

BOARD of SUPERVISORS



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## MEMORANDUM

TO: Budget and Legislative Analyst

FROM: John Carroll, Assistant Clerk, Land Use and Transportation Committee

DATE: March 18, 2025

SUBJECT: LEGISLATION AMENDED - FISCAL IMPACT DETERMINATION

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The Board of Supervisors' Land Use and Transportation Committee (a nonfiscal committee) duplicated and amended the following legislation on March 17, 2025. Pursuant to Administrative Code, Section 2.6-3, the new version is being forwarded to you as it was initially determined not to have fiscal impact.

**File No. 250257 Version 2**

**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 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.**

If the new version is determined to have fiscal impact, the legislation will need to be referred to a fiscal committee before it can be referred to the full Board for approval.

Please send your determination or contact with me any questions at (415) 554-4445 or email: [john.carroll@sfgov.org](mailto:john.carroll@sfgov.org).

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**RESPONSE FROM THE BUDGET AND LEGISLATIVE ANALYST - Date:** \_\_\_\_\_

- ☐ This matter has fiscal impact.
- ☐ This matter does not have fiscal impact.
- ☐ Additional information attached.

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Budget and Legislative Analyst

[Planning, Building Codes - Interim Housing in Hotels and Motels]

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 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.

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. Environmental, Land Use, and Related 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. 250257 and is incorporated herein by reference. The Board affirms this determination.

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

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

(d) On November 20, 2024, the Building Inspection Commission considered this ordinance at a duly noticed public hearing pursuant to Charter Section 4.121 and Building 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 Board of Supervisors in File No. 250257.

(e) No local findings are required under California Health and Safety Code Section 17958.7 because the amendments to the Building Code contained in this ordinance do not regulate materials or manner of construction or repair, and instead relate in their entirety to 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).

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

1 of Supervisors to declare the existence of a shelter crisis upon a finding that a significant  
2 number of persons within the jurisdiction are without the ability to obtain shelter, and that the  
3 situation has resulted in a threat to the health and safety of those persons. These  
4 Government Code provisions authorize the City to suspend strict compliance with state and  
5 local statutes, ordinances, and regulations setting housing, health, or safety standards for new  
6 public facilities opened to homeless persons in response to the shelter crisis, to the extent that  
7 strict compliance would prevent, hinder, or delay the mitigation of the shelter crisis, and allow  
8 the City to enact its own standards for the shelters that ensure basic public health and safety.

9 (g) In Ordinance No. 57-16, enacted on April 22, 2016, the Board of Supervisors found  
10 that a significant number of persons within the City lack the ability to obtain shelter, which has  
11 resulted in a threat to their health and safety. For that reason, and based on factual findings  
12 set forth in that ordinance, the Board of Supervisors declared the existence of a shelter crisis  
13 in the City pursuant to California Government Code Section 8698 through 8698.2.

14 (h) In Ordinance No. 60-19, enacted on April 4, 2019, the Board of Supervisors  
15 affirmed that the shelter crisis was still ongoing, and that requiring homeless shelters located  
16 on property owned or leased by the City to go through the standard building permitting  
17 process for construction, repair and siting prevents, hinders and delays efforts to mitigate the  
18 shelter crisis. Therefore, the Board adopted the optional, streamlined approval process  
19 codified in Ordinance No. 60-19 in accordance with California Government Code Section  
20 8698.4.

## 21 22 Section 2. General Findings.

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

1 since they hit bottom in 2020, current occupancy rates are still below peak occupancy levels  
2 in 2018 and 2019.

3 (b) At the same time, the City lacks sufficient sites to provide shelter for persons who  
4 are experiencing homelessness or are at risk of homelessness. The City continues to look for  
5 ways to increase opportunities for emergency housing locations, through both shelter options  
6 and permanent supportive housing.

7 (c) In Ordinance 92-22, enacted on June 24, 2022, the City created the Places for All  
8 Program, which states that it is the policy of the City to offer to every person experiencing  
9 homelessness in San Francisco a safe place to sleep. While the first priority is expanding  
10 opportunities for safe, affordable, and permanent housing for all residents, the Places for All  
11 Program commits the City to exploring opportunities for people experiencing homelessness to  
12 have temporary shelter through the following: Navigation Centers, adult emergency shelters,  
13 crisis stabilization units, family shelters, hotel placements, Safe Overnight Parking Lots, non-  
14 congregate cabins, Safe Sleep Sites, other non-congregate shelter, and shelters for  
15 transitional aged youth ("TAY").

16 (d) Interim Housing is a form of shelter where program participants have individual  
17 rooms, with shared amenities such as kitchens, pantries, and laundry facilities. Residents  
18 have access to on-site case managers, other supportive services, and additional resources  
19 needed to build self-sufficiency.

20 (e) California Civil Code Sections 1954.08 through 1954.093 provide that individuals  
21 occupying a shelter located in a hotel or motel are not tenants, and do not have a tenancy or  
22 hotel-customer relationship with the hotel operator. It also provides that a hotel or motel may  
23 not be designated a nontransient hotel or motel solely as a result of a shelter participant's  
24 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) 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 law.

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           (l) 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.  
25



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           Section 202.15.

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.

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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.

APPROVED AS TO FORM:  
DAVID CHIU, City Attorney

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**REVISED LEGISLATIVE DIGEST**  
*(Amended in Committee – March 17, 2025)*

[Planning, Building Codes - Interim Housing in Hotels and Motels]

**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 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**

Existing Law

Pursuant to state law, the City may declare the existence of a shelter crisis if it finds that a significant number of persons within the City lack the ability to obtain shelter, and that fact has resulted in a threat to their health and safety. The City made these findings in Ordinance No. 57-16 pursuant to California Government Code Section 8698 through 8698.2. Later amendments to that law permitted the City to adopt streamlined Building Code standards if the City determined that strict compliance with the Building Code for shelters located on land owned or leased by the City would prevent, hinder or delay efforts to mitigate the shelter crisis. The City made these findings and adopted the relaxed standard, now codified in Appendix P, in Ordinance No. 60-19. The authorization to declare such a shelter crisis and adopt the streamlined standards was extended in SB 1395 (2024).

Civil Code 1954.08 through 1954.093 provide that operating tourist hotels and motels does not create a landlord tenant relationship between the program participant and the shelter operator. Although these sections were set to expire on January 1, 2025, AB 2835 (2024) recently amended these code sections to remove the sunset date.

Under the Planning Code, if a use is not operated or is discontinued for a certain amount of time, the use is considered abandoned. With limited exceptions, more than one use is not permitted in the same area. The Planning Code considers a Hotel use and a Motel use to each be a form of a Retail Sales and Service use. Homeless shelters are generally considered a Residential use.

### Amendments to Current Law

This ordinance would amend the Planning Code to create Interim Housing, which would be a Residential use that provides shelter and services to persons experiencing homelessness or at risk of homelessness. The ordinance would allow existing Tourist Hotels and Motels to be used as Interim Housing without losing the prior authorization as a Hotel or Motel use, and would not require strict adherence with other sections of the Planning Code that apply to Residential uses. The Hotel or Motel use would continue so long as the Tourist Hotel or Motel is being used for Interim Housing. The ordinance would allow Interim Housing at one location. The ordinance would also only apply to hotels where the hotel use existed on or after April 1, 2025. The ordinance would require HSH work with Interim Housing providers to relocate program participants, in the event the Interim Housing Provider seeks to cease the Interim Housing use.

The ordinance would also allow hotels that participated in the City's COVID Shelter-In-Place Hotel Program to reactivate the existing hotel use without the need for a new entitlement, clarify that the reactivation of the hotel use at those locations does not constitute a residential conversion pursuant to Planning Code Section 317, and exempt such reactivation from the need for a building permit..

This ordinance would also allow Tourist Hotels and Motels to rely on the Building Code Standards in Appendix P, which were adopted pursuant to Government Code 8698.4. The ordinance would amend Appendix P to remove the restriction that shelters be located on property owned or leased by the City. The ordinance also would provide that using a Tourist Hotel or Motel as Interim Housing would not change the underlying occupancy classification of the property.

### Background Information

The City is still recovering from underutilized and vacant hotels and motels. This ordinance attempts to match underutilized or vacant hotels and shelter service providers.

At the March 10, 2025 meeting of the Land Use and Transportation Committee, the Committee adopted amendments that would limit the use to one location, set an application criteria, and require HSH to work with shelter providers to relocate program participants.

At the March 17, 2025 meeting of the Land Use and Transportation Committee, the Committee duplicated the file and added amendments that would allow hotels that participated in the City's COVID Shelter-In-Place Hotel Program to reactivate the existing hotel use without the need for a new entitlement.

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