

CITY AND COUNTY OF SAN FRANCISCO

BOARD OF SUPERVISORS

BUDGET AND LEGISLATIVE ANALYST

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TO: Board of Supervisors
FROM: Budget and Legislative Analyst 
SUBJECT: December 15, 2020 Full Board of Supervisors Meeting

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EXECUTIVE SUMMARY

Legislative Objectives

- The proposed emergency ordinance reenacts emergency ordinance 161-20, retroactive to November 11, 2020, to require the Department of Public Health (DPH) to, among other things, test all residents of Single Room Occupancy buildings (SROs) for COVID-19 and offer residents isolation and quarantine hotel rooms when one or more SRO resident tests positive for COVID-19.

Key Points

- DPH’s testing procedures for SROs differ from the proposed emergency ordinance, which requires testing all residents in an SRO when one SRO resident tests positive. Instead, DPH conducts mass testing at SRO buildings when more than two households test positive for COVID-19, which according to DPH, is based on guidance from the California Department of Public Health, which defines outbreaks in residential congregate settings as three confirmed or probable cases.
- In addition, the proposed emergency ordinance requires DPH to distribute face coverings and hygiene supplies to SRO residents who have accessed the same areas as those who test positive for COVID-19; however, DPH has focused distribution of those materials on close contacts of confirmed cases.

Fiscal Impact

- The estimated increased cost to the City to implement the proposed emergency ordinance for the 60 days during which it is effective, assuming 50 percent Federal Emergency Management Agency (FEMA) reimbursement, is approximately \$1.4 million. If the requirements of the proposed emergency ordinance were extended through the remainder of FY 2020-21, the estimated increase in City costs net of FEMA reimbursement would be \$4.2 million.
- These cost estimates rely on information from the prior six months and do not account for rising caseloads and a worsening COVID-19 surge in cases that is anticipated through the rest of the fall and winter. These estimates also do not account for potential benefits from increased testing, such as decreased acuity or hospitalizations.

Recommendation

- Approval of the proposed emergency ordinance is a policy matter for the Board of Supervisors.

MANDATE STATEMENT

City Charter Section 2.107 states that the Board of Supervisors may pass emergency ordinances on their first reading with a 2/3 affirmative vote. Emergency ordinances become effective upon approval by the Mayor, the expiration of the ten-day period for the Mayor to approve or veto, or the Board of Supervisors' override of the Mayor's veto. Emergency ordinances expire sixty days after their passage.

BACKGROUND

Due to the communal living setting of many residential hotels where bathroom, kitchen and common room facilities are often shared, there are concerns about increased risk to occupants of residential hotels ("SRO residents") of contracting COVID-19. In response to this increased risk, the Board of Supervisors passed Emergency Ordinance No. 84-20 effective May 29, 2020, putting in place protections for SRO residents against COVID-19 spread by allowing SRO residents access to isolation & quarantine hotel rooms if they meet the City Health Officer's criteria for isolation or quarantine. The ordinance also required the Department of Public Health (DPH) to develop a protocol that, in the event a resident of an SRO tests positive for COVID-19, provides for access to testing for other residents, contact tracing, cleaning, and isolation/quarantine hotel rooms as needed for positive and exposed residents and staff.

In response to the ongoing pandemic, the Board amended and reenacted the Emergency Ordinance (No. 161-20) effective September 11, 2020. Ordinance No.161-20 maintains the provisions as the original ordinance and includes an updated provision requiring residential hotels post information in common areas after a positive COVID-19 test, advising SRO residents of their rights under this emergency ordinance to access isolation/quarantine hotel rooms, COVID-19 testing, and face coverings as well as information informing residents about the language-accessible COVID-19 telephone line.

DETAILS OF PROPOSED LEGISLATION

File No. 201285 reenacts the emergency ordinance as enacted by Ordinance No. 84-20 and amended by Ordinance No.161-20. If reenacted, this ordinance will be retroactive to when Ordinance 161-20 expired on November 11, 2020. By reenacting this emergency ordinance, the Board is requiring:

- Posting of a copy of this ordinance and telephone numbers in building common space for the Eviction Defense Collaborative, Single Room Occupancy Collaboratives, and Residential Hotel's Operator or on-site representative.
- Preparing and disseminating to City health care workers a protocol for determining if a person resides at a residential hotel and needs protection against or treatment for COVID-19 exposure. This protocol may include providing face masks, testing for COVID-19, and/or transfer to an isolation/quarantine hotel room.

- Placing SRO residents in isolation/quarantine hotel rooms for up to 14 days if they meet the standards for isolation or quarantine as established by the County Health Officer Directives Nos. 2020-02 and 2020-03. SRO residents in isolation/quarantine hotels will be provided essential services at no cost, including three meals, adequate heat, and clean restrooms.
- Making every effort to identify and address any barriers an SRO resident may have for refusing isolation/quarantine placement.
- Complying with the City Language Access Ordinance and translation of all materials and vital information.
- DPH to initiate contact and establish testing within a specified time frame for all occupants of the residential hotel where a resident tests positive for COVID-19. Testing will be provided either onsite at the residential hotel or offsite in the neighborhood of the residents needing testing. When necessary, DPH will also receive information from the residential hotel operator to conduct contact tracing.
- DPH to order SRO owners to clean all common areas following a COVID-19 positive test of a resident.
- DPH to provide the COVID-19 positive resident with information about being transferred to an isolation/quarantine hotel room.
- DPH to distribute face coverings within a specified time frame to all SRO residents who have come in close contact with areas that an infected or suspected infected person has been.
- DPH to establish a telephone hotline for SRO residents to ask questions about accessing COVID-19 screenings, testing, etc.
- DPH to provide data for the City's Data Tracker on total number of 1) Residential Hotels citywide with a confirmed COVID-19 case; 2) Confirmed positive COVID-19 cases in city residential hotels by zip code; 3) SRO Residents who have completed isolation or quarantine in a city hotel room; and 4) SRO Residents who have died due to COVID-19 related complications.

COVID Cases in SROs

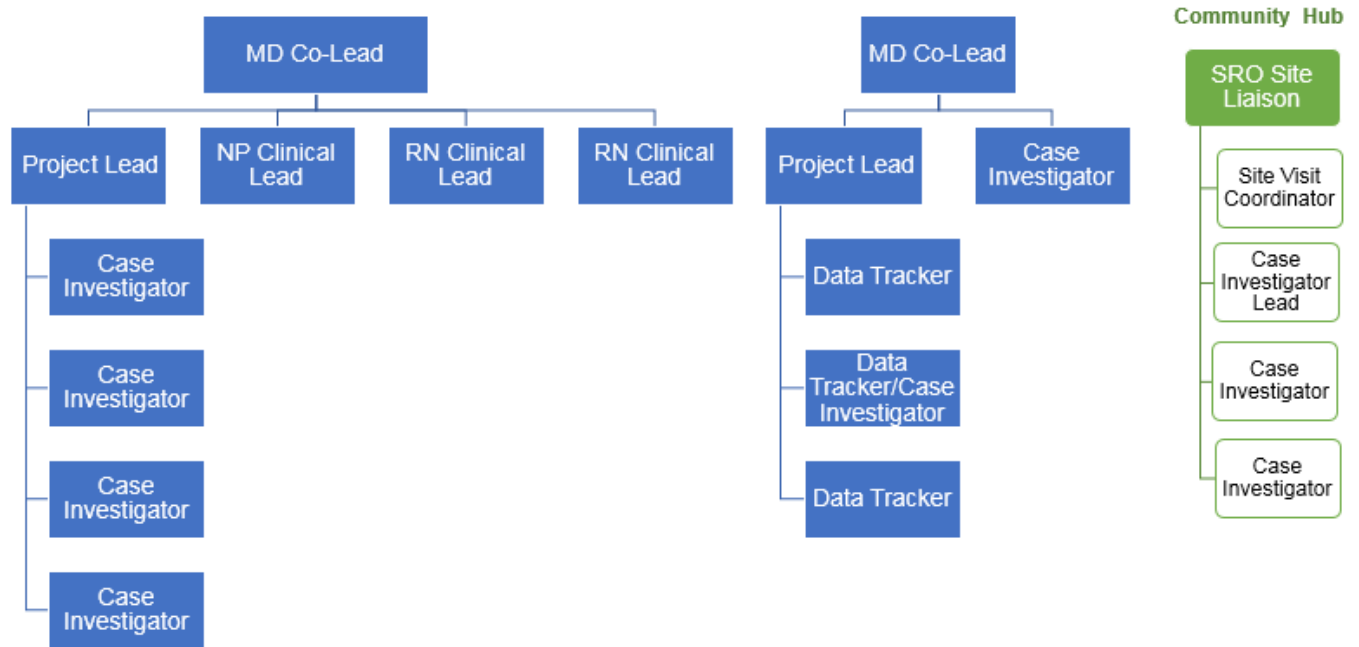
Data from the City's SRO COVID dashboard shows that as of November 27, 2020, 651 SRO residents have tested positive for COVID-19, 160 residential hotel buildings have had at least one resident test positive, 279 COVID-19 positive SRO residents have stayed at an isolation and quarantine site, and 7 SRO residents have died from complications associated with COVID-19. According to DPH, the SRO case fatality rate of 1.1 percent is similar to the citywide fatality rate.

DPH Outbreak Management Group

The DPH SRO Team Outbreak Management Group is comprised of twenty DPH staff who are responsible for managing community outreach, clinical testing and outbreak investigation for SROs and permanent supportive housing, as well as data tracking and analysis. The exhibit below illustrates the current team's organization chart. The two physician epidemiologist co-leads of the team oversee team leads, clinical leads, and case investigators. The SRO Community Hub is located in the Community Mitigation branch of the COVID Command Center and works with the

SRO Team Outbreak Management Group. The Community Hub notifies property managers or building owners of COVID cases and provides guidance on environmental cleaning standards as well as information about the emergency ordinance. The Community Hub staff also assist the clinical leads and case investigators in the Outbreak Management Group with case investigation and outreach, and the primary points of contact for SRO owners and other permanent supportive housing providers.

Exhibit 1. DPH Outbreak Management Group Organization Chart



Source: DPH

Note: NP refers to Nurse Practitioner and RN refers to Registered Nurse

DPH is currently managing all testing event operations at SRO hotels. Wherever possible these tests are conducted through the City’s Public Health Lab, however, capacity issues can require tests go through the CityTestSF program under the current City contract with Color Genomics (File 20-1192) for COVID-19 testing. Pricing assumptions below assume testing costs as charged under the Color contract in addition to additional results disclosure tasks that are not part of the contract with Color Genomics.

DPH Testing Procedures at SROs

To date, the DPH SRO Outbreak Management Group has generally deployed mass testing at SRO buildings when there are more than two cases in separate households within 14 days, plus additional markers for risk of intrabuilding transmission. According to the physician epidemiologist leads of the SRO response team, the current policy is based on (though has a lower threshold than) the California Department of Public Health guidance, which defines

outbreaks in residential congregate settings as three confirmed or probable cases.¹ DPH states that instances of mass testing at SRO buildings with one case did not result in identification of additional cases beyond what would be expected based on community prevalence. According to DPH, because there is widespread community transmission of COVID-19, and because SRO residents work and engage outside their residence in the community, a single case in an SRO does not necessarily indicate that there will be spread outside of the household in that building.

DPH's testing procedures for SROs differ from the proposed emergency ordinance, which requires testing all residents in an SRO when one SRO resident tests positive. In addition, the proposed emergency ordinance requires DPH to distribute face coverings and hygiene supplies to SRO residents who have accessed the same areas as those who test positive for COVID-19, however DPH has focused distribution of those materials on close contacts of confirmed cases.

FISCAL IMPACT

Based on information provided by DPH, over the past approximately six months, we estimate that DPH has incurred costs of \$2,025,791 to conduct 61 mass testing events for SRO residents in buildings in which two or more individuals had tested positive, and to provide isolation/quarantine rooms for 279 SRO residents who tested positive and accepted those placements. Assuming 50 percent of these costs are reimbursed by the Federal Emergency Management Agency (FEMA), costs to the City are estimated to be \$1,012,895 for testing and for isolation/quarantine hotel rooms to date for SRO residents.

According to DPH, the prior related emergency ordinances would have required 314 mass testing events across 172 SROs. We estimate that this cost would have been approximately \$10,427,841, of which \$5,213,921 would be funded by the City after FEMA reimbursement. Exhibit 2 below provides an overview of these estimated costs to date. This estimate may be low, as outbreaks may require multiple rounds of testing.

¹ October 13, 2020 CDPH guidance to local health departments on non-healthcare congregate facilities COVID-19 outbreak definitions and reporting guidance: <https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/OutbreakDefinitionandReportingGuidance.aspx>

Exhibit 2. Estimated Costs to Date for SRO Testing and Isolation/Quarantine Hotels

Est. Actual Testing Events (Jun 2020 – Nov 2020)	Number of Occurrences	Cost per Occurrence	Total
Testing Events	61	\$9,069	\$553,229
Isolation/Quarantine Hotel Rooms	279	\$5,278	\$1,472,562
Total			\$2,025,791
Total City Cost, assuming 50% FEMA reimbursement			\$1,012,895

Est. Testing Events Required by Legislation	Number of Occurrences	Cost per Occurrence	Total
Testing Events	314	\$9,069	\$2,847,768
Isolation/Quarantine Hotels	1,416	\$5,278	\$7,580,073
Total			\$10,427,841
Total City Cost, assuming 50% FEMA reimbursement			\$5,213,921

Source: DPH and BLA Analysis

Note: Isolation & Quarantine Room costs are estimated at \$377 per person per night, with an assumed duration of 14 days, based on guidance from the Centers for Disease Control.

Testing Event Cost Estimates

The cost per occurrence for a testing event is estimated based on \$125 dollars per test multiplied by an average of 60 SRO residents in a residential hotel. This estimate also includes 38 hours of related staff time for registering and creating the list of those to be tested, conducting the tests, and disseminating results. This work is conducted by DPH Health Worker IIIs and Public Health Nurses. Exhibit 3 below demonstrates how \$9,069 per testing event was determined.

Exhibit 3. Estimated Cost per One Testing Event

Test	Total	
No. Tests (Avg # of residents in SRO)	60	
Cost per Test	\$125	
Subtotal Test Cost	\$7,500	
Staffing	Wage/Hr.	Total
Health Worker III, Outreach, 16 Hours	\$34.25	\$548
PHN (RN), Testing & Orders, 6 Hours	\$78.89	\$473
Health Worker III, Results Disclosure, 16 Hours	\$34.25	\$548
Subtotal Staffing Cost		\$1,528
Total Testing Cost		\$9,069

Source: DPH and BLA Analysis

Note: Wages assume Step 3 in each job class in FY 2020-21 and do not include benefits.

The estimates do not include programmatic staffing (1.5 FTE of physician-leadership, 2 program leads and 2 data trackers) and coordination

Isolation/Quarantine Hotel Rooms

The cost for isolation/quarantine hotels is estimated by DPH to be approximately \$377 per person per night, totaling \$5,278 for 14 days. Under DPH's current practice of testing SRO residents when there are cases in more than two cases in separate households within 14 days (and conducting repeat testing as needed to contain an outbreak), 279 individuals were placed in isolation/quarantine hotel rooms following 61 testing events, as shown in Exhibit 2 above, or approximately 4 to 5 isolation/quarantine hotel room placements for every testing event. Based on these results, we estimated if DPH were to test SRO residents when one individual at a hotel tests positive, then 1,416 SRO residents would be placed in isolation/quarantine rooms following 314 testing events (the number of testing events that would have occurred had DPH tested all residents after one individual in the hotel tested positive). While DPH offers access to these rooms for close contacts of the positive person and will offer rooms to all residents if a building has over a 10 percent positivity rate, according to the physician epidemiologist leads of the SRO response team, there has been low uptake of isolation and quarantine among SRO residents.

Projected Two- and Six-Month Costs

Using the estimates in Exhibit 2 to calculate a cost per month (based on six-months of DPH implementation, June 2020 through November 2020), the increased cost to the City to implement the proposed emergency ordinance for the 60 days during which it is effective, assuming 50 percent FEMA reimbursement, is approximately \$1,400,342, as shown in Exhibit 4 below. If the requirements of the proposed emergency ordinance were extended through the remainder of FY 2020-21, the increase in City costs net of FEMA reimbursement would be \$4,201,025.

The range of cost estimates vary on whether DPH continues its existing SRO testing procedures or complies with the proposed emergency ordinance. Exhibit 4 shows these estimates. These costs may increase, given the surge of citywide infections as of this writing.

Exhibit 4. Projected Two- and Six-Month Costs of Proposed Emergency Ordinance

	Current DPH Testing Policy	Proposed Emergency Ordinance	Difference
Two Months (Jan 2021 - Feb 2021)			
Testing Events	\$184,410	\$949,256	\$764,846
Isolation/Quarantine Hotels	\$490,854	\$2,526,691	\$2,035,837
Total	\$675,264	\$3,475,947	\$2,800,683
Total City Cost, assuming 50% FEMA reimbursement	\$337,632	\$1,737,974	\$1,400,342
Six Months (Jan 2021 - June 2021)			
Testing Events	\$553,229	\$2,847,768	\$2,294,539
Isolation/Quarantine Hotels	\$1,472,562	\$7,580,073	\$6,107,511
Total	\$2,025,791	\$10,427,841	\$8,402,050
Total City Cost, assuming 50% FEMA reimbursement	\$1,012,895	\$5,213,921	\$4,201,025

Source: BLA Analysis

These cost estimates rely on information from the prior six months and do not account for rising caseloads and a worsening COVID outbreak that is anticipated through the rest of the fall and winter. A surge in cases could lead to increased testing, staffing resources, and isolation/quarantine hotel utilization, which could all increase the costs.

These estimates also do not account for potential benefits from increased testing, such as decreased acuity or hospitalizations.

Cleaning and Personal Protective Equipment Costs

Cleaning costs are not included in the estimates provided as this is not currently a City cost. At the beginning of the pandemic, the Mayor's Office of Housing and Community Development (MOHCD) released purchase orders from emergency contracts for janitorial services managed by the Emergency Operations Center in collaboration with the Office of Contract Administration. These janitorial services provided cleaning for market rate and affordable residential hotels through September. There were five janitorial service companies under contract to provide emergency as-needed services.² These contractors remain available as a resource to residential hotel owners, but owners are now expected to contract directly for their cleaning needs according to Benjamin McCloskey, Deputy Director Finance and Administration for MOHCD. Mr. McCloskey estimates that MOHCD spent approximately \$1.65 million on cleaning services for residential hotels up through September; the majority of this was reimbursable through FEMA. However, according to Mr. McCloskey, as of September 15, 2020 FEMA is only reimbursing for

² These contractors include: YMM Janitorial, YADEJS, Inc., MEK Enterprises, Clean-A-Rama Maintenance Service, and Aim To Please Janitorial Services, Inc.

cleaning costs where emergency work related to the pandemic is performed, which does not include cleaning SRO hotels.

Personal protective equipment (PPE) costs are not included in our estimates. DPH reported that the COVID Command Center currently has sufficient PPE to meet the requirements of the proposed emergency ordinance.

The estimated fiscal impact of this ordinance relies on estimates of what has been spent during the six-month period of June 2020 – November 2020 for SRO testing and isolation/quarantine hotels to project what may be spent going forward. How the winter COVID-19 surge in cases may impact DPH staffing, resources, and overall costs is not yet known.

RECOMMENDATION

Approval of the proposed emergency ordinance is a policy matter for the Board of Supervisors.