3 to maintain a favorable social and cultural climate. The Department recognizes that these formerly SIP Hotels responded to current needs and should not be punished for abandoning their Hotel or Motel land use status. This Policy 2.3 aligns with the efforts to facilitate these formerly SIP Hotels reestablish their Hotel or Motel land use.

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 ADOPTS A RECOMMENDATION FOR APPROVAL WITH MODIFICATION of the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on May 8, 2025.

Jonas P. Ionin

Jonas P Ionin Digitally signed by Jonas P Ionin Date: 2025.05.14 14:52:15 -07'00'

Commission Secretary

AYES: Campbell, McGarry, Williams, Braun, Imperial, Moore, So

NOES: None ABSENT: None

ADOPTED: May 8, 2025





EXECUTIVE SUMMARYPLANNING AND BUILDING CODE TEXT AMENDMENT

HEARING DATE: May 8, 2025

90-Day Deadline: June 17, 2025

Project Name: Interim Housing in Hotels and Motels
Case Number: 2025-002372PCA [Board File No. 250257]
Initiated by: Mayor Lurie / Introduced March 17, 2025
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

Environmental

Review: Not a Project Under CEQA

RECOMMENDATION: Adopt of Recommendation for Approval

Planning Code Amendment

The proposed Ordinance would amend the Planning Code to allow certain Shelter-in-Place hotels to be reestablished as a Hotel use.

The Way It Is Now:

Converting a hotel or motel to another use requires a Change of Use permit to establish the new use. Once the new use is established, the hotel or motel use is considered abandoned.

An exception applies to a motel located at 364 09th St. (Block 3519, Lot 006), which may be temporarily converted to Interim Housing during a declared shelter emergency, and for up to 90 days thereafter, without constituting abandonment of the existing hotel or motel use. Reverting the Interim Housing back to a motel

use is not considered a Residential Conversion. Therefore, no Conditional Use Authorization (CUA) is required to remove the Interim Housing use and restore the motel use.

The Way It Would Be:

The above abandonment provision would be expanded to Hotels and Motels that have already converted to Interim Housing during the 2020 Shelter-In-Place order. Specifically, Hotels or Motels located at 608 Geary St. (Block 0304, Lot 005), 1015 Geary St. (Block 0715, Lot 011), and 655 Ellis St (Block 0335, Lot 027) will be able to reestablish their Hotel or Motel Use without CU Authorization, but with Zoning administrator review and approval.

Background

Mayor Breed's <u>Homelessness Recovery Plan</u> (July 1, 2020 – the end of 2022) strived to create more housing and shelter for residents experiencing homelessness. This Plan proposed to expand the Homelessness Response System to ensure those sheltering in place during the COVID-19 crisis did not return to the streets. This work continued in <u>Home by the Bay</u>, an equity-driven five-year strategic plan to prevent and end homelessness in San Francisco from 2023-2028. One of the primary goals for both plans was to increase the number of people exiting from homelessness. This could mean residents transitioning to a shelter or permanent supportive housing.

As part of San Francisco's initial COVID-19 response, the City launched the Shelter-in-Place (SIP) Hotel Program, an element of the <u>COVID-19 Alternative Shelter Program</u>. Additionally, Ordinance 39-25, sponsored by Mayor Lurie, facilitated the temporary conversion of Hotels and Motels into Interim Housing. Interim Housing is a form of shelter where program participants have individual rooms and have access to supportive services. The Planning Commission heard this item on December 12, 2024, and adopted a recommendation of approval with the anticipated amendments related to relocation efforts for program participants before the Interim Housing site closes. At the Land Use and Transportation Committee hearing on March 10, 2025, this Ordinance was narrowed to only apply to Hotels at 364 9th Street (Block 3519, Lot 006). That Ordinance was then duplicated to support certain Shelter-in-Place Hotels that continued operating as non-congregate shelters beyond the COVID-19 pandemic and allow them to revert to a Hotel. This duplicate Board File is the subject of this staff report and draft Resolution.

Issues and Considerations

Establishing Uses and Abandonment Periods

The Planning Code principally or conditionally permits land uses based on the Zoning District. Principally permitted uses require a Building Permit Application (BPA) to establish the use. Conditionally permitted uses require both a CUA and a BPA to vest the Planning entitlement. The issued Building Permit Authorization (BPA) is the legal document that establishes the land use on the property. If the land use is converted to a different use or if the use ceases operation and the property becomes vacant, the land use is considered abandoned. Different zoning districts have varying abandonment periods, with the most common being three years. If the original land use is not reestablished and operational within this period, new operators



must undergo the BPA or CUA process again to legally reestablish the prior use. There are limited exceptions, including if the property involves a nonconforming use.

SIP Hotels

The proposed Ordinance impacts three Hotels or Motels that converted to Interim Housing during the COVID-19 Pandemic. Two of these parcels are in the RC-4 zoning district, and one is in the Lower Polk Neighborhood Commercial District. Both Zoning Districts require a CUA to establish a Hotel. The proposed Ordinance allows these participating SIP Hotels to revert to a Hotel through a BPA despite abandoning the Hotel land use designation. To be eligible, the SIP Hotel must demonstrate they meet the following criteria:

- 1. the Hotel or Motel entered into an agreement with the City to provide non-congregate shelter as part of the City's Shelter-In-Place Hotel Program and
- the Hotel or Motel continued to provide shelter services under an agreement with the City on or after January 1, 2025. The eligible Hotels or Motels would not be subject to any fees and project requirements to establish the use.

Residential Conversions and Replacements

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.

Under the proposed Ordinance, if a Hotel or Motel is temporarily used as a non-congregate shelter as part of the City's SIP Hotel Program, closing said shelter would not be considered a Residential Conversion. Therefore, closing the shelter and restoring the Hotel or Motel use would not require a CUA. Without this Ordinance, the property owner would need to submit the required land use entitlements to revert to their previous use when the shelter closes.

Additionally, <u>Assembly Bill 2835</u> clarifies that shelters located in a Hotel or Motel do not establish tenancy. This means that Interim Housing, which is a form of shelter, does not establish a Residential Unit. Therefore, the unit replacement and relocation requirements per <u>Senate Bill 330</u> are not triggered. As noted in *Anticipated Amendments*, the sponsor is still drafting language to ensure that existing Clients are relocated expeditiously when the Interim Housing closes. This ensures the existing Clients continue to receive the support and shelter they need.

Shelter-in-Place Hotels

The SIP Hotel Program made a historic commitment to serving the unhoused population by providing non-congregate shelter for over 3,700 people experiencing homelessness who were most vulnerable to COVID-19. Over the course of the program, HSH served 3,356 adult guests in these non-congregate hotel sites, and two-thirds of eligible guests exited to housing.



The COVID-19 restrictions were lifted in phases. Hotels were specifically allowed to operate at 25% capacity around May 2021¹. The SIP Hotel Program ended in December 2022, during which time SIP Hotels were intended to revert to a Hotel. However, the three SIP Hotels mentioned under the Way It Will be on Page 2 continued as Interim Housing to continue supporting our vulnerable populations. As a result, these participating Hotels abandoned or discontinued the previously approved Hotel use. The proposed Ordinance would allow certain SIP Hotels to reestablish the previous Hotel or Motel use through a building permit application. The eligible Hotels or Motels would not be subject to any development impact fees and project requirements to establish the use.

General Plan Compliance

The proposed Ordinance supports the Commerce and Industry Element's goals of supporting our local economy and businesses. Local tourism boosts our local economy, and we need Hotels and Motels support this tourism. Specifically, the proposed Ordinance responds to Objective 2 to maintain and enhance a sound and diverse economic base by allowing three formerly SIP Hotels to revert to Hotel and Motel uses. Additionally, this supports Policy 2.1 to retain existing commercial activity. Lastly, the proposed Ordinance supports Policy 2.3 to maintain a favorable social and cultural climate. The Department recognizes that these former SIP Hotels responded to current needs and should not be punished for abandoning their Hotel or Motel land use status. This Policy 2.3 aligns with the efforts to facilitate these formerly SIP Hotels reestablish their Hotel or Motel land use.

Racial and Social Equity Analysis

The proposed amendments to the Planning and Building Codes included in the Ordinance are designed to support local business owners, specifically hotel and motel operators, who temporarily converted their properties into shelters during the COVID-19 pandemic. These non-congregate shelters played a crucial role in protecting individuals experiencing homelessness, especially during a public health crisis when traditional, crowded shelter settings were unsafe.

Three Hotels continued operating as non-congregate shelters even after the official Shelter-in-Place orders were lifted in December 2022. As a result of this continued use, these properties are no longer classified as Hotel uses, since they were operating as temporary shelters. These Hotel or Motel owners would need to go through a CUA process for these properties to return to their prior use. This process often takes several months and comes with significant application fees that can cost thousands of dollars. Moreover, this can be a burdensome requirement, especially for small business owners who provided vital public services during a time of crisis.

The proposed Ordinance seeks to remove this barrier by allowing these businesses to revert to their prior Hotel or Motel designation simply by applying for a BPA, rather than going through the more onerous CUA process. This would significantly streamline the transition, reduce administrative costs, and acknowledge the contributions these business owners made to support the City's most vulnerable residents. Ultimately, this is a relatively minor amendment, but one that carries meaningful benefits for property owners who stepped up

¹ San Francisco Chronicle, "Latest key S.F. dates to know: City further eases COVID restrictions in yellow tier"



in a time of need. It reflects a broader commitment by the City to support those who supported the public good during the pandemic.

Implementation

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

Recommendation

The Department recommends that the Commission *adopt a recommendation for approval with modifications* of the proposed Ordinance and adopt the attached Draft Resolution to that effect. The Department recommends the following clerical modification

1. Amend Planning Code Section 215(c) as follows:

Interim Housing is authorized at only the following locations: Block 3519, Lots 006, 010 and 012.

Basis for Recommendation

The Department recommends approval of the proposed Ordinance, as it supports the goals of the Commerce and Industry Elements—particularly the objective of retaining existing commercial businesses. The Ordinance would allow certain SIP Hotels, which continued operating as non-congregate shelters beyond the termination of the SIP Hotel Program, to revert to their original Hotel and Motel uses. While this extended use technically resulted in an abandonment of their Hotel designation, these facilities played a critical role in reducing homelessness during the pandemic. The Department supports a streamlined process for these properties to resume their prior land use, and therefore recommends adoption of the proposed Ordinance with one clerical modification.

Recommended Modification 1: Amend Planning Code Section 215(c) as follows:

Interim Housing is authorized at only the following locations: Block 3519, Lots 006, 010 and 012.

The original Board File No. 241067 was amended to specify only one motel (dba Civic Center Motor Inn) that is eligible for this program. While the main parcel was included in the adopted ordinance, the subject motel covers three different parcels. This amendment will add the other two missing parcels (all contiguous and used by the motel) to the code. This will not change how the Planning Code is implemented but will correct a clerical error in the original ordinance.

Required Commission Action

The proposed Ordinance is before the Commission so that it may adopt a recommendation of approval, disapproval, or approval with modifications.



Environmental Review

The proposed amendments are not defined as a project under CEQA Guidelines Section 15060(c)(2) 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. 250257



EXHIBIT A

49 South Van Ness Avenue, Suite 1400 San Francisco, CA 94103 628.652.7600 www.sfplanning.org

PLANNING COMMISSION **DRAFT RESOLUTION**

HEARING DATE: May 8, 2025

Project Name: Interim Housing in Hotels and Motels Case Number: 2025-002372PCA [Board File No. 250257] *Initiated by:* Mayor Lurie / Introduced March 17, 2025 Staff Contact:

Veronica Flores Legislative Affairs

veronica.flores@sfgov.org, 628-652-7525

Reviewed by: Aaron Starr, Manager of Legislative Affairs

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RESOLUTION ADOPTING A RECOMMENDATION FOR APPROVAL WITH MODIFICATION OF A PROPOSED ORDINANCE AMENDING THE PLANNING CODE TO ALLOW TOURIST HOTELS AND MOTELS TO BE USED FOR INTERIM HOUSING WITHOUT THEREBY ABANDONING OR DISCONTINUING THE HOTEL USE CLASSIFICATION UNDER THAT CODE, AND AUTHORIZING THE REESTABLISHMENT OF HOTEL USE FOR CERTAIN SHELTER-IN-PLACE (SIP) HOTELS; AMENDING THE BUILDING CODE TO ALLOW INTERIM HOUSING WITHOUT THEREBY CHANGING THE UNDERLYING OCCUPANCY CLASSIFICATION OF THE PROPERTY, ALLOWING REESTABLISHMENT OF HOTEL USE FOR SHELTER-IN-PLACE HOTELS, AND AMENDING APPENDIX P TO REMOVE RESTRICTION THAT EMERGENCY HOUSING BE LOCATED ON LAND OWNED OR LEASED BY THE CITY; AFFIRMING THE PLANNING DEPARTMENT'S DETERMINATION UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT; AND MAKING FINDINGS OF CONSISTENCY WITH THE GENERAL PLAN AND THE EIGHT PRIORITY POLICIES OF PLANNING CODE, SECTION 101.1, AND FINDINGS OF PUBLIC NECESSITY, CONVENIENCE, AND WELFARE UNDER PLANNING CODE, SECTION 302.

WHEREAS, on March 17, 2025 Mayor Lurie introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 250257, which would amend the Planning Code to allow tourist hotels and motels to be used for Interim Housing without thereby abandoning or discontinuing the hotel use classification under that Code, and authorizing the reestablishment of hotel use for certain Shelter-In-Place hotels; amending the Building Code to allow Interim Housing without thereby changing the underlying occupancy classification of the property, allowing reestablishment of hotel use for Shelter-In-Place (SIP) hotels, and amending Appendix P to remove restriction that emergency housing be located on land owned or leased by the City;

WHEREAS, the Planning Commission (hereinafter "Commission") conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance on May 8, 2025; and,

WHEREAS, the proposed Ordinance has been determined to be categorically exempt from environmental review under the California Environmental Quality Act Section 15378 and 15060(c)(2); 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 adopts a **recommendation for approval with modification** of the proposed ordinance. The Commission's proposed recommendation is as follows:

1. Amend Planning Code Section 215(c) as follows:

Interim Housing is authorized at only the following locations: Block 3519, Lots 006, 010 and 012.

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 allow certain SIP Hotels operating as non-congregate shelters beyond the COVID-19 pandemic and emergency shelter crisis to revert to Hotel and Motel uses. These SIP Hotels helped reduce homelessness and the risk of homelessness by providing more opportunities for shelter beds. The proposed Ordinance supports this formerly SIP Hotels to easily revert to their prior land use.

General Plan Compliance

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.

Policy 2.3

Maintain a favorable social and cultural climate in the city in order to enhance its attractiveness as a firm location.

The proposed Ordinance supports the Commerce and Industry Element's goals of supporting our local economy and businesses. Local tourism boosts our local economy, and we need Hotels and Motels support this tourism. Specifically, the proposed Ordinance responds to Objective 2 to maintain and enhance a sound and diverse economic base by allowing three formerly SIP Hotels to revert to Hotel and Motel uses. Additionally, this supports Policy 2.1 to retain existing commercial activity. Lastly, the proposed Ordinance supports Policy 2.3 to maintain a favorable social and cultural climate. The Department recognizes that these former SIP Hotels responded to current needs and should not be punished for abandoning their Hotel or Motel land use status. This Policy 2.3 aligns with the efforts to facilitate these formerly SIP Hotels reestablish their Hotel or Motel land use.

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 ADOPTS A RECOMMENDATION FOR APPROVAL WITH MODIFICATION of the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on May 8, 2025.

Jonas P. Ionin

Commission Secretary



AYES: NOES: ABSENT:

ADOPTED: May 8, 2025





EXHIBIT B

AMENDMENT IN COMMITTEE 3/17/2025 ORDINANCE NO.

FILE NO. 250257

[Planning, Building Codes - Interim Housing in Hotels and Motels] 1 2 Ordinance amending the Planning Code to allow tourist hotels and motels to be used 3 4 for Interim Housing without thereby abandoning or discontinuing the hotel use classification under that Code, and authorizing the reestablishment of hotel use for 5 certain Shelter-In-Place hotels; amending the Building Code to allow Interim Housing 6 without thereby changing the underlying occupancy classification of the property, 7 allowing reestablishment of hotel use for Shelter-In-Place hotels, and amending 8 9 Appendix P to remove restriction that emergency housing be located on land owned or leased by the City; affirming the Planning Department's determination under the 10 California Environmental Quality Act; and making findings of consistency with the 11 General Plan and the eight priority policies of Planning Code, Section 101.1, and 12 findings of public necessity, convenience, and welfare under Planning Code, 13 Section 302. 14 15 16 NOTE: Unchanged Code text and uncodified text are in plain Arial font. **Additions to Codes** are in *single-underline italics Times New Roman font*. 17 **Deletions to Codes** are in strikethrough italics Times New Roman font. **Board amendment additions** are in double-underlined Arial font. 18 Board amendment deletions are in strikethrough Arial font. Asterisks (* * * *) indicate the omission of unchanged Code 19 subsections or parts of tables. 20 21 Be it ordained by the People of the City and County of San Francisco: Section 1. Environmental, Land Use, and Related Findings. 22 (a) The Planning Department has determined that the actions contemplated in this 23 ordinance comply with the California Environmental Quality Act (California Public Resources 24 Code Sections 21000 et seg.). Said determination is on file with the Clerk of the Board of 25

1 Supervisors in File No. 250257 and is incorporated herein by reference. The Board affirms 2 this determination. (b) On _____, the Planning Commission, in Resolution No. ____, adopted findings 3 that the actions contemplated in this ordinance are consistent, on balance, with the City's 4 General Plan and eight priority policies of Planning Code Section 101.1. The Board adopts 5 6 these findings as its own. A copy of said Resolution is on file with the Clerk of the Board of 7 Supervisors in File No. _____, and is incorporated herein by reference. 8 (c) Pursuant to Planning Code Section 302, this Board finds that these Planning Code 9 amendments will serve the public necessity, convenience, and welfare for the reasons set forth in Planning Commission Resolution No._____ and the Board incorporates such 10 reasons herein by reference. A copy of Planning Commission Resolution No. _____ is on file 11 12 with the Clerk of the Board of Supervisors in File No. _____. 13 (d) On November 20, 2024, the Building Inspection Commission considered this 14 ordinance at a duly noticed public hearing pursuant to Charter Section 4.121 and Building 15 Code Section 104A.2.11.1.1. A copy of a letter from the Secretary of the Building Inspection Commission regarding the Commission's recommendation is on file with the Clerk of the 16 17 Board of Supervisors in File No. 250257. 18 (e) No local findings are required under California Health and Safety Code Section 19 17958.7 because the amendments to the Building Code contained in this ordinance do not 20 regulate materials or manner of construction or repair, and instead relate in their entirety to 21 administrative procedures for implementing the code, which are expressly excluded from the definition of a "building standard" by California Health and Safety Code Section 18909(c). 22 23 (f) To the extent the amendments contained in this ordinance reference existing provisions of San Francisco Building Code Appendix P and could be considered "building 24

standards," California Government Code Sections 8698 through 8698.4 authorize the Board

- of Supervisors to declare the existence of a shelter crisis upon a finding that a significant number of persons within the jurisdiction are without the ability to obtain shelter, and that the situation has resulted in a threat to the health and safety of those persons. These Government Code provisions authorize the City to suspend strict compliance with state and local statutes, ordinances, and regulations setting housing, health, or safety standards for new public facilities opened to homeless persons in response to the shelter crisis, to the extent that strict compliance would prevent, hinder, or delay the mitigation of the shelter crisis, and allow the City to enact its own standards for the shelters that ensure basic public health and safety.
- (g) In Ordinance No. 57-16, enacted on April 22, 2016, the Board of Supervisors found that a significant number of persons within the City lack the ability to obtain shelter, which has resulted in a threat to their health and safety. For that reason, and based on factual findings set forth in that ordinance, the Board of Supervisors declared the existence of a shelter crisis in the City pursuant to California Government Code Section 8698 through 8698.2.
- (h) In Ordinance No. 60-19, enacted on April 4, 2019, the Board of Supervisors affirmed that the shelter crisis was still ongoing, and that requiring homeless shelters located on property owned or leased by the City to go through the standard building permitting process for construction, repair and siting prevents, hinders and delays efforts to mitigate the shelter crisis. Therefore, the Board adopted the optional, streamlined approval process codified in Ordinance No. 60-19 in accordance with California Government Code Section 8698.4.

Section 2. General Findings.

(a) The tourism and hospitality sector of the San Francisco economy plays a vital role in drawing visitors to the City in record numbers. But hotel occupancy declined precipitously during the COVID -19 crisis. Although hotel occupancy rates have continued to climb upward

- since they hit bottom in 2020, current occupancy rates are still below peak occupancy levels in 2018 and 2019.
- (b) At the same time, the City lacks sufficient sites to provide shelter for persons who are experiencing homelessness or are at risk of homelessness. The City continues to look for ways to increase opportunities for emergency housing locations, through both shelter options and permanent supportive housing.
- (c) In Ordinance 92-22, enacted on June 24, 2022, the City created the Places for All Program, which states that it is the policy of the City to offer to every person experiencing homelessness in San Francisco a safe place to sleep. While the first priority is expanding opportunities for safe, affordable, and permanent housing for all residents, the Places for All Program commits the City to exploring opportunities for people experiencing homelessness to have temporary shelter through the following: Navigation Centers, adult emergency shelters, crisis stabilization units, family shelters, hotel placements, Safe Overnight Parking Lots, noncongregate cabins, Safe Sleep Sites, other non-congregate shelter, and shelters for transitional aged youth ("TAY").
- (d) Interim Housing is a form of shelter where program participants have individual rooms, with shared amenities such as kitchens, pantries, and laundry facilities. Residents have access to on-site case managers, other supportive services, and additional resources needed to build self-sufficiency.
- (e) California Civil Code Sections 1954.08 through 1954.093 provide that individuals occupying a shelter located in a hotel or motel are not tenants, and do not have a tenancy or hotel-customer relationship with the hotel operator. It also provides that a hotel or motel may not be designated a nontransient hotel or motel solely as a result of a shelter participant's stay.

1	(f) The Department of Homelessness and Supportive Housing ("HSH") has expertise
2	working closely with building owners, non-profit providers, and clients to responsibly wind-
3	down shelter programs in a client-centered manner. In advance of any Interim Housing
4	ceasing its operations, HSH has stated that it intends to offer program participants a housing
5	assessment through the City's Coordinated Entry system. HSH intends to offer housing to any
6	such participants who are designated as housing referral status through that assessment and
7	a comparable shelter placement while the participant awaits housing placement. Participants
8	who are not eligible for City-funded housing will be offered a comparable shelter bed, if
9	available. All program participants will at minimum be offered a congregate shelter placement
10	prior to the closure of the Interim Housing. Prior to the closure of the Interim Housing, HSH
11	intends to notify community stakeholders.
12	(g) While the hotel industry continues to recover and evolve, the public interest would
13	be served if underutilized hotels and motels could provide much needed Interim Housing. It is
14	reasonable for the City to partner with underutilized and vacant hotels and motels to provide
15	safe housing and services for individuals in need of housing.
16	(h) (g) It would be unreasonable and counter to the public interest to require that
17	tourist hotels and motels used as Interim Housing lose their underlying tourist use designation
18	and occupancy classification under the Planning and Building Codes. Accordingly, this
19	ordinance provides just the opposite, that hotels and motels used as Interim Housing will
20	retain their tourist use designation and occupancy classification under the respective codes.
21	(i) Many hotels and motels are currently staffed by union-represented workers.
22	Nothing in this ordinance is intended to interfere with successorship principles under federal
23	<u>law.</u>

1	(j) Historically and programmatically, HSH works with their contracted service
2	providers to try and retain any existing staff. This practice encourages continuity and offers
3	existing workers the opportunity to continue employment in their existing capacities.
4	(k) As part of its initial response to COVID-19, the City launched the Shelter-in-Place
5	("SIP") Hotel Program. The SIP Hotel Program made a historic commitment to serving the
6	unhoused population by providing non-congregate shelter for over 3,700 people experiencing
7	homelessness who were most vulnerable to COVID-19. Over the course of the program,
8	HSH served 3,356 adult guests in these non-congregate hotel sites, and two-thirds of eligible
9	guests exited to housing.
10	(I) One unintended consequence of the SIP Hotel Program is that some participating
11	hotels may have abandoned or discontinued the previously approved hotel use under
12	applicable provisions of City law. It is reasonable to permit the hotels that participated in the
13	SIP Hotel Program to reactivate the hotel use, and to not require strict compliance with the
14	Planning Code.
15	
16	Section 3. The Planning Code is hereby amended by adding Section 202.15 and
17	revising Section 317, to read as follows:
18	SEC. 202.15. INTERIM HOUSING IN HOTELS AND MOTELS.
19	(a) Purpose. This Section 202.15 is intended to create additional opportunities to locate
20	shelters for persons experiencing homelessness or at risk of homelessness where those persons can
21	receive on-site supportive services. Interim Housing can help reduce the likelihood of negative
22	outcomes for people experiencing homelessness or at risk of experiencing homelessness. Tourist
23	Hotels and Motels are authorized under the Planning Code as separate uses, both of which are
24	considered part of the Retail Sales and Service use category. Hotels and Motels are generally designed
25	to offer privacy for individuals or small groups of individuals in a non-congregate setting while also

1	providing a common space for gathering and various services. This layout and structure is a natural fit
2	for Interim Housing, where individuals or small groups of individuals may desire or need private
3	accommodations while still needing certain supportive services. At the same time, Tourist Hotels and
4	Motels may not desire to locate Interim Housing on their premises, if it would result in the loss of the
5	underlying Hotel or Motel use. This Section allows Tourist Hotel and Motel operators to locate Interim
6	Housing, as defined, on their properties without losing the underlying Hotel or Motel use.
7	(b) Definitions. For purposes of this Section 202.15, the following definitions shall apply.
8	"Client" means any person residing in or seeking to reside in Interim Housing, and includes
9	any dependent children under the age of 18.
10	"Interim Housing" means a Residential use located on land owned or leased by the City, or
11	provided through a contractual arrangement between the City and a third party, that provides shelter
12	to Clients experiencing homelessness or at risk of homelessness, and provides on-site supportive
13	services, including, without limitation, intake and assessment of Clients' needs, outreach to the Clients
14	to assist them with health or social needs, management of the health or social needs of Clients, and
15	referrals for services to the Clients.
16	(c) Interim Housing Use Authorized. Any Hotel or Motel identified in this subsection
17	202.15(c) use may operate all or any portion of its premises as Interim Housing without abandoning
18	or discontinuing its land use authorization as a Hotel or Motel under the Planning Code, irrespective
19	of whether such existing Hotel or Motel use is a principally permitted, conditionally permitted, or
20	nonconforming use. This authorization shall not be interpreted to exempt the Hotel or Motel use from
21	any provision of the Planning Code. Any Interim Housing use authorized pursuant to this Section
22	202.15 shall be permitted for no more than 90 days after the shelter emergency pursuant to
23	Government Code Section 8698.4 is terminated.
24	Interim Housing is authorized at only the following locations: Block 3519, Lot 006.

1	(d) Application. The property owner or the property owner's authorized agent (in either case,
2	"Applicant") shall submit an application for Interim Housing use to the Planning Department, on a
3	form prepared by the Planning Department. The application shall include an affidavit signed by the
4	Applicant, and the property owner, if the Applicant is not the property owner, detailing the proposed
5	Interim Housing use of the property. A Hotel or Motel identified in subsection (c) and existing
6	after April 1, 2025 may apply to establish Interim Housing pursuant to this Section 202.15
7	without losing its Hotel or Motel use.
8	(e) No Conversion, Change, Discontinuance, or Abandonment of Use. The approval or
9	commencement of the Interim Housing authorized under this Section 202.15 shall not be considered a
10	conversion, discontinuance, abandonment, or change of use for purposes of this Code, notwithstanding
11	Sections 178 and 183 of this Code, or any other related provisions. Any Hotel or Motel use established
12	as of the time the Interim Housing use shall continue to be authorized under the Planning Code for as
13	long as such property is used for Interim Housing pursuant to this Section 202.15.
14	(f) Application of Other Development Controls and Requirements. The Interim Housing use
15	that is authorized pursuant to this Section 202.15 shall not be required to comply with development
16	standards applicable to new residential uses, including but not limited to density, rear yard, open
17	space, exposure, and other requirements set forth in Articles 1.2, 1.5, or 2 of the Planning Code. The
18	Interim Housing use shall not be subject to any development impact fees or development requirements
19	set forth in Article 4 of the Planning Code as a prerequisite to obtaining authorization pursuant to this
20	<u>Section 202.15.</u>
21	(g) Termination of Interim Housing Use. Prior to the termination of the Interim
22	Housing use authorized under this Section 202.15, the Department of Homelessness and
23	Supportive Housing ("HSH") shall work with the Interim Housing service provider, if any, to
24	relocate existing program participants prior to the time the Interim Housing use terminates.
25	No less than one year prior to expiration of any agreement to provide Interim Housing, the

1	property owner or landlord shall provide notice to HSH of its intent to not renew any
2	agreement with the City or Interim Housing provider, in order to allow HSH and the service
3	provider time to assist in relocating existing program participant of the Interim Housing.
4	(h) Reactivation of Hotel or Motel Use for Certain Shelter-In-Place Hotels.
5	Notwithstanding Section 178, a Hotel or Motel located at Block 0304, Lot 005, Block 0715, Lot
6	011, Block 0335, Lot 027 that otherwise abandoned or discontinued the Tourist Hotel use due
7	to participation in the City's Shelter-In-Place Hotel Program may reestablish such use, if the
8	Zoning Administrator determines that: (1) the Hotel or Motel entered into an agreement with
9	the City to provide non-congregant shelter as part of the City's Shelter-In-Place Hotel
10	Program; and (2) the Hotel or Motel continued to provide shelter services under an agreement
11	with the City on or after January 1, 2025. Any such reestablished use shall comply with the
12	applicable requirements of the Planning Code, provided that the Hotel or Motel use shall not
13	be required to comply with Article 4 of the Planning Code concerning development impact
14	fees and project requirements to reestablish the use, and the abandonment of the shelter use
15	and reactivation of the Hotel or Motel use shall not be considered removal of residential units
16	pursuant to Section 317. The authorization in this subsection 202.15(h) shall not apply to any
17	units that were Residential Units in a Residential Hotel, as those terms are defined in Chapter
18	41 of the Administrative Code, at the time the Hotel or Motel began to participate in the
19	Shelter-in-Place Hotel Program.
20	
21	SEC. 317. LOSS OF RESIDENTIAL AND UNAUTHORIZED UNITS THROUGH
22	DEMOLITION, MERGER, AND CONVERSION.
23	* * * *
24	(c) Applicability; Exemptions.
25	* * * *

1	(11) If a Hotel or Motel is lawfully authorized for Interim Housing use in accordance
2	with Planning Code Section 202.15, and such use ceases, the abandonment, cessation, or termination
3	of Interim Housing use shall not be considered a Residential Conversion. The reactivation of any
4	Hotel or Motel use pursuant to Section 202.15(h) shall not be considered a Residential
5	Conversion.
6	* * * *
7	
8	Section 4. Chapter 1A and Appendix P of the Building Code are hereby amended by
9	revising Section 106A (specifically Section 106A.2) and Section P101.1, to read as follows:
10	
11	106A.2 Work exempt from permit. [Section 105.2 of the California Building Code.]
12	Exemptions from the permit requirements of this code shall not be deemed to grant
13	authorization for any work to be done in any manner in violation of the provisions of this code
14	or any other laws or ordinances of this jurisdiction. A building permit shall not be required for
15	the following:
16	* * * *
17	(25.) Use of a hotel or motel for Interim Housing use, as defined and authorized in Planning
18	Code Section 202.15, as may be amended from time to time, where the Department confirms the hotel
19	or motel meets the minimum fire and safety requirements set forth in Section P111 of Appendix P to this
20	Code. The use of a hotel or motel or any units within a hotel or motel for Interim Housing shall not
21	change the underlying occupancy classification of the property.
22	26. The reestablishment of a Hotel or Motel use pursuant to Planning Code Section
23	202.15(h) for any such use that participated in the City's Shelter-In-Place Hotel Program and
24	was operated as a shelter. Such reestablishment of the Hotel or Motel Use shall not be
25	considered a change in the underlying occupancy classification of the property.

SECTION P101 – GENERAL

P101.1 Scope. This appendix shall be applicable to emergency housing and emergency housing facilities, as defined in Section P102. The provisions and standards set forth in this appendix shall be applicable to emergency housing established pursuant to the declaration of a shelter crisis under Government Code section 8698 et seq. and located in new or existing buildings, structures, or facilities owned, operated, erected, or constructed by, for, or on behalf of the City and County of San Francisco on land owned or leased by the City and County of San Francisco.

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

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

21 APPROVED AS TO FORM: DAVID CHIU, City Attorney

By:

AUSTIN M. YANG
Deputy City Attorney

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