



December 23, 2024

Ms. Angela Calvillo, Clerk
Honorable Mayor Breed
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 2024-010322PCA:**
Interim Housing in Hotels and Motels
Board File No. 241067

Planning Commission Recommendation: Adopted a Recommendation for Approval

Dear Ms. Calvillo and Mayor Breed,

On December 12, 2024, the Planning Commission conducted a duly noticed public hearing at a regularly scheduled meeting to consider the proposed Ordinance, introduced by Mayor Breed. The proposed Ordinance would amend the Planning Code to allow Hotels and Motels to be used for Interim Housing without abandoning or discontinuing their land use designation. Additionally, the proposed Ordinance would amend the Building Code to allow Interim Housing without changing the underlying occupancy classification of the property. Lastly, the proposed Ordinance would amend Appendix P of the Building Code to remove the restriction that emergency housing only be located on land owned or leased by the City. At the hearing the Planning Commission adopted a recommendation for approval, with an anticipated amendment related to relocation efforts.

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.

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

cc: Austin Yang, Deputy City Attorney
Tom Paulino, Mayor Breed's Liaison to the Board of Supervisors
Lisa Gluckstein, Housing & Land Use Advisor to Mayor Breed
John Carroll, Office of the Clerk of the Board

ATTACHMENTS :

Planning Commission Resolution
Planning Department Executive Summary



PLANNING COMMISSION RESOLUTION NO. 21661

HEARING DATE: DECEMBER 12, 2024

Project Name: Interim Housing in Hotels and Motels
Case Number: 2024-010322PCA [Board File No. 241067]
Initiated by: Mayor Breed / Introduced October 29, 2024
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 ANTICIPATED AMENDMENTS RELATED TO RELOCATION EFFORTS, 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; AMENDING THE BUILDING CODE TO ALLOW INTERIM HOUSING WITHOUT THEREBY CHANGING THE UNDERLYING OCCUPANCY CLASSIFICATION OF THE PROPERTY, 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 October 29, 2024 Mayor Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 241067, 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; amend the Building Code to allow Interim Housing without thereby changing the underlying occupancy classification of the property, and amend 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 December 12, 2024; 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 anticipated amendments**, of the proposed ordinance.

Findings

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

The proposed Ordinance will reduce homelessness and the risk of homelessness by providing more opportunities for shelter beds. This directly responds to the expansion targets of Home By the Bay, the City's five-year strategic plan to end homelessness in San Francisco.

General Plan Compliance

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

HOUSING ELEMENT

OBJECTIVE 1.A

ENSURE HOUSING STABILITY AND HEALTHY HOMES.

OBJECTIVE 1.C

ELIMINATE HOMELESSNESS

Policy 8

Expand permanently supportive housing and services for individuals and families experiencing homelessness as a primary part of a comprehensive strategy to eliminate homelessness.

Policy 9

Prevent homelessness and eviction through comprehensive evidence-based systems, including housing and other services targeted to serve those at risk of becoming unhoused.

The proposed Ordinance supports the Housing Element's objective to ensure housing stability and healthy homes for all. This is done by creating a new path to convert a Hotel or Motel use to temporary Interim Housing. Interim Housing provides shelter to San Franciscans experiencing homelessness or at risk of homelessness. This creates new opportunities for vulnerable populations to exit homelessness, directly supporting Objective 1.C to eliminate homelessness. Additionally, Interim Housing provides on-site supportive services, including intake and assessment of Clients' needs, management of the health or social needs of Clients, and referrals for services to the Clients. This supports both Policies 8 and 9 by providing supportive services for those experiencing homelessness.

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 ANTICIPATED AMENDMENTS 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 December 12, 2024.



Jonas P. Ionin
Commission Secretary

Jonas P Ionin

Digitally signed by Jonas P Ionin
Date: 2024.12.19 11:26:42 -08'00'

AYES: Campbell, McGarry, Braun, So

NOES: Williams, Imperial, Moore

ABSENT: None

ADOPTED: December 12, 2024



EXECUTIVE SUMMARY

PLANNING AND BUILDING CODE TEXT AMENDMENT

HEARING DATE: December 12, 2024

90-Day Deadline: February 4, 2025

Project Name: Interim Housing in Hotels and Motels
Case Number: 2024-010322PCA [Board File No. 241067]
Initiated by: Mayor Breed / Introduced October 29, 2024
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 Hotels and Motels to be used for Interim Housing without abandoning or discontinuing their land use designation. Additionally, the proposed Ordinance would amend the Building Code to allow Interim Housing without changing the underlying occupancy classification of the property. Lastly, the proposed Ordinance would amend Appendix P of the Building Code to remove the restriction that emergency housing only be located on land owned or leased by the City.

| The Way It Is Now: | The Way It Would Be: |
|---|--|
| PLANNING CODE AMENDMENTS | |
| Client and Interim Housing are not defined under the Planning Code. | The proposed Ordinance would create new definitions for “Client” and “Interim Housing” for this Code Section 202.15. The full definitions are listed in <i>Issues and Considerations</i> . |
| 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. | Hotels and Motels would be able to convert to Interim Housing without abandoning their use. This would only be allowed during a declared shelter emergency, and up to 90 days thereafter. Reverting Interim Housing to a Hotel or Motel use would not be considered a Residential Conversion under this Ordinance. Thus, no Conditional Use Authorization (CUA) is required when removing Interim Housing to restore the Hotel or Motel use. |
| BUILDING CODE AMENDMENTS | |
| Converting a Hotel or Motel to Interim Housing changes the occupancy classification of the property. | Converting a Hotel or Motel to Interim Housing would not change the occupancy classification of the property. |
| Emergency housing is only allowed on land owned by or leased by the City and County of San Francisco. | This restriction on emergency housing would be removed. |

Anticipated Amendment

The sponsor intends to incorporate an amendment that would require the Department of Homelessness and Supportive Housing (HSH) to work with the Interim Housing provider, if any, to relocate existing Clients when the Interim Housing closes.

Background

Mayor Breed’s [Homelessness Recovery Plan](#) (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 [Home by the Bay](#), 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. The proposed Ordinance would support this goal by making it easier for a Hotel or Motel use to temporarily convert to Interim Housing. Interim Housing is a form of shelter where program participants have individual rooms and have access to supportive services.

The Building Inspection Commission (BIC) heard this item on November 20, 2024 and unanimously recommended approval.

Issues and Considerations

New Definitions

The proposed Ordinance would create two new definitions within this subsection. These new definitions are included below for clarity:

*“**Client**” means any person residing in or seeking to reside in Interim Housing, and includes any dependent children under the age of 18.*

*“**Interim Housing**” means a Residential use located on land owned or leased by the City, or provided through a contractual arrangement between the City and a third party. Such Interim Housing provides shelter to Clients experiencing homelessness or at risk of homelessness, and provides on-site supportive services, including, without limitation, intake and assessment of Clients’ needs, outreach to the Clients to assist them with health or social needs, management of the health or social needs of Clients, and referrals for services to the Clients.*

Homelessness in San Francisco

HSH conducts a Point-in-Time (PIT) Count every two years. This is a federal requirement for communities receiving federal funding to provide homeless services. The PIT Count provides a critical snapshot of people experiencing homelessness in San Francisco. It is also useful for measuring local and national trends over time. The most recent PIT Count, conducted on January 30, 2024, found there are 8,323 people experiencing homelessness in San Francisco. This is a 7% increase in the number of people experiencing homelessness compared to the 2022 PIT Count.¹ The results of the last ten PIT Counts are summarized in Figure 1 on the next page.² While the PIT results have fluctuated up and down in recent years, the total number of people experiencing homelessness has not been this high since 2002.

According to the 2024 PIT Count & Report, HSH helped people exit homelessness at a faster rate than ever before. However, the exits from homelessness that HSH supported have not been able to keep pace with the inflow of people who become newly homeless or return to homelessness throughout the year. While 8,323 homeless individuals were observed on the night of the PIT Count, more than 20,000 people seek homeless services in San Francisco over the course of a full year. These figures suggest that for every person HSH can help exit from homelessness through the Homelessness Response System, approximately three people become homeless. When the need exceeds available local resources, people unable to resolve homelessness on their own may remain homeless for long periods of time. The proposed Ordinance helps to address this by providing more resources and a safe place to shelter.

¹ [San Francisco 2024 Homelessness Point-in-Time Count & Report](#).

² San Francisco was granted an exception from conducting the 2021 PIT Count due to COVID-19 health and safety risks.

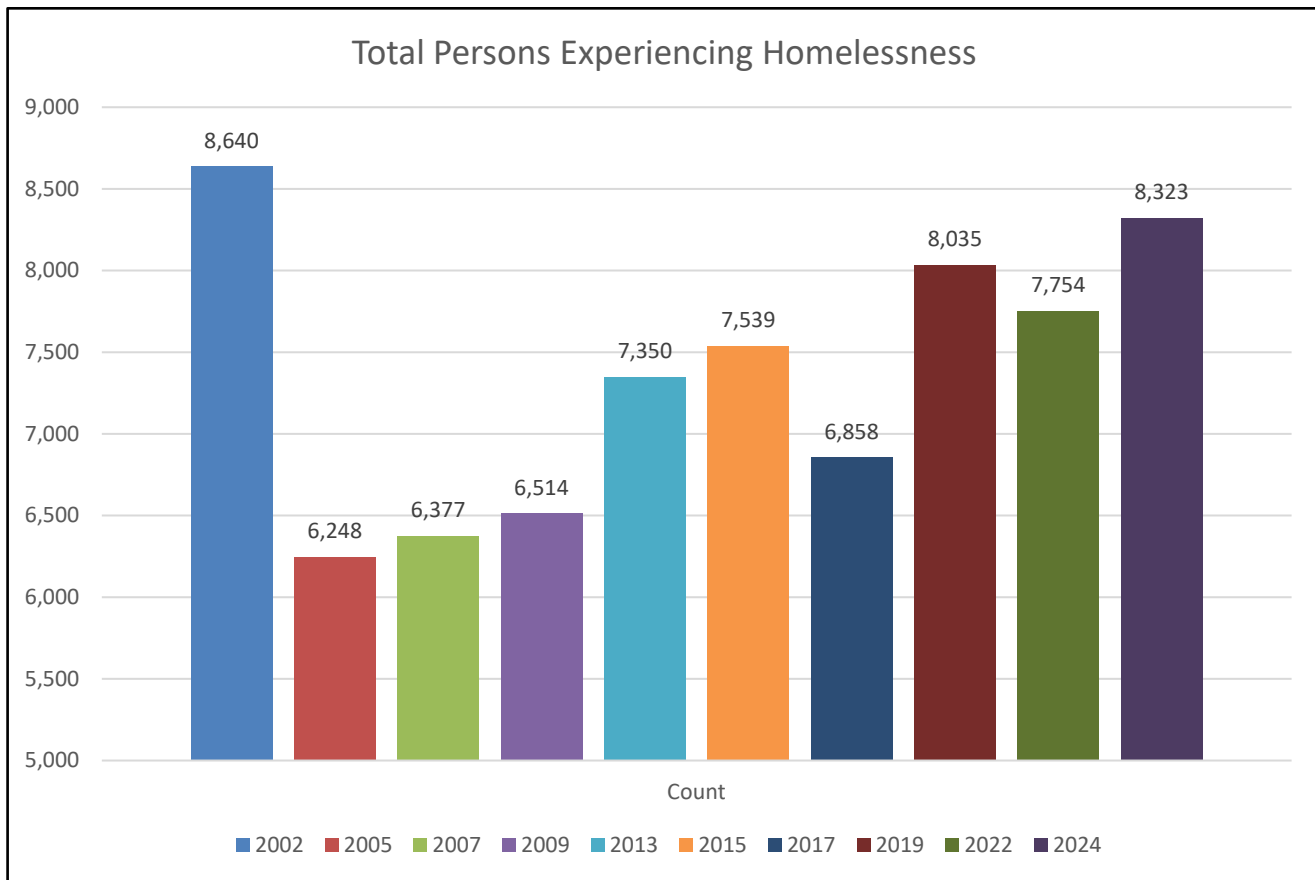


Figure 1: Total Persons Experiencing Homelessness in San Francisco
Data Source: Department of Homelessness and Supportive Housing; Applied Survey Research

Home By the Bay Strategic Plan

San Francisco’s five-year strategic homeless plan, Home By the Bay, outlines goals and implementation efforts from July 2023 through June 2028. The first goal overarching goal is to decrease homelessness. Specifically, the goal is to reduce the number of people who are unsheltered by 50% and reduce the total number of people experiencing homelessness by 15%. To help achieve this and the other goals in the plan, the City needs to expand the Homelessness Response System in three specific areas: prevention services, new shelter beds, and new permanent housing. The proposed Ordinance directly responds to the second expansion target, which is to add 1,075 new shelter beds during this time frame. In fiscal year 2023-2024, HSH added 498 shelter beds³ and well on the way to meeting this target. Creating more opportunities to add shelter beds through Interim Housing can help HSH meet this expansion target sooner.

³ [Home By the Bay – Year 1 Progress Report.](#)

Hotels and Occupancy Rates

Hotels are comprised of individual rooms plus shared spaces. This physical composition makes hotels a natural fit to be used as Interim Housing and temporary shelters for those experiencing homelessness. Clients would still have their private space, and the common spaces could be used for on-site supportive services. However, Hotels and Motels might not be inclined to convert to Interim Housing in fear of losing their land use designation. The proposed Ordinance will allow such hotels to retain their land use designation if they temporarily convert to Interim Housing. This would allow hotels to be used to respond to immediate shelter needs.

The Shelter-in-Place (SIP) Hotels during the COVID-19 pandemic is a successful example of how hotels can be repurposed to provide safe spaces to those experiencing homelessness. This was especially important during the ongoing emergency shelter crisis. SIP Hotels supported individuals experiencing homelessness in San Francisco who were at increased risk for severe illness from COVID-19. While the immediate threat of COVID-19 has lapsed, the SIP Hotels could still serve as a model for alternative housing opportunities during a declared shelter emergency.

Occupancy Rates

Hotel occupancy rates provide insight into how many people are travelling to San Francisco for tourism. Hotel occupancy in San Francisco dropped dramatically in April 2020 after COVID-19. Occupancy rates slowly increased through to December 2022, though not steadily. Latest data shows that San Francisco had a 70% occupancy rate in September 2024.⁴ Table 1 shows that San Francisco has had a lower hotel occupancy rate than that of other major cities in the United States.⁵ The data also shows that other cities have been able to increase hotel occupancy rates and tourism at stronger rates than San Francisco since the COVID-19

Table 1: Monthly Hotel Occupancy Rates (Seasonally Adjusted)

| Date | San Francisco | New York City | Los Angeles | San Diego | Seattle |
|----------------|---------------|---------------|-------------|-----------|---------|
| September 2024 | 70% | 85% | 76% | 77% | 73% |
| August 2024 | 65% | 86% | 73% | 74% | 73% |
| July 2024 | 65% | 85% | 73% | 76% | 74% |
| June 2024 | 69% | 86% | 72% | 76% | 74% |
| May 2024 | 69% | 88% | 75% | 77% | 74% |
| April 2024 | 58% | 85% | 71% | 77% | 69% |
| March 2024 | 64% | 85% | 73% | 75% | 70% |
| February 2024 | 60% | 82% | 70% | 74% | 68% |
| January 2024 | 64% | 82% | 69% | 71% | 66% |

pandemic. This may be due to a myriad of factors amongst the different cities that cannot be distilled to one specific reason. But this also means the vacant hotel rooms can be a valuable resource to respond to the immediate need of those experiencing homelessness in our city right now.

Data Source: Office of Economic and Workforce Development; SF Travel

⁴ [San Francisco Tourism](#), Data from SF Travel.

⁵ [San Francisco Tourism](#), Data from SF Travel.

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 Interim Housing, closing said Interim Housing would not be considered a Residential Conversion. Therefore, closing the Interim Housing 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 Interim Housing closes.

Additionally, [Assembly Bill 2835](#) 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 [Senate Bill 330](#) 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.

General Plan Compliance

The proposed Ordinance supports the Housing Element's objective to ensure housing stability and healthy homes for all. This is done by creating a new path to convert a Hotel or Motel use to temporary Interim Housing. Interim Housing provides shelter to San Franciscans experiencing homelessness or at risk of homelessness. This creates new opportunities for vulnerable populations to exit homelessness, directly supporting Objective 1.C to eliminate homelessness. Additionally, Interim Housing provides on-site supportive services, including intake and assessment of Clients' needs, management of the health or social needs of Clients, and referrals for services to the Clients. This supports both Policies 8 and 9 by providing supportive services for those experiencing homelessness.

Racial and Social Equity Analysis

The Planning and Building Code amendments in the proposed Ordinance would help protect our most vulnerable populations experiencing homelessness. High housing costs continues to plague the Bay Area and has contributed to high levels of homelessness in San Francisco. The severe lack of affordable housing and sharp increases in rent continue to push more people into homelessness each year. This is further intensified because housing costs have rapidly outpaced wage growth.

There has been an increase in those experiencing homelessness in recent years, and this was further exacerbated by the COVID-19 pandemic. The Ordinance helps address this issue by allowing all Hotels and Motels to temporarily change to Interim Housing and back, without losing their land use designation. This additional opportunity for Interim Housing comes at a time of greatest need amidst the increase in homelessness within the past few years.

That being said, the current draft of the Ordinance is silent on relocation efforts or assisting residents once the Interim Housing is converted back to a Hotel or Motel. These plans should be flushed out more to ensure that Clients are transitioned into safe, stable housing in a timely manner. Without such plans in place, these Clients may experience homelessness again. The Department understands the sponsor is working on an amendment to address these concerns.

Implementation

The Department has determined that this Ordinance will have minimal impact on our current implementation procedures. The only anticipated impact would require the Planning Department to create an application for Interim Housing. The Department does not anticipate this would require a lot of time or resources because there are already Department forms that can serve as a template for this application.

Recommendation

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

Basis for Recommendation

The Department is recommending approval of the proposed Ordinance because it supports the Housing Element's and "Home by the Bay" goals of reducing homelessness and the risk of homelessness. This is done by allowing a Hotel or Motel to temporarily convert to Interim Housing, without losing their land use designation. A Hotel or Motel use offers individual rooms and common space or amenities, like the physical requirements of Interim Housing. This makes it an ideal use for a shelter since a hotel would require minimal physical changes to accommodate Clients. This is a creative solution using existing resources to respond to present-day needs, which include safe, healthy homes for all our residents. The proposed Ordinance takes advantage of San Francisco's currently low hotel occupancy rates, and also ensures the hotels can revert to their Hotel or Motel use seamlessly. Additionally, the proposed Ordinance allows the Interim Housing without requiring a change of occupancy under the Building Code. A change of occupancy classification may trigger extensive physical changes resulting in a financially infeasible project. Therefore, the Department supports the Building Code changes because it would remove additional hurdles to temporarily convert a Hotel or Motel use to Interim Housing. Lastly, Interim Housing includes on-site supportive housing for all the Clients to help Clients successfully exit homelessness. These services are all located on-site, making it convenient for Clients seeking support. For these reasons, the Department supports the proposed Ordinance and the anticipated amendment regarding relocation efforts.

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. 241067



PLANNING COMMISSION DRAFT RESOLUTION

HEARING DATE: December 12, 2024

Project Name: Interim Housing in Hotels and Motels
Case Number: 2024-010322PCA [Board File No. 241067]
Initiated by: Mayor Breed / Introduced October 29, 2024
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 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; AMENDING THE BUILDING CODE TO ALLOW INTERIM HOUSING WITHOUT THEREBY CHANGING THE UNDERLYING OCCUPANCY CLASSIFICATION OF THE PROPERTY, 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 October 29, 2024 Mayor Breed introduced a proposed Ordinance under Board of Supervisors (hereinafter "Board") File Number 241067, 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; amend the Building Code to allow Interim Housing without thereby changing the underlying occupancy classification of the property, and amend 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 December 12, 2024; 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** of the proposed ordinance.

Findings

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

The proposed Ordinance will reduce homelessness and the risk of homelessness by providing more opportunities for shelter beds. This directly responds to the expansion targets of Home By the Bay, the City's five-year strategic plan to end homelessness in San Francisco.

General Plan Compliance

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

HOUSING ELEMENT

OBJECTIVE 1.A

ENSURE HOUSING STABILITY AND HEALTHY HOMES.

OBJECTIVE 1.C

ELIMINATE HOMELESSNESS

Policy 8

Expand permanently supportive housing and services for individuals and families experiencing homelessness as a primary part of a comprehensive strategy to eliminate homelessness.

Policy 9

Prevent homelessness and eviction through comprehensive evidence-based systems, including housing and other services targeted to serve those at risk of becoming unhoused.

The proposed Ordinance supports the Housing Element's objective to ensure housing stability and healthy homes for all. This is done by creating a new path to convert a Hotel or Motel use to temporary Interim Housing. Interim Housing provides shelter to San Franciscans experiencing homelessness or at risk of homelessness. This creates new opportunities for vulnerable populations to exit homelessness, directly supporting Objective 1.C to eliminate homelessness. Additionally, Interim Housing provides on-site supportive services, including intake and assessment of Clients' needs, management of the health or social needs of Clients, and referrals for services to the Clients. This supports both Policies 8 and 9 by providing supportive services for those experiencing homelessness.

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 the proposed Ordinance as described in this Resolution.

I hereby certify that the foregoing Resolution was adopted by the Commission at its meeting on December 12, 2024.

Jonas P. Ionin
Commission Secretary

AYES:

NOES:

ABSENT:

ADOPTED: December 12, 2024

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

2

3 **Ordinance amending the Planning Code to allow tourist hotels and motels to be used**
 4 **for Interim Housing without thereby abandoning or discontinuing the hotel use**
 5 **classification under that Code; amending the Building Code to allow Interim Housing**
 6 **without thereby changing the underlying occupancy classification of the property, and**
 7 **amending Appendix P to remove restriction that emergency housing be located on land**
 8 **owned or leased by the City; affirming the Planning Department’s determination under**
 9 **the California Environmental Quality Act; and making findings of consistency with the**
 10 **General Plan, and the eight priority policies of Planning Code, Section 101.1, and**
 11 **findings of public necessity, convenience, and welfare under Planning Code,**
 12 **Section 302.**

13

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

18

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

20 Section 1. Environmental, Land Use, and Related Findings.

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

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

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

11 (d) On _____, the Building Inspection Commission considered this
12 ordinance at a duly noticed public hearing pursuant to Charter Section 4.121 and Building
13 Code Section 104A.2.11.1.1. A copy of a letter from the Secretary of the Building Inspection
14 Commission regarding the Commission's recommendation is on file with the Clerk of the
15 Board of Supervisors in File No. _____.

16 (e) No local findings are required under California Health and Safety Code Section
17 17958.7 because the amendments to the Building Code contained in this ordinance do not
18 regulate materials or manner of construction or repair, and instead relate in their entirety to
19 administrative procedures for implementing the code, which are expressly excluded from the
20 definition of a "building standard" by California Health and Safety Code Section 18909(c).

21 (f) To the extent the amendments contained in this ordinance reference existing
22 provisions of San Francisco Building Code Appendix P and could be considered "building
23 standards," California Government Code Sections 8698 through 8698.4 authorize the Board
24 of Supervisors to declare the existence of a shelter crisis upon a finding that a significant
25 number of persons within the jurisdiction are without the ability to obtain shelter, and that the

1 situation has resulted in a threat to the health and safety of those persons. These
2 Government Code provisions authorize the City to suspend strict compliance with state and
3 local statutes, ordinances, and regulations setting housing, health, or safety standards for new
4 public facilities opened to homeless persons in response to the shelter crisis, to the extent that
5 strict compliance would prevent, hinder, or delay the mitigation of the shelter crisis, and allow
6 the City to enact its own standards for the shelters that ensure basic public health and safety.

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

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

19
20 Section 2. General Findings.

21 (a) The tourism and hospitality sector of the San Francisco economy plays a vital role
22 in drawing visitors to the City in record numbers. But hotel occupancy declined precipitously
23 during the COVID -19 crisis. Although hotel occupancy rates have continued to climb upward
24 since they hit bottom in 2020, current occupancy rates are still below peak occupancy levels
25 in 2018 and 2019.

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

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

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

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

23 (f) While the hotel industry continues to recover and evolve, the public interest would
24 be served if underutilized hotels and motels could provide much needed Interim Housing. It is
25

1 reasonable for the City to partner with underutilized and vacant hotels and motels to provide
2 safe housing and services for individuals in need of housing.

3 (g) It would be unreasonable and counter to the public interest to require that tourist
4 hotels and motels used as Interim Housing lose their underlying tourist use designation and
5 occupancy classification under the Planning and Building Codes. Accordingly, this ordinance
6 provides just the opposite, that hotels and motels used as Interim Housing will retain their
7 tourist use designation and occupancy classification under the respective codes.

8
9 Section 3. The Planning Code is hereby amended by adding Section 202.15 and
10 revising Section 317, to read as follows:

11 **SEC. 202.15. INTERIM HOUSING IN HOTELS AND MOTELS.**

12 (a) Purpose. This Section 202.15 is intended to create additional opportunities to locate
13 shelters for persons experiencing homelessness or at risk of homelessness where those persons can
14 receive on-site supportive services. Interim Housing can help reduce the likelihood of negative
15 outcomes for people experiencing homelessness or at risk of experiencing homelessness. Tourist
16 Hotels and Motels are authorized under the Planning Code as separate uses, both of which are
17 considered part of the Retail Sales and Service use category. Hotels and Motels are generally designed
18 to offer privacy for individuals or small groups of individuals in a non-congregate setting while also
19 providing a common space for gathering and various services. This layout and structure is a natural fit
20 for Interim Housing, where individuals or small groups of individuals may desire or need private
21 accommodations while still needing certain supportive services. At the same time, Tourist Hotels and
22 Motels may not desire to locate Interim Housing on their premises, if it would result in the loss of the
23 underlying Hotel or Motel use. This Section allows Tourist Hotel and Motel operators to locate Interim
24 Housing, as defined, on their properties without losing the underlying Hotel or Motel use.

25 (b) Definitions. For purposes of this Section 202.15, the following definitions shall apply.

1 “Client” means any person residing in or seeking to reside in Interim Housing, and includes
2 any dependent children under the age of 18.

3 “Interim Housing” means a Residential use located on land owned or leased by the City, or
4 provided through a contractual arrangement between the City and a third party, that provides shelter
5 to Clients experiencing homelessness or at risk of homelessness, and provides on-site supportive
6 services, including, without limitation, intake and assessment of Clients’ needs, outreach to the Clients
7 to assist them with health or social needs, management of the health or social needs of Clients, and
8 referrals for services to the Clients.

9 (c) Interim Housing Use Authorized. Any Hotel or Motel use may operate all or any portion
10 of its premises as Interim Housing without abandoning or discontinuing its land use authorization as a
11 Hotel or Motel under the Planning Code, irrespective of whether such existing Hotel or Motel use is a
12 principally permitted, conditionally permitted, or nonconforming use. This authorization shall not be
13 interpreted to exempt the Hotel or Motel use from any provision of the Planning Code. Any Interim
14 Housing use authorized pursuant to this Section 202.15 shall be permitted for no more than 90 days
15 after the shelter emergency pursuant to Government Code Section 8698.4 is terminated.

16 (d) Application. The property owner or the property owner’s authorized agent (in either case,
17 “Applicant”) shall submit an application for Interim Housing use to the Planning Department, on a
18 form prepared by the Planning Department. The application shall include an affidavit signed by the
19 Applicant, and the property owner, if the Applicant is not the property owner, detailing the proposed
20 Interim Housing use of the property.

21 (e) No Conversion, Change, Discontinuance, or Abandonment of Use. The approval or
22 commencement of the Interim Housing authorized under this Section 202.15 shall not be considered a
23 conversion, discontinuance, abandonment, or change of use for purposes of this Code, notwithstanding
24 Sections 178 and 183 of this Code, or any other related provisions. Any Hotel or Motel use established
25

1 as of the time the Interim Housing use is authorized shall continue to be authorized under the Planning
2 Code for as long as such property is used for Interim Housing pursuant to this Section 202.15.

3 (f) **Application of Other Development Controls and Requirements.** The Interim Housing use
4 that is authorized pursuant to this Section 202.15 shall not be required to comply with development
5 standards applicable to new residential uses, including but not limited to density, rear yard, open
6 space, exposure, and other requirements set forth in Articles 1.2, 1.5, or 2 of the Planning Code. The
7 Interim Housing use shall not be subject to any development impact fees or development requirements
8 set forth in Article 4 of the Planning Code as a prerequisite to obtaining authorization pursuant to this
9 Section 202.15.

10
11 **SEC. 317. LOSS OF RESIDENTIAL AND UNAUTHORIZED UNITS THROUGH**
12 **DEMOLITION, MERGER, AND CONVERSION.**

13 * * * *

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

15 * * * *

16 (11) If a Hotel or Motel is lawfully authorized for Interim Housing use in accordance
17 with Planning Code Section 202.15, and such use ceases, the abandonment, cessation, or termination
18 of Interim Housing use shall not be considered a Residential Conversion.

19 * * * *

20
21 Section 4. Chapter 1A and Appendix P of the Building Code are hereby amended by
22 revising Section 106A (specifically Section 106A.2) and Section P101.1, to read as follows:

23
24 **106A.2 Work exempt from permit. [Section 105.2 of the California Building Code.]**

25 Exemptions from the permit requirements of this code shall not be deemed to grant

1 authorization for any work to be done in any manner in violation of the provisions of this code
2 or any other laws or ordinances of this jurisdiction. A building permit shall not be required for
3 the following:

4 * * * *

5 (25) Use of a hotel or motel for Interim Housing use, as defined and authorized in Planning
6 Code Section 202.15, as may be amended from time to time, where the Department confirms the hotel
7 or motel meets the minimum fire and safety requirements set forth in Section P111 of Appendix P to this
8 Code. The use of a hotel or motel or any units within a hotel or motel for Interim Housing shall not
9 change the underlying occupancy classification of the property.

10
11 **SECTION P101 – GENERAL**

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

19
20 Section 5. Effective Date. This ordinance shall become effective 30 days after
21 enactment. Enactment occurs when the Mayor signs the ordinance, the Mayor returns the
22 ordinance unsigned or does not sign the ordinance within ten days of receiving it, or the Board
23 of Supervisors overrides the Mayor’s veto of the ordinance.

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

7 APPROVED AS TO FORM:
8 DAVID CHIU, City Attorney

9
10 By: _____
11 /s/
 AUSTIN M. YANG
 Deputy City Attorney

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