

Options for Housing for Seniors and People with Disabilities

Policy Analysis Report to Supervisor Gordon Mar

Presentation to:

**PUBLIC SAFETY & NEIGHBORHOOD SERVICES COMMITTEE
BOARD OF SUPERVISORS
CITY AND COUNTY OF SAN FRANCISCO**

July 14, 2022

Seniors & people with disabilities in SF

- 164,036 San Franciscans 65+ as of 2022: California Department of Finance.
- 2022 to 2042: senior growth rate to exceed the total population and will skew older.
- 87,864 San Franciscans with disabilities in 2020, approximately half of whom were 65 years or older. San Francisco is also home to an estimated 38,774 adults ages 18-64 with disabilities (U.S. Census).
- State projection: seniors with disabilities population will grow between 2015 and 2060 by 170 percent, a rate faster than the senior population as a whole (State Legislative Analyst's Office).

SF Senior Population: 2010, 2022, 2042

	2010	2022	2042	Growth 2022-2042	% Change 2022-2042	Growth 2010- 2042
65+ Total	110,696	164,036	243,497	79,461	48.4%	132,801
65-74	54,882	89,398	108,954	19,566	21.9%	54,072
75-84	38,075	49,389	79,482	30,093	60.9%	41,407
85+ total	17,739	25,249	55,061	29,812	118.1%	37,322
65-74 % all seniors	49.6%	54.5%	44.7%			
75-84 % all seniors	34.4%	30.1%	32.6%			
85+ total all seniors	16.0%	15.4%	22.6%%			
Total population	810,504	897,416	979,206	81,790	9.1%	168,702
Seniors % Total Pop	13.7%	18.3%	24.9%			

Source: California Department of Finance

Low incomes, high cost city

- Approximately 25% of seniors aged 65 and older have incomes below 150% of the federal poverty level vs. 15% of all San Franciscans.
- Approximately 30% people with disabilities aged 18 – 64 live in poverty, in contrast to approximately 8% of their peers without disabilities.

Senior-headed households by income relative to Area Median Income, 2018

	# Households	% Total
Below 30% AMI	26,683	33.8%
30-50% AMI	11,402	14.4%
50-80% AMI	12,547	15.9%
80-120% AMI	10,492	13.3%
120-150% AMI	4,942	6.3%
150-200% AMI	4,502	5.7%
Above 200% AMI	8,425	10.7%
Total	78,993	100.0%

Source: Planning Department

What SF is doing to support Aging in Place

National survey:

- 77 percent of survey respondents over age 50: want to remain in their own residences as long as possible.
 - 79 percent of respondents indicated a desire to remain in their communities
-

16 programs available to San Francisco seniors and people with disabilities focus on aging in place. For many, this helps control housing costs too.

- In-home personal care, assistance with everyday tasks, and household services to avoid or to assist in returning from admission to skilled nursing, assisted living, or other residential care facilities
- Subsidies or low-interest loans for modifications to make homes more accessible and safer for seniors and people with disabilities
- Financial support and subsidies for housing costs that enable lower income seniors and people with disabilities to remain in their homes, move back to them after an institutionalization, or move to a new home affordably.

Policy options: Performance measures and goals for City programs

To assist Board of Supervisors with funding decisions:

Performance measures

1. Number of seniors and people with disabilities able to remain in their homes due to City, State, or other programs and services.
2. Number successfully transitioned back to home after an institutionalization.

...and others

Goals (based on demographic analysis)

1. Number of unwanted moves prevented.
2. Number of affordable units to be constructed.
3. Number skilled nursing facility beds needed.

...and others

Ideas related to current programs & from other jurisdictions

- Expand investment in/incentives and support for home modification (including use of technology)
- Lower living costs for seniors –utility discount programs, rent-freeze program
- Increase availability of tenant-based subsidies
- Outreach campaign for Medi-Cal enrollment given changes to/elimination of asset limits (will make possible for more to qualify for IHSS)
- Lean into and expand programming allowing for flexible expenditure (e.g., like CLF, PACE)

When a move is necessary: *market rate housing*

Limitations in SF for middle income seniors & people with disabilities:

- “Overhoused” syndrome.
- Few market rate developments designed for seniors.
- Few downsizing or assisted living options in own neighborhoods

Policy options to support senior housing within SF:

- Education: Proposition 19 property tax transfer.
- Expand locations where Senior Housing permitted.
- Create an Overlay Zone to allow greater density to encourage more development for senior housing.
- Waive impact fees/inclusionary requirements for market rate developments for seniors and people with disabilities.

When a move is necessary: *affordable housing*

- 2016 – 2021: 9,148 units of newly constructed affordable housing in SF; 484 units dedicated to seniors.
- 2,268 existing units were rehabilitated for seniors (not adding to the overall inventory of senior housing).
- Approximately 5,595 deed-restricted affordable housing units dedicated to seniors in the MOHCD portfolio relative to a 2022 senior population estimated to be 164,036 (though many seniors live in “non-senior” affordable units).
- The Department of Homelessness and Supportive Housing has 867 site-based permanent supportive housing (PSH) units set aside for older adults.

Additional affordable senior housing units needed to keep up with projected San Francisco senior population growth through 2042

Senior population 2022	164,036
Deed-restricted affordable Senior units	5,595
Units/10,000 seniors	341
Projected senior population 2042	243,497
Units needed for 341 units/10,000 seniors	8,303
Increase needed: 2042 vs 2022	2,708
Average unit production needed	135
Average unit production: 2016-2021	81

How can SF ramp up affordable production?

Cost: \$700,000 –\$900,000/unit.

Sites are scarce.

Key sources at present: GO bonds, ERAF, Development Impact Fees, Housing Trust Fund.

Question: how many units are needed?

- New assessment every 3 years by DAS according to legislation passed in 2020 (also recommended in Housing Element)
- BLA recommends setting goals for # units through demographic analysis and comprehensive review of related services such as aging in place programs.

Possible sources/approaches: affordable housing production

- GO Bonds: new issuances
 - Housing could assume greater share of total Citywide debt (now capped at 0.12% of City's AV).
 - Consider temporarily lifting cap to allow for greater bond sizing.

- Declare housing emergency to allow for catch up.
- Consider use of Certificates of Participation (*though higher interest*).
- Reduce construction costs with modular construction.
- Engage with new Bay Area Housing Finance Agency (regional bonds).

When assisted living, skilled nursing facilities, and other care outside the home is needed

Skilled nursing facilities (SNF) very costly

- \$11,500/mo for a semi-private room, \$14,000/mo for a private room
- Mostly covered by Medi-Cal.

SNF beds in San Francisco decreased by an estimated 35 percent from 3,474 beds in 2002 to 2,264 beds in 2020

SF Senior population 2022	164,036
Licensed SNF Beds in San Francisco, 2020	2,264
Beds/10,000 seniors	138.0
Projected senior population 2042	243,497
Beds needed for 138 beds/10,000 seniors	3,360
Increase needed: 2032 vs 2022	1,096

Assisted Living includes Residential Care Facilities for the Elderly and Adult Residential Facilities for non-elderly adults with disabilities

Assisted living can be better, less restrictive alternative than SNFs.

Assisted living is costly: \$6,300/mo.

- mostly not covered by Medi-Cal; SSI + Supplement insufficient.

34.6% decline in Adult Residential Facility (ARF) beds for non-elderly adults with disabilities since 2012.

Many smaller, less costly assisted living facilities (“board and care” homes) in SF have closed in recent years.

Assisted Living Need and Options

Residential Care Facilities for the Elderly Beds Needed to Keep up with Population

Senior population 2022	164,036
RCFE beds	3,548
Beds/10,000 seniors	216.3
Projected senior population 2042	243,497
Beds needed for 216 units/10,000 seniors	5,267
Increase needed: 2042 vs 2022	1,718

Policy options

- Medi-Cal waiver- needs outreach; incentivize assisted living facilities?
- City Community Living Fund, DPH subsidies, PACE covers assisted living in some situations
- City-run RCFEs and ARFs
- Explore supplementing SSI payments for residents directed to assisted living
- Reduce zoning restrictions; HomeSF model could be used

Planning and Saving for Long-Term Care

- Approximately three out of every four Americans over age 65 will need long-term care at some point in their lives.
- 2014: three-quarters of California's private sector low-income workers and half middle-income workers had no dedicated retirement assets that could cover long-term care.
- Washington state has created its own long-term care fund (Washington Cares Fund): mandated contributions & \$36,500 in benefits after a certain number of years. Singapore has a comparable program.
- California Long Term Care Insurance Task Force, created by State legislature: working on a proposed plan combining government funding, enrollee premiums, and private insurance. The group's goal is to issue their plan in January 2023.
- City could provide education to residents, collaborate with State, or consider creating its own fund for working residents.

Questions and comments

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Full report: <https://sfbos.org/budget-legislative-analyst-reports>

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