

CITY AND COUNTY OF SAN FRANCISCO
BOARD OF SUPERVISORS
BUDGET AND LEGISLATIVE ANALYST
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Policy Analysis Report

To: Supervisor Gordon Mar
From: Budget and Legislative Analyst's Office
Re: Options for Housing for Seniors and People with Disabilities
Date: July 14, 2022



Summary of Requested Action

You requested that our office gather information on how other jurisdictions plan for the continuum of senior housing needs, with a report that:

- Identifies key domestic and international jurisdictions with successful senior housing policies, plans and/or outcomes
- Identifies creative policies, including but not limited to publicly subsidized programs, land use policies, incentives for private market options, and/or protection and preservation policies
- Focuses on ideas not currently implemented in San Francisco

In order to comprehensively plan for and provide housing across the spectrum, San Francisco will need to be innovative and expand our approaches, and this analysis will be a key step.

For further information about this report, contact Fred Brousseau, Director of Policy Analysis, at the Budget and Legislative Analyst's Office: fred.brousseau@sfgov.org

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Executive Summary

- There are an estimated 164,036 San Franciscans aged 65 and above as of 2022 according to the California Department of Finance. The U.S. Census Bureau reported 87,864 San Franciscans with disabilities as of 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.
- Both the senior and disabled populations are expected to grow substantially in the coming years and make up a greater share of the population. Projections for 2042 for the senior population prepared by the California Department of Finance are shown in Exhibit A.
- Key points from the data in Exhibit A are:
 - The senior population grew between 2010 and 2022 at a rate faster than the total population and comprised a larger share of the total population by 2022.

- The senior population is forecast to continue to grow between 2022 and 2042 at a rate exceeding the growth rate of the total population.
- The age distribution of the senior population will skew older in the coming twenty years, entering age brackets where they are more likely to need services particularly geared to seniors and alternative living arrangements to meet changes in their mobility and health conditions.
- Similar detailed projections for people with disabilities were not available for this report though a 2016 report by the State Legislative Analyst’s Office projected that senior with disabilities would grow between 2015 and 2060 by 170 percent, a rate faster than the senior population as a whole. We assume that the same trend will be present in San Francisco in the coming years.

Exhibit A: Senior population: 2010, 2022, and Projected 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

- Seniors and people with disabilities tend to have lower incomes than other San Franciscans. Approximately 25% of seniors aged 65 and older have incomes below 150% of the federal poverty level, compared to approximately 15% of all San Franciscans. Approximately 30% of San Franciscans with disabilities aged 18 – 64 live in poverty, in contrast to approximately 8% of their peers without disabilities.
- The San Francisco Planning Department reported in 2018 that 25 percent of senior renters were cost-burdened or paying 30 percent or more of their income on housing, and another 26 percent were severely cost-burdened, or spending 50 percent or more of their income on housing. The Planning Department also reports that approximately 48.2 percent of senior-headed households earned less than 50 percent of Area Median Income in 2018.
- A subset of seniors is unhoused. Thirty-five percent of those respondents to San Francisco’s 2019 Point in Time Homeless Survey were above the age of 50. Adults aged 65 and older are

the fastest growing cohort of unhoused individuals. San Francisco's 2019 Point in Time homeless count included approximately 800 individuals over the age of 60.

- While finding and keeping affordable and appropriate housing is challenging for many San Franciscans, seniors and people with disabilities also face issues and needs around mobility, accessibility, health, safety, finances, and personal preferences. These needs can vary; some health episodes experienced by seniors and people with disabilities may be followed by convalescence and recovery, partial recovery, or a permanent change, any of which may temporarily or permanently affect their housing needs. Life changes including the loss of a partner or spouse can also affect financial circumstances and housing needs. Affordable housing is in place in San Francisco but not in the quantity to fully meet the needs of lower income seniors and people with disabilities.

Aging in Place

- In a 2021 AARP-sponsored nationwide survey, 77 percent of survey respondents over age 50 indicated a desire to remain in their own residences as long as possible. 79 percent of respondents indicated a desire to remain in their communities. The City and County of San Francisco has numerous programs in place to support that goal as do a number of State and federally funded programs and services.
- We identified 16 programs that can assist San Francisco seniors and people with disabilities age in place. These programs break down mostly into one or more of these categories:
 - In-home personal care, assistance with everyday tasks, and household services to avoid or to assist in entering or 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.
- The 16 programs range in size from In-Home Supportive Services, which provides non-medical personal care services that the clients might not otherwise be able to provide for themselves and has an annual budget of approximately \$765 million (mostly paid for from federal and state sources) and serves approximately 54,000 individuals annually to the Short-term Care for Older Adults Program with an annual budget of approximately \$165,000.
- Other than In-Home Supportive Services, many of the 16 programs reviewed tend to be smaller with client loads in the hundreds rather than thousands and budgets under \$1 million per year each. Some of the programs are State administered, but most are operated by City agencies.
- All of the 16 programs appear to be beneficial in helping seniors and people with disabilities age in place and could potentially be expanded to serve more individuals. However, for the

Board of Supervisors to decide on which program(s) to fund, and to ensure that all programs are performing effectively, it would be helpful for the service providing agencies to report standardized performance measures to the Board of Supervisors on their program results relative to Citywide goals for helping lower income seniors and people with disabilities age in place. Some suggested performance measures are:

Suggested performance measures

- Number of seniors and people with disabilities who have assisted living or skilled nursing facility needs but are able to remain in their homes due to City, State, or other programs and services
- Number of senior and people with disabilities clients successfully transitioned back to home after an institutionalization
- Change over time in the Citywide per capita rate of institutionalization of seniors and people with disabilities
- Number of low-income seniors and people with disabilities receiving vouchers and subsidies to assist with their in-home care costs and total Citywide savings for these subsidy recipients
- Reductions in rent and housing cost burdens for program clients and Citywide, including increases or decreases over time
- Number of low-income seniors and people with disabilities newly enrolled in Medi-Cal as a result of City outreach and education and their participation in targeted waiver programs and services
- Number of home modifications completed with program funding that have enabled seniors and people with disabilities to remain in their home more safely for dollars spent
- Number of in-home falls Citywide by seniors and people with disabilities and changes over time
- Racial/ethnic makeup of senior and people with disabilities served relative to the City population as a whole
- Citywide goals could be established by the Board of Supervisors, relevant departments, consumers, and other stakeholders to help determine the level of need that should be addressed by the programs and services. These goals should be informed by a demographic analysis of current and future seniors and people with disabilities in San Francisco.

Proposed Goals

- Target number of unwanted moves by seniors and people with disabilities to be prevented with home modifications

- Number of unwanted moves to be prevented by in-home health and personal care services
- Number of unwanted moves to be prevented with rent/housing cost subsidies
- Number of new affordable units to be constructed to meet the needs of seniors and people with disabilities for whom it is not feasible to stay in their current homes
- Number of moves and changes in health that will necessitate a certain level of assisted living, skilled nursing or other residential care facility beds, including changes in need over time
- Number of new affordable housing units needed to serve the growing population and those for whom aging in place is not feasible
- In our review of programs and services in other jurisdictions to foster aging in place and to lower living and housing costs for seniors and people with disabilities, we found a number of ideas that potentially could be implemented in San Francisco. These programs elsewhere include: incentives for making homes more accessible such as reduced building permit fees, property tax credits, no-cost loans, installation of technology in seniors' and people with disabilities' homes to monitor falls and household hazards, integrating home modifications with services, municipal utility discounts, freezing rent on rent-controlled housing (with offsetting payments to the property owner), and others.

When a move is necessary: market rate housing for seniors and people with disabilities

- Regardless of all support services for aging in place and community, there will always be circumstances for seniors and people with disabilities where it will be necessary to move to new housing. For those who don't have unlimited wealth but have sufficient assets making them ineligible for public subsidy, entering the San Francisco housing market can be daunting.
- Seniors and people with disabilities who have had a long tenure in a rent-controlled housing unit or are long-time homeowners may be shocked to learn what they will have to pay for housing if they make a move. With California's property tax regime, seniors who would prefer to downsize after years in a family-sized home may find it is not worthwhile financially due to market rate housing prices and increased property taxes, leaving them "overhoused". For seniors who would prefer to live in a Continuing Care Retirement Community, there are only a few options in San Francisco. Though density bonuses are offered by the City to developers who build market rate senior housing, these incentives do not seem to have been sufficient to attract more of this type of development.
- Policy options for the Board of Supervisors to encourage more market rate housing geared to seniors and people with disabilities to help meet their housing needs include City-sponsored education for seniors on property tax assessments transfers allowed by State law under the terms of Proposition 19, incentives such as expanding the locations where senior housing developments are allowed by the Planning Code, creating an

Overlay Zone to allow greater density for senior housing developments, and waiving impact fees on these kind of market-rate developments.

When a move is necessary: affordable housing for seniors and people with disabilities

- The City funds and administers programs for the construction, acquisition, and rehabilitation of housing to make affordable units available for City residents that meet certain income criteria.
- Between 2016 and 2021, these approaches and programs resulted in 9,148 units of newly constructed affordable housing, of which 484 units were dedicated to seniors. In addition, 2,268 existing units were rehabilitated for seniors, assisting them with staying in place, but not adding to the overall inventory of senior housing.
- Altogether the City has 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. The Department of Homelessness and Supportive Housing has 867 site-based permanent supportive housing (PSH) units set aside for older adults
- To produce more affordable housing for seniors and people with disabilities to meet unmet demand will be challenging with resources available. To merely maintain the 3.4 percent ratio of deed-restricted affordable units relative to the projected senior population of 243,497 in 2042, the City will need to produce approximately 2,708 additional units, or 135 units per year. This compares to average unit production between 2016 and 2021 of 81 units per year.

Exhibit B: 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

- Affordable housing construction in San Francisco is extremely expensive, with estimates of per unit costs for affordable housing between \$700,000 and \$900,000. Funding is provided primarily by City sources, including development impact fees, the

City's Housing Trust Fund, and general obligation bonds. Federal funds make a contribution, but they have been a less significant and relatively flat revenue source for the Mayor's Office of Housing and Community Development over the past five years. And, of course, these resources available are for all types of affordable housing, not just housing for seniors and people with disabilities.

- As the City begins conducting housing needs assessments every three years under legislation passed by the Board of Supervisors in 2020 and sets goals for the various housing and care alternatives available to seniors and people with disabilities as we have recommended in this report, a target number of affordable housing units that ideally should be constructed in future years will be identified. Funding such production will take additional resources.
- General obligation bonds can be a major source of funding that the City can control. The two most recent voter-approved bond issuances for affordable housing were in 2015 and 2019 for \$310 and \$600 million, respectively, or a total of \$910 million. However, only \$120 million of these two issuances were specifically earmarked for senior housing. Assuming a construction cost of \$700,000 per unit, the \$120 million would produce only 171 units. Further escalation of construction costs will erode that amount.
- Additional bond issuances for affordable housing for seniors and people with disabilities have to be considered in the context of all of San Francisco's capital needs since Citywide debt is limited by policy to the equivalent of approximately 0.12 percent of the assessed value of the City's property. As policy options for the Board of Supervisors, we propose that the Board of Supervisors could consider declaring an affordable housing emergency and the City's capital planning committee could agree to a greater share of future issuances going to housing or could consider temporarily increasing the debt limit for a limited period of time to allow for higher levels of debt issuance such that a greater amount of funding could be made available to meet a Citywide goal for affordable housing for seniors and people with disabilities based on a demographic analysis of need.
- Other suggestions for increasing resources for affordable housing are issuing certificates of participation and joining forces with the new Bay Area Housing Finance Agency, which is planning to issue bonds for affordable housing on a regionwide basis.
- To reduce the costs of constructing affordable housing, we propose that the City encourage modular housing construction. A recent permanent supportive housing project constructed at 833 Bryant Street reports a per unit cost approximately \$200,00 less than comparable projects in the City.

[When seniors and people with disabilities need assisted living, skilled nursing facilities, and other residential care outside their home.](#)

Skilled Nursing Facilities

- There were 2,264 licensed skilled nursing facility beds in San Francisco in 2020 and an 83.95 percent occupancy rate. Of these, 1,409 beds were in free-standing facilities,

Exhibit C: Skilled Nursing Facility Licensed Beds and Actual Bed-Days in San Francisco, 2020

	Hospital- Acute*	Hospital - Long Term Care*	Free-Standing**	Total
San Francisco Facilities	2	2	13	17
Licensed SNF beds	68	1,147	1,049	2,264
Licensed SNF bed patient days	24,888	419,802	383,934	828,624
Actual patient days	18,781	386,376	290,476	695,633
Occupancy Rate	75.46%	92.04%	75.66%	83.95%

- According to a survey by insurance company Genworth Financial, the monthly cost in San Francisco for a stay in a skilled nursing facility is approximately \$11,500 for a semi-private room or \$14,000 for a private room. The high cost of skilled nursing facility stays means that most individuals are dependent upon insurers picking up some or all of the cost. Medicaid (Medi-Cal in California) and, to a lesser extent, Medicare are the primary payors for stays in skilled nursing facilities.
- In the last two decades, the number of SNF beds in San Francisco decreased by an estimated 35 percent from approximately 3,474 beds in 2002 to 2,264 beds in 2020 due mostly to closures of skilled nursing divisions in San Francisco’s acute care hospitals.
- There are 138 Skilled Nursing Facility beds for every 10,000 seniors in San Francisco. As shown in Exhibit E, to maintain this ratio as the number of seniors in the City grows over the next two decades, San Francisco will need to reverse the trend of the last two decades and add an additional 1,096 skilled nursing beds by 2042, an increase of 48.4 percent.

Exhibit D: Additional Skilled Nursing Facility Beds Needed by 2042 to Keep up with Projected Increase in San Francisco’s Senior Population

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

- To address the shortage of SNF beds relative to the growing population, we propose that the City collaborate with other Bay Area jurisdictions to share SNF resources and develop partnerships to use underutilized City and non-City with City-based facilities for new SNFs.
- We also propose that the Board of Supervisors consider increased funding for improved access to community and home-based care such as the Community Living Fund and others for resident’s ineligible for public support but unable to afford care in residential facilities. We also propose the City providing supplemental funding to expand the hours of care provided by IHSS to provide additional hours of services to those who need it to be able to avoid institutionalization.

Assisted Living

- Less intensive than skilled nursing facilities, assisted living facilities are non-medical facilities licensed by the California Department of Social Services that provide personal care and safe housing for those who may need help with medication and assistance with activities of daily living. Some facilities offer or specialize in memory care. Assisted living facilities with six or fewer beds are sometimes referred to as “board and care homes.” There has been a decline in board and care homes, which are reportedly often less costly than the larger type of facilities which remain in place.
- Adult Residential Facilities, a subset of Assisted Living that serves non-elderly adults with disabilities, have been declining: the 398 beds in San Francisco as of May 2022 is 34.6 percent fewer than in 2012, when there were 609 beds. Clients are now using facilities outside the City to a greater extent.
- When assisted living services are available and affordable, they can also negate, delay, or decrease the duration of skilled nursing facility stays in a less restrictive setting. Unfortunately, stays in assisted living are generally not covered by Medi-Cal, making it a very expensive proposition and out of reach for many individuals. Typical Supplemental Security Income (SSI) and SSI-supplement amounts are not sufficient to cover most assisted living costs, making them out of reach for people with disabilities who rely on these sources of income.

- Surveys report a median cost of approximately \$6,300 per month for assisted living care in San Francisco. About 90 percent of assisted living services are paid for with private funds, most often personal or family assets or, less frequently, long-term care insurance.
- There are 3,548 assisted living beds in San Francisco. To just maintain the current ratio of approximately 216 beds for every 10,000 seniors, an additional 1,718 beds will be needed by 2042, as shown in Exhibit F.

Exhibit E: Additional Residential Care Facilities for the Elderly Beds Needed by 2042 to Keep up with Projected Increase in Senior 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

- A number of programs and services are addressing the need for and costliness of assisted living in San Francisco. A Medi-Cal assisted living waiver program has not had much pick up in San Francisco though it provides coverage for at least part of the costs of assisted living. The City-funded Community Living Fund, which provides flexible funding to be used based on client need, sometimes covers assisted living costs if that is in the best interest of the client. Outreach for the Medi-Cal waiver and expansion of City funded programs may be alternatives for getting more coverage for assisted living for San Francisco seniors and people with disabilities.
- City-run assisted living facilities is another option we propose to provide more assisted living inventory for the future and to offset the decline in smaller less costly board and care homes.

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. Unfortunately, many who are not eligible for coverage such as Medi-Cal do not have sufficient resources to pay for this type of care. And even those with Medi-Cal coverage will find that it mostly does not pay for assisted living.
- The City can potentially play a role in raising resident awareness about the likelihood and expense of long-term care, supporting residents in planning for long-term care, educating residents about options, and increasing access to responsible products.

- The California Long Term Care Insurance Task Force, a group created through State legislation, is currently working on a proposal for a plan using a combination of government funding, enrollee premiums, and private insurance. The group’s goal is to issue their plan in January 2023. This is potentially something the City could participate in in the interest of providing greater awareness and possible coverage for their long-term care in the future.
- Another option for consideration by the Board of Supervisors is having the City create its own long-term care plan. The State of Washington is in the process of rolling out such a plan in which most workers in the state will be mandated to contribute 0.58 percent of their earnings to a long-term care plan that, in return, will provide them with \$36,500 at a point in the future for them to use on the type of long-term care that best meets their needs. The city-state of Singapore has a similar plan in place.

A complete listing of policy options in this report for consideration by the Board of Supervisors starts on the next page.

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Policy Options: compilation of all policy options in report

	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/ advocate with other City/external organizations
1.1	<i>Convene relevant departments and stakeholders to set specific short- and long-term Citywide goals for their programs designed to help seniors and people with disabilities remain in their homes and communities through in-home care and household services, home modifications, and housing and service subsidies, and for options when a move is necessary including goals for affordable housing production and support for care outside the home.</i>	To establish goals for affordable housing and programs and services that allow for seniors and people with disabilities to age in place, to be used to assess performance of these programs and services.			✓
1.2	<i>Convene all relevant departments to establish Citywide performance metrics for the services they provide to seniors and people with disabilities to allow for measurement of results and cost effectiveness of the programs and services.</i>	To establish performance measures Citywide that will allow for assessing results of the aging in place services and programs and adjusting resource allocations or adjusting programs as appropriate.			✓

	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
1.3	<i>Establish a reporting mechanism for program results relative to goals and cost-effectiveness, possibly in conjunction with the new Housing Needs Assessments and Pipeline Production Reports being produced by the Department of Disability and Aging Services.</i>	To increase accountability and improve performance through reporting for oversight on the results of the program and services designed to aid in aging in place and avoiding institutionalizations and unnecessary moves by seniors and people with disabilities.			✓
1.4	<i>Reduce or eliminate permitting fees for home modifications supportive of resident safety and accessibility.</i>	Reduce costs for seniors and people with disabilities	✓		
1.5	<i>Invest resources to extend the availability of no cost loans for home modifications to additional households with low-income seniors or persons with disabilities.</i>	Reduce costs for seniors and people with disabilities	✓	✓	
1.6	<i>Expand the list of allowable expenses in programs supporting home modifications to include technology that supports safety and helps to sustain independence and increase budgets accordingly.</i>	Increase resources available to seniors and people with disabilities	✓		

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	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
1.7	<i>Build upon the evidence-based CAPABLE model and more intentionally integrate home modification resources and other services and supports for vulnerable seniors and people with disabilities.</i>	Reduce costs for seniors and people with disabilities. Increase number of seniors and people with disabilities able to age in place safely.	✓	✓	
1.8	<i>Advocate for an increase in eligibility for and the amount of the San Francisco Public Utilities Commission's water and wastewater discounts available to seniors and people with disabilities.</i>	Increase percentage of San Francisco housing stock that is accessible and safe for seniors and people with disabilities	✓	✓	
1.9	<i>Establish a rent freeze program for low-income, rent-burdened seniors and people with disabilities living in rent-controlled units.</i>	Reduce costs for seniors and people with disabilities. Increase number of seniors and people with disabilities able to age in place safely.	✓		
1.10	<i>Consider direct cash transfers to low-income, rent-burdened seniors, potentially in recognition of volunteering services to the City or framed as a credit for their contribution to landlords' property tax payments.</i>	Increase number of seniors and people with disabilities able to age in place safely.	✓	✓	

	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
1.11	<i>Explore with homeowners, landlords, developers, and contractors the type and value of incentives that motivate them to invest in permanent accessibility modifications for their properties.</i>	Improve health outcomes of seniors with disabilities. Leverage and align public resources.		✓	
1.12	<i>Increase the availability of on-site services supportive of aging in place to residents of affordable housing who are older or have disabilities.</i>	Increase number of seniors and people with disabilities able to age in place safely. Leverage and align public resources.	✓		
2.1	<i>Enhance efforts to educate homeowners about their ability to transfer their property tax assessment to a new purchased home</i>	Facilitate choices for seniors who are interested in moving out of family-sized homes to housing with less upkeep.	✓		
2.2	<i>Promote a City database of mobility accessible rent control units and buildings</i>	Make searching for an affordable, accessible housing more possible for seniors and people with disabilities.	✓		
2.3	<i>Expand locations qualifying for Senior Housing designation</i>	Encourage more affordable senior housing development.		✓	
2.4	<i>Reduce inclusionary housing requirements for private sector</i>	Encourage development of more affordable housing for seniors and people with disabilities.		✓	

	<i>developments designated for seniors and people with disabilities</i>				
	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
2.5	<i>Establish an Overlay Zone to allow greater density for senior housing developments</i>	Encourage development of more affordable housing for seniors and people with disabilities.		✓	
2.6	<i>Waive impact fees for developments designated for seniors and people with disabilities</i>	Encourage development of more affordable housing for seniors and people with disabilities.	✓	✓	
2.7	<i>Adopt a policy calling for a greater share of future City bond issuances for affordable housing</i>	Make more funding available for development of affordable housing for seniors and people with disabilities.		✓	
2.8	<i>Propose a temporary adjustment to the Citywide debt limit cap on general obligation bonds to allow for production of bond-funded affordable housing for seniors and people with disabilities</i>	Make more funding available for development of affordable housing for seniors and people with disabilities.		✓	
2.9	<i>Propose greater use of Certificates of Participation as an additional debt instrument for affordable housing</i>	Make more funding available for development of affordable housing for seniors and people with disabilities.		✓	

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	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
2.10	<i>Initiate collaborations with the newly formed Bay Area Housing Finance Agency to participate in a regionwide bond issuance</i>	Make more funding available for development of affordable housing for seniors and people with disabilities.			✓
2.11	<i>Initiate a Housing Innovation Challenge</i>	Encourage more funding sources and creative uses for affordable housing for seniors and people with disabilities.		✓	
2.12	<i>Declare a housing emergency for a certain period of time in the interest of increasing production to reach a specific goal</i>	Take steps to see dramatic increases in production of affordable housing for seniors and people with disabilities.		✓	
2.13	<i>Allow and encourage modular housing construction</i>	To reduce costs of affordable housing to encourage higher levels of production.		✓	
2.14	<i>Increase funding for operating subsidies to expand the numbers served and link future investments to the production of new affordable units</i>				
3.1	<i>Utilize existing Bay Area facilities on a temporary basis to provide SNF care until SNF inventory is sufficient in San Francisco as defined through a demographic analysis of the City's future SNF need</i>			✓	

	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
3.2	<i>Utilize and expand existing underutilized City and non-City facilities to provide SNF and subacute care in San Francisco</i>	Allow more flexibility in how subsidies are used. Increase income threshold to higher than current 300% federal poverty level	✓	✓	
3.3	<i>Increase funding for improved access to community and home-based care for resident's ineligible for public support but unable to afford care in residential facilities</i>	Increase amount available to pay for assisted living for those on SSI/SSP	✓		
3.4	<i>Provide supplemental funding to expand the hours of care provided by IHSS to provide additional hours of services to those who need it to be able to avoid institutionalization.</i>	Enhance use of this underutilized program of Medi-Cal coverage for services that help enrollees remain in assisted living rather than skilled nursing facilities.			✓
3.5	<i>Make it easier to add new assisted living facilities or beds by loosening zoning constraints that can dissuade development of new Residential Care Facilities for the Elderly.</i>	Increase the assisted living inventory to keep up with senior population growth and cover unmet needs	✓		
3.6	<i>Explore supplementing SSI payments for San Franciscans in assisted living to make provision of assisted living</i>	Encourage presence of assisted living and support services built into affordable housing developments	✓		

	<i>to low-income San Franciscans more financially sustainable</i>				
	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
3.7	<i>Incentivize more engagement of San Franciscans and local care providers in the Medi-Cal Assisted Living Waiver Program</i>	Enhance programs that provide in-home and community-based care in lieu of skilled nursing facilities, particularly for individuals ineligible for Medi-Cal who do not need to be institutionalized.	✓		
3.8	<i>Increase payment/subsidy rates for assisted living</i>	Enhance In-Home Supportive Services funding to provide more extended hours of in-home care to avoid institutionalization.	✓		
3.9	<i>Increase flexibility to support assisted living</i>	Make more beds available and more affordable and reduce out-of-county placements for non-elderly residents with disabilities.	✓		
3.10	<i>Increase the number of City-run assisted living facilities.</i>	To ensure that more residents have resources for long-term care when needed.		✓	
3.11	<i>Set and track progress against a goal for the percentage of San Franciscans with resources or a plan for long-term care</i>	Educate San Franciscans about benefits of long-term care insurance planning and financing options.			✓
3.12	<i>Launch a campaign to educate residents about the importance of planning and saving for long-term care</i>	To encourage more San Francisco employees to obtain long term care insurance.			✓

**Report to Supervisor Mar
July 14, 2022**

	Recommendation	Objective	City to allocate resources	City to amend regulations	Collaborate/advocate with other City/external organizations
3.13	<i>Explore creation of a mandated long-term care insurance program for City residents or join forces with the State or other jurisdictions toward this end</i>	Enhance City’s existing financial education programs to include long term care and Medicaid (Medi-Cal) planning.	✓		

Introduction: Seniors and people with Disabilities in San Francisco

Population

San Francisco is currently home to an estimated 164,036 adults aged 65 and above¹, or approximately 18.3 percent of the City’s 2020 population of 897,416. The majority of San Francisco’s seniors, or 54.5 percent, are 75 years of age or less. An estimated 25,249, or 15.4 percent, are age 85 or above. Exhibit 1.1 presents this population information.

Exhibit 1.1: Senior Population in San Francisco, 2022

65+	2022	% Total Seniors
Female	88,120	53.7%
Male	75,916	46.3%
Total	164,036	100.0%
Under 75 total	89,398	54.5%
75 – 84 total	49,389	30.1%
Over 85 total	25,249	15.4%
Total SF population	897,416	
Seniors % Total Pop	18.3%	

Source: California Department of Finance

Exhibit 1.2 shows that the estimated senior population grew by 48.2 percent between 2010 and 2022, much faster than the City’s population as a whole, which grew by 10.7 percent. These growth rates resulted in an estimated 53,340 more seniors in San Francisco in 2022 compared to 2010, or approximately 60 percent of the estimated total population increase of 86,912 during that period. In 2022, the estimated senior population made up 21.5 percent of the City’s total population, compared to 13.7 percent in 2010.

Exhibit 1.2: Senior population, 2010-2022

	2010	2020	2022	Change	% Change since 2010
65+ Total	110,696	157,901	164,036	53,340	48.2%
Total	810,504	899,891	897,416	86,912	10.7%
Seniors % Total	13.7%	18.3%	21.5%	-	-

Source: California Department of Finance

¹ State Finance Dept.; note however, that these estimates are larger than ACS though the 2022 estimates are more recent than those reported by ACS. P-2C County Population by Sex and Age Group (2010-2060), Population Projections, California Department of Finance, <https://dof.ca.gov/forecasting/demographics/projections/>

In addition to the estimated growth in the senior population over the past twelve years, projections for the next twenty years show further growth in this segment of the City’s population. As shown in Exhibit 1.3, the California Department of Finance projects that San Francisco’s senior population over the next twenty years, or through 2042, will continue to grow at a faster rate than the population as a whole, by 48.4 percent compared to 9.1 percent for the total population. Exhibit 1.3 also shows that seniors will make up a larger share of the total population, 24.9 percent compared to 18.3 percent and 13.7 percent in 2022 and 2010, respectively. Finally, the age distribution of the senior population will shift upwards, with those over 75 and 85 years of age making up a greater share of the senior population and those between 65 and 74 decreasing as a share of the senior population.

Exhibit 1.3: Senior population: 2010, 2022, and Projected 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

Key points from the data presented in Exhibits 1.1 - 1.3 above can be summarized as:

- The senior population grew between 2010 and 2022 at a rate faster than the total population and comprised a larger share of the total population by 2022.
- The senior population is forecast to continue to grow between 2022 and 2042 at a rate exceeding the growth rate of the total population.
- The age distribution of the senior population will skew older in the coming twenty years, entering age brackets where they are more likely to need services particularly geared to seniors and alternative living arrangements to meet changes in their mobility and health condition.

According to the latest U.S. Census data, slightly more than half (52.6 percent) of the 87,964 San Franciscans with disabilities were seniors 65 years or older in 2020.² Equating to approximately 46,265

²American Community Survey Table B18192 Sex by Age by Disability Status, 2020: ACS 5-Year Estimates Detailed Tables

residents, this makes for substantial overlap between the City's senior and disabled populations.³ San Francisco is also home to an estimated 38,774 adults ages 18-64 with disabilities⁴ (2020 ACS 5 yr. estimates). Similar projections for people with disabilities were not available for this report though a 2016 report by the State Legislative Analyst projected that seniors with disabilities would grow between 2015 and 2060 by 170 percent, a rate faster than the senior population as a whole.⁵ We assume that the same trend will be present in San Francisco in the coming years.

Although there is great variation in how people experience aging, many people find their physical capabilities or health declining over time. A small subset experience cognitive decline. These changes – either in real time or the prospect of them - affect the housing needs of seniors, many of whom also have or will have associated care needs. Overlaying these individual needs around mobility, health, and safety are financial considerations and personal preferences. People with disabilities, the majority of whom are also seniors, have many similar needs and considerations that affect their housing choices.

Housing Profile: Seniors and people with disabilities

At any given time, the vast majority of seniors and people with disabilities in San Francisco live in private residences. A slight majority of seniors (53% or approximately 86,940) are homeowners, leaving approximately 77,100 renting seniors.⁶ In contrast, 82% of people with disabilities are renters.⁷

The San Francisco Planning Department reported in 2018 that 25 percent of senior renters were cost-burdened, or paying 30 percent or more of their income on housing, and another 26 percent were severely cost-burdened, or spending 50 percent or more of their income on housing.⁸ Measuring just the low-income population, or those with family incomes below 200 percent of the federal poverty level, a UCLA study reported in 2018 that 26.4 percent of San Francisco senior residents were moderately cost burdened and 43.3 percent were severely burdened (though the UCLA study uses different terminology than the Planning Department, the same standards apply, with 30 percent or more and 50 percent or more of income being expended on rent, respectively).⁹ Applying the Planning Department metric to the estimated 77,100 senior renters

<https://data.census.gov/cedsci/table?t=Disability%3APopulations%20and%20People&g=0500000US06075&y=2020&d=ACS%205-Year%20Estimates%20Detailed%20Tables&tid=ACSDT5Y2020.B18101>

³ San Francisco Housing Needs and Trends Report, San Francisco Planning Department, July 2018

https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf

⁴ American Community Survey Table B18192 Sex by Age by Disability Status, 2020: ACS 5-Year Estimates Detailed Tables

<https://data.census.gov/cedsci/table?t=Disability%3APopulations%20and%20People&g=0500000US06075&y=2020&d=ACS%205-Year%20Estimates%20Detailed%20Tables&tid=ACSDT5Y2020.B18101>

⁵ Legislative Analyst's Office, *Disability among California's Senior*, November 2016

⁶ Homeownership percentage from presentation to San Francisco Board of Supervisors Public Safety and Neighborhood Services Committee, January 27, 2022 by Maia Small, Community Equity Division, San Francisco Planning Department. Estimates calculated by applying percentage to California Department of Finance Population numbers.

⁷ San Francisco Housing Needs and Trends Report, San Francisco Planning Department, July 2018

https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf

⁸ San Francisco Housing Trends and Needs Report, San Francisco Planning Department, July 2018

⁹ Health Policy Fact Sheet, UCLA Center for Health Policy Research, August 2018

in San Francisco translates into approximately 39,321 seniors being cost-burdened. As pointed out in the Planning Department report, seniors may have savings and other resources to help cover rent, so measures of burden related to income may be overstating the problem. The Planning Department study also reported that 52 percent of renters with a disability were cost burdened, with 30 percent or more of their income being expended on housing costs.

The income profile of seniors in San Francisco helps explain their high housing cost burden. The draft Needs Assessment and Assessment of Fair Housing prepared by the Planning Department reports that 64 percent of all senior-headed households in San Francisco had incomes at 80 percent or less than Area Median Income (AMI) according to 2018 five-year estimates from the U.S. Census Bureau's American Community Survey, and that 33.8 percent were under 30 percent of AMI.¹⁰ For renter households headed by seniors only, 53 percent had incomes at 30 percent or less of AMI during the same time period. Exhibit 1.4 displays information for all senior-headed households, renters and owners combined.

Exhibit 1.4: 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: Draft Housing Needs Assessment and Assessment of Fair Housing, San Francisco Planning Department, reporting ACS 2018 5 Year Estimates

Households headed by individuals with a disability are more likely to be lower income, with 74 percent having incomes below 80 percent of AMI in 2018, according to the Planning Department's Needs Assessment¹¹. 48 percent of those households were reported to have incomes under 30 percent of AMI and are thus classified as Very Low Income.

According to the Planning Department's 2018 Housing Needs and Trends Report, seniors are much less likely than the general population to live in couple households, roommate households, or households with children, a distribution which also holds mostly true for people with disabilities.¹² Nonetheless, approximately a quarter of seniors and people with disabilities live with related adults.¹³ These family members may provide personal care assistance at present or in the future.

¹⁰ Draft Housing Needs Assessment and Assessment of Fair Housing, San Francisco Planning Department, March 2022

¹¹ Draft Housing Needs Assessment and Assessment of Fair Housing, San Francisco Planning Department, March 2022

¹² San Francisco Housing Needs and Trends Report, San Francisco Planning Department, July 2018 https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf

¹³ San Francisco Housing Needs and Trends Report, San Francisco Planning Department, July 2018 https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf

It is also likely that, when they are relatively healthy and mobile, seniors in these often multi-generational households may be providing assistance to family members such as childcare, homemaking, and home maintenance.

Out-of-home care

Activated usually by current or anticipated care needs, a small subset of seniors and people with disabilities live in another setting. Applying utilization rates to the number of licensed skilled nursing beds suggests that approximately 1,901 individuals were in freestanding or hospital-based skilled nursing facilities at any given point in time in 2020.¹⁴ As of May 2022, San Francisco had 3,548 beds in RCFEs and 398 ARF beds.¹⁵ Although the State does not make utilization data readily available for assisted living facilities, private firms and industry associations estimate based on surveys. Using the 2021 4th quarter occupancy rate for senior living facilities (assisted living and independent living combined) for the San Francisco metropolitan area of 85.2 percent, as reported by NICMAP Vision, a senior housing analytics firm, indicates that approximately 3,354 seniors were living in RCFEs as of the end of 2021.¹⁶ It is most often older seniors who reside in skilled nursing and assisted living facilities. In California, 57% of nursing home residents are age 75 or older, and the average age of residents in assisted living facilities is 87.¹⁷

A subset of seniors is unhoused. Thirty-five percent of those respondents to San Francisco's 2019 Point in Time Homeless Survey were above the age of 50.¹⁸ Adults aged 65 and older are the fastest growing cohort of unhoused individuals.¹⁹ San Francisco's 2019 Point in Time homeless count included approximately 800 individuals over the age of 60.²⁰ People with disabilities are overrepresented among unhoused populations. Sixty-nine percent (69%) of 2019 Point in Time respondents reported having a health condition that limited their ability to hold a job, live in stable housing, or take care of themselves.²¹

¹⁴ 2020 Long-term Care Facilities Utilization Data from Department of Health Care Access and Information, California Health and Human Services accessed Feb 2022, <https://data.chhs.ca.gov/dataset/long-term-care-facilities-annual-utilization-data>

¹⁵ Beds in licensed, probation and pending facilities as of Feb 2022 sourced from <https://www.cclid.dss.ca.gov/carefacilitysearch/DownloadData>

¹⁶ "Senior Living Occupancy Increases for Second Quarter in a Row; Delta Variant Has Little Effect," by Kimberly Bonvissuto, McKnights Senior Living, January 6, 2022. <https://www.mcknightsseniorliving.com/home/news/senior-living-occupancy-increases-for-second-quarter-in-a-row-delta-variant-has-little-effect/#:~:text=Assisted%20living%20occupancy%20increased%20to,in%20the%20first%20quarter%202021>.

¹⁷ Facts and Statistics: Long-Term Care Providers, California Association of Health Facilities, Revised March 2021 <https://www.cahf.org/About/Consumer-Help/Facts-and-Statistics>

¹⁸ San Francisco Homeless Count & Survey Comprehensive Report 2019, p.14.

<https://www.nhipdata.org/local/upload/file/FINAL-PIT-Report-2019-San-Francisco-1.pdf>

¹⁹ Presentation to San Francisco Board of Supervisors Public Safety and Neighborhood Services Committee, January 27, 2022 by the Department of Homelessness and Supportive Housing.

²⁰ San Francisco Homeless Count & Survey Comprehensive Report 2019, p.14.

<https://www.nhipdata.org/local/upload/file/FINAL-PIT-Report-2019-San-Francisco-1.pdf>

²¹ San Francisco Homeless Count & Survey Comprehensive Report 2019, p. 27.

<https://www.nhipdata.org/local/upload/file/FINAL-PIT-Report-2019-San-Francisco-1.pdf>

When housing needs change for seniors and people with disabilities

The issue of senior housing is tangled up in issues of affordability, accessibility and care needs. Also relevant is the widespread, and often very resolute, preference of seniors to remain in their homes and communities as long as possible. In a 2021 AARP-sponsored nationwide survey, 77 percent of survey respondents over age 50 indicated a desire to remain in their own residences as long as possible. 79 percent of respondents indicated a desire to remain in their own communities.²²

Relative to housing, seniors and people with disabilities share many of the same considerations as other San Franciscans but also have distinct needs related to current or anticipated mobility and other limitations and associated exigencies of care. The most distinctive housing-relevant considerations for seniors and people with disabilities relate to their health and disability status, which include mobility issues, safety, and care needs.

Decisions around housing for seniors and people with disabilities are not usually made just once. Rather, they need to be revisited over time as individual circumstances change. Most notably, people's mobility may decrease and their need for assistance increase as they age. These needs can vary though; some health episodes experienced by seniors and people with disabilities may be followed by convalescence and recovery, partial recovery, or a permanent change, any of which may temporarily or permanently affect their housing needs. Life changes including the loss of a partner or spouse can also affect financial circumstances and housing needs.

Whatever the scenario, the senior and people with disabilities populations can be expected to have more care and mobility issues and needs than the non-disabled population under 65. Nationally, for example, the percentage of adults indicating that they have difficulty walking or climbing stairs increases from 21.5% for those age 45-64 to 49.4% of adults aged 75 and older.²³

Older San Franciscans and those with disabilities may need accessibility features to remain comfortably and safely in their homes. In 2020, sixty-five San Franciscans over the age of forty-five died as a result of unintentional falls.²⁴ In 2014, there were 2,536 non-fatal hospitalizations and 7,343 non-fatal Emergency Department visits due to unintentional falls among seniors in San Francisco.²⁵ San Francisco's housing stock is relatively old, eighty-two percent (82%) pre-dates state and federal requirements for accessibility.²⁶ Additionally, approximately 60 percent of

²² Home and Community Preferences Survey 2021 Annotated Survey, Conducted by NORC at the University of Chicago for AARP, https://www.aarp.org/content/dam/aarp/research/surveys_statistics/liv-com/2021/2021-home-community-preferences-annotated-questionnaire-age.doi.10.26419-2Fres.00479.002.pdf

²³ National Center for Health Statistics. Percentage of any difficulty walking or climbing steps for adults aged 18 and over, United States, 2019—2020. National Health Interview Survey. Generated interactively: Jun 08 2022 from https://wwwn.cdc.gov/NHISDataQueryTool/SHS_adult/index.html

²⁴ EpiCenter, California Injury Data Online, California Department of Public Health <https://epicenter.cdph.ca.gov/ReportMenus/DataSummaries.aspx>

²⁵ EpiCenter, California Injury Data Online, California Department of Public Health <https://epicenter.cdph.ca.gov/ReportMenus/DataSummaries.aspx>

²⁶ Disability in San Francisco (webpage), Department of Disability and Aging Services, accessed June 2, 2022 <https://www.sfhsa.org/about/reports-publications/disability-san-francisco>

housing in San Francisco is single family homes and 2-9 unit moderate density buildings²⁷ that, given San Francisco’s prevalent building styles, are often not very friendly to those with mobility challenges. Even if a “flat” is on a single floor once in the unit, it is common for residents to have to climb stairs for entry. San Francisco’s hilly streets can also make it harder for residents with declining mobility to age in place.

Affordability and accessibility issues can combine to significantly limit the housing choices of seniors and people with disabilities who wish or need to relocate. Seniors and people with disabilities benefit from rent control at similar rates as other San Francisco renters.²⁸ Many San Francisco renters who have secured rent control apartments choose to stay in these apartments as long as possible to control costs. If a move to a new home is necessitated due to changing accessibility needs, seniors and adults with disabilities may find themselves starting over at market rate rent. Finding accessible, affordable housing can be difficult and may require many months or years of being on waitlists. The challenge is even more difficult for those who wish to limit their search to their existing neighborhood – especially if that neighborhood is on the western side of the City.

Care Needs

Someone turning age 65 today has almost a 70% chance of needing some type of long-term care services and supports in their remaining years.²⁹ Although not linear or consistent, on average, individuals’ need for care increases as they age.³⁰ The percentage of seniors indicating that they require assistance from another person grows from 4% for seniors younger than 75 to 21% for seniors age 85 and above.³¹ Additionally, the 2016 American Community Survey indicates more than 43% of seniors aged 85+ and older having difficulty doing errands alone. More than a third (35%) of this older group of seniors also have difficulty hearing.³² The increased challenges experienced by older seniors is reflected in their increased use of care relative to younger seniors in the aforementioned prevalence among the residents of assisted living and skilled nursing facilities.

²⁷ 2020 San Francisco Housing Inventory, San Francisco Planning Department, 2021

https://sfplanning.org/sites/default/files/documents/reports/2020_Housing_Inventory.pdf

²⁸San Francisco Housing Needs and Trends Report, San Francisco Planning Department, July 2018, p 65

https://default.sfplanning.org/publications_reports/Housing-Needs-and-Trends-Report-2018.pdf

²⁹ How Much Care Will You Need? (webpage), Longtermcare.gov, Administration for Community Living and Administration on Aging, U.S. Department of Health and Human Services. <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>

³⁰ Who Needs Care? (webpage), Longtermcare.gov, Administration for Community Living and Administration on Aging, U.S. Department of Health and Human Services. <https://acl.gov/ltc/basic-needs/who-needs-cared>

³¹ 2019 Profile of Older Americans, May 2020, Administration on Aging, Administration on Community Living, U.S. Department of Health and Human Services, p. 19.

<https://acl.gov/sites/default/files/Aging%20and%20Disability%20in%20America/2019ProfileOlderAmericans508.pdf>

³² Population 65 and older in the United States, ACS Report, 2016

1. Aging in Place programs and services currently in place in San Francisco and need for goal setting and measuring performance

We have identified 16 programs and services listed in Exhibit 1.1 that are provided by the City and/or other public or nonprofit entities to seniors and people with disabilities in San Francisco. While there are undoubtedly others, the programs we captured share the goals of assisting seniors and people with disabilities in remaining in their homes and communities or, in some cases, assisting them in returning to their homes after spending time in an institution such as an assisted living or skilled nursing facility. A profile of each of these sixteen programs is provided in Appendix 1, including their services, administering agency(ies), funding source(s), and opportunities for expansion should the Board of Supervisors wish to expand or improve on certain programs. The programs and their administering agencies are listed in Exhibit 1.1.

Exhibit 1.1: Programs and Services Available to San Francisco Seniors and People with Disabilities to Help them Remain in their Homes and Avoid Institutionalization

	Program	Administering Agency				
		DAS	MOHCD	DPH	HSH	Other
1	In Home Supportive Services (IHSS)	✓				
2	Vouchers and Subsidies	✓	✓		✓	SFHA
3	Multi-purpose Senior Services Program (MSSP)					Inst. on Aging
4	Home & Community Based Alternatives Waiver					Institute on Aging
5	Village Program	✓				
6	Program of All-inclusive Care for the Elderly (PACE)					On Lok
7	Community Living Fund (1 of 2 writeups: see also # 17)	✓				Inst. on Aging (contractor)
8	Short-Term Care for Older Adults	✓				
9	Support at Home	✓				
10	Senior Home Repair Program (SHRP) (just starting)		✓			
11	CalHome Loan Program		✓			
12	Rebuilding Together San Francisco		✓			
13	Community & Home Injury Prevention Program for Seniors (CHIPPS)			✓		
14	Cal AIM (Medi-Cal reform)			✓		
15	Adult Day Program	✓				
16	Adult Day Health Care Centers	✓				

As documented in Appendix 1, services provided by these programs generally fall into one or more of the following categories to serve low-income seniors and people with disabilities designed to facilitate aging in place:

- In-home personal care, assistance with everyday tasks, and household services to avoid or to assist in entering or returning from institutionalization in 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.

While most of the programs presented in this report are available for lower income seniors and people with disabilities, not all have those restrictions and income thresholds vary. Some of the programs are for Medi-Cal enrollees only, administered by the State, others have broader eligibility but may have limits on participants or service levels based on their funding levels.

We found that all of the programs profiled in Appendix 1 have something to offer seniors and people with disabilities towards the policy goals of helping them remain in their homes, keeping housing affordable, and facilitating transitions to and from home and assisted living, memory care, and skilled nursing facilities. The services provided include in-home health care and support, home maintenance, building modifications to keep homes accessible in instances of limited mobility, and subsidies to help keep housing and needed services affordable.

In Appendix 1, we include in our discussions of each program opportunities for the programs to serve more of the City's population of seniors and people with disabilities. We point to increased funding levels from the City or increased education and outreach for Medi-Cal enrollment to ensure that all qualified seniors and people with disabilities can take advantage of services available for Medi-Cal enrollees. We also suggest in a number of cases that the Board of Supervisors consider supplementing the costs covered by Medi-Cal in cases where fees fixed by the State are not sufficient to meet program provider operating costs in high-cost San Francisco or when it might be desirable to expand services to additional residents.

Citywide performance metrics needed for current programs and services that support aging in place for seniors and people with disabilities to help funding decisions

Because of the overlap in program objectives, it is difficult to pick out a single program or a few programs and recommend that the Board of Supervisors enhance funding levels for particular programs to address unmet needs. What would help in deciding how to allocate finite funding is to have a definition of need, an articulation of priorities (for example, guidance on whether to prioritize depth versus breadth in the numbers served), standardized performance metrics for clients of the many programs, and Citywide measures of effectiveness so that the Board of Supervisors could determine which programs and services are providing the most benefits relative to costs. Equity considerations will need to inform these measures which could include:

Suggested performance measures

- Number of seniors and people with disabilities who have assisted living or skilled nursing facility needs but are able to remain in their homes due to City, State, or other programs and services
- Number of senior and people with disabilities clients successfully transitioned back to home after an institutionalization
- Change over time in the Citywide per capita rate of institutionalization of seniors and people with disabilities

- Number of low-income seniors and people with disabilities receiving vouchers and subsidies to assist with their in-home care costs and total Citywide savings for these subsidy recipients
- Reductions in rent and housing cost burdens for program clients and Citywide, including increases or decreases over time
- Number of low-income seniors and people with disabilities newly enrolled in Medi-Cal as a result of City outreach and education and their participation in targeted waiver programs and services
- Number of home modifications completed with program funding that have enabled seniors and people with disabilities to remain in their home more safely for dollars spent
- Number of in-home falls Citywide by seniors and people with disabilities and changes over time
- Racial/ethnic makeup of senior and people with disabilities served relative to the City population as a whole

The need for the various housing related programs and services for seniors and people with disabilities supported by the City, including the production of affordable housing, discussed further in Section 3, can be defined in many ways. Certainly, waitlists maintained by many, if not all, of the programs identified in this report, is one indicator of need beyond what is currently provided. Similarly, waitlists exist for affordable housing units sponsored by the City, discussed in Section 2 of this report. However, waitlists underestimate needs as they only include those individuals who are both eligible within existing criteria and were not dissuaded by the application process.

Goal setting and planning for City programs and services for seniors and people with disabilities

The City could take a broad approach for planning how to allocate limited resources among the key options of constructing new affordable housing units, providing subsidies to reduce housing cost burden, supporting in-home care and home modifications to allow for aging in place and avoiding institutionalization when possible, and providing support for the costs of assisted living, skilled nursing, and other residential care. This would mean preparing estimates of the current and future number of lower income seniors and people with disabilities who are at risk or likely to need to move out of their current homes not by their own choosing but due to circumstances (health and other personal and financial changes) and then breaking those estimates down by:

Suggested goals

- Target number of unwanted moves by seniors and people with disabilities to be prevented with home modifications
- Number of unwanted moves to be prevented by in-home health and personal care services

- Number of unwanted moves to be prevented with rent/housing cost subsidies
- Number of new affordable units to be constructed to meet the needs of seniors and people with disabilities for whom it is not feasible to stay in their current homes
- Number of moves and changes in health that will necessitate a target inventory of assisted living, skilled nursing or other residential care facility beds, including changes in need over time
- Number of new affordable housing units needed to serve changing population and for those for whom aging in place is not feasible

These measures should be linked to specific goals for the various programs administered by the City as well as for the City as a whole.

While all of the key departments involved in serving low-income seniors and people with disabilities prepare planning documents, a consolidated cross-departmental Citywide approach to planning could help set goals for new affordable housing production and alternatives to new housing such as housing subsidies and in-home health and personal care services. Measures of effectiveness outlined above could be applied to identified needs to help identify optimal funding levels. The City's capital planning process could be used as a model where representatives of multiple departments convene, assess the City's capital needs, and recommend funding levels based on Citywide need and projected benefits of the proposed expenditures.

Another benefit of a cross-departmental planning approach would be to identify areas where programs could potentially be consolidated or better coordinated to reduce administrative overhead and help provide more seamless services. For example, there are at least seven separate rent subsidy programs. Some are site-based, others are person-based, and funding sources vary. There could be advantages to administering some or all of these programs centrally.

Some of the programs discussed in this report use a flexible approach to the services they provide with their funds, with clients receiving services and supports based on their needs, whether those needs be personal care services, home modification, or a combination of services. With these types of programs, costs per individual client could vary significantly but the overall program goals are similar: preventing institutionalizations and making it possible for seniors and people with disabilities to remain in their homes as long as possible. If such programs are found to achieve better results as performance data is reported, the City should consider shifting funding toward and providing additional funding for this more consumer-centric approach.

New reporting requirements on affordable housing and services provided to seniors and people with disabilities relative needed

A centralized compilation of program goals and results could be prepared by City staff, possibly by the Department of Aging and Adult Services (DAS) which is the administering agency for most of the programs identified though MOHCD, the Department of Public Health, and the Department of Homelessness and Supportive Services are also key providers so such a compilation would require cross agency collaboration and information sharing. The Mayor's Office of Disabilities should also participate in a Citywide planning effort. For tracking performance, the Planning

Department currently collects and reports valuable key housing, income, and related data about seniors and people with disabilities in San Francisco in their various reports and documents and will continue to do so, which should inform a Citywide assessment of how seniors and people with disabilities are faring over time and the benefit of programs and services provided by the City, State, and other entities.

As of December 2020, DAS is charged with preparing annual reports on the status of affordable housing for seniors and people with disabilities in the City and, every three years, conducting a needs assessment.³³ The reports will present information on affordable housing availability and production including assessments of the affordability of the housing, income requirements, income of the target populations, rent burden data, analyses of related programs serving seniors and people with disabilities such as rent subsidies and home modification grants, and related matters.

These new DAS reports should provide a number of the performance measures discussed above though measures of the effectiveness and results of many of the City's service programs may need to be collected and reported separately, or as a newly added element of the new DAS reports. Establishing goals for affordable housing production could be incorporated into the reports in which unmet needs will be identified or could be a separate process involving the Board of Supervisors and community stakeholders. The legislation establishing the requirement for these reports states that, "DAAS and MOCHD are not required to collect new data to complete the reports". Measures of program cost-effectiveness may qualify as "new data" and may require a separate process or a change in the requirements for the DAS reports.

Policy options for establishing Citywide goals and enhancing measurement of existing City programs and services for seniors and people with disabilities

To help guide decisions about which programs provide the most benefit when considering any additional appropriations, the Board of Supervisors could:

- 1.1 Convene relevant departments and stakeholders to set specific short- and long-term Citywide goals for their programs designed to help seniors and people with disabilities remain in their homes and communities through in-home care and household services, home modifications, and housing and service subsidies, and for options when a move is necessary including goals for affordable housing production and support for care outside the home.**
- 1.2 Convene all relevant departments to establish Citywide performance metrics for the services they provide to seniors and people with disabilities to allow for measurement of results and cost effectiveness of the programs and services.**
- 1.3 Establish a reporting mechanism for program results relative to goals and cost-effectiveness, possibly in conjunction with the new Housing Needs Assessments and Pipeline Production Reports being produced by the**

³³ File No. 190846, *Housing Needs Assessment and Production Pipeline Reports – Seniors and People with Disabilities*, adopted by the Board of Supervisors December 15, 2020.

Department of Disability and Aging Services or as a separate undertaking by another City department.

Approaches to aging in place found elsewhere

While San Francisco already has many programs in place to support aging residents and those living with disabilities, as detailed in the programs listed in Exhibit 1.1 and described in Appendix 1, it could nonetheless still learn from the ideas and experience of other communities. The following are practices in place elsewhere that could potentially be replicated and tailored to the San Francisco context. These programs in other jurisdictions are designed to not only help keep seniors and people with disabilities in their homes as long as possible, but to also make their housing and living arrangements more affordable.

Program goal: helping seniors and people with disabilities stay in their homes through affordable home modifications

- ***Reducing Home Modification Costs*** – City of Sausalito homeowners or renters who have secured landlord approval are eligible for reduced or no-cost building permits for a pre-approved list of home modification projects with an individual or aggregated cost not exceeding \$20,000 in a year.³⁴
 - ***San Francisco Opportunity:*** The Board of Supervisors and City staff could create a program modelled on Sausalito’s which reduces the cost of significant accessibility modifications by reducing or eliminating associated permitting fees. Although available in Sausalito to renters who secure landlord approval, it should be noted that such a program mostly benefits residents who own property. If this is of concern, the City could means test the benefit. Another perspective, however, is that reducing the cost of home modifications will slowly and over time increase the percentage of the City’s housing stock that is accessible, benefiting subsequent residents whether homeowners or tenants, at limited direct cost to the City.
- ***Creating Incentives for Making Homes more Accessible***– Montgomery County, Maryland’s Design for Life program includes varying levels of property tax credits up to \$10,000 available for property owners that make improvements meeting different tiers of accessibility standards established by the County.³⁵
 - ***San Francisco Opportunity:*** The City could explore with homeowners, landlords, developers, and contractors what type and value of incentives might motivate them to invest in home modifications and improve the accessibility of residential buildings. The approach may need to be different for existing residences than for new construction and different for single

³⁴ Age Friendly Home Adaptation/Equity Residential Rehabilitation Permit Program webpage, Building Division, Community Development Department, City of Sausalito <https://www.sausalito.gov/departments/community-development/building-division/age-friendly-home-adaptation-grant-program>

³⁵ Design For Life Building Accessible Homes webpage, Montgomery County, Maryland <https://www.montgomerycountymd.gov/design/>

family homes than for multi-family buildings. Although challenging given that a sustainable funding source has not yet been identified, the City is well-suited to provide these incentives as it can be flexible in how it deploys its resources and also has authority over non-monetary incentives like priority processing or streamlined review that might also make for appealing incentives. Regardless, increasing the percentage of the City's housing stock that has accessibility features will benefit generations of residents over time.

- **No-cost loans** -- Massachusetts' Community Economic Development Assistance Corporation (CEDAC), a public-private community development financial institution, makes loans up to \$50,000 available to finance home modifications for low-income seniors, adults with disabilities, and families with children with disabilities. Eligible homeowners qualify for a 0% interest, deferred payment loan. The loan does not require monthly payments. Full repayment is required when the property is sold or has its title transferred. Small landlords may be eligible for a 3% loan.³⁶
 - **San Francisco Opportunity:** Loans through the new San Francisco Senior Home Loan Program are forgivable after five years, assuming sustained occupancy during that time and completion of estate planning counseling. However, this program currently only anticipates serving a few dozen households per year. Additional resources could extend the opportunity to other San Franciscans in need.

Program goal: keeping seniors and people with disabilities safe in their homes to avoid institutionalization

- **Use of technology** – Several cities are using technology to extend the amount of time that frail seniors are able to live independently and age safely in their homes. Bolzano, Italy partnered with IBM to monitor the homes of seniors age 75+ to collect data that could inform strategies to keep older people more independent. Using non-intrusive technology and the internet of things, they collected data on temperature, humidity, carbon monoxide and carbon dioxide levels, smoke levels, electricity and water usage, etc. and could determine when there had been a change in habits that might suggest the need for medical attention or a visit from a social worker.³⁷

Oslo, Norway created public housing designed to fit the needs of older people experiencing cognitive decline. Technology such as sensors, cameras, GPS trackers, automatic medicine dispensers and automatic instructions make it possible for these seniors to continue living independently longer than they would have been able to otherwise.³⁸ These programs align with research findings around the impact of such

³⁶ HMLP Home Modification Loan Program brochure, Massachusetts Rehabilitation Commission and Community Economic Development Assistance Corporation <https://cedac.org/wp-content/uploads/2021/08/Final-Brochure-updated-8.20.21.pdf>

³⁷ "IBM Uses Big Data to Help Seniors in Italy," by Jeff Hawn, RCR Wireless, June 11, 2015 <https://www.rcrwireless.com/20150611/big-data-analytics/big-data-to-help-seniors-in-italy>

³⁸ Welhavens Street 5, a technological apartment building, Age-Friendly Practices, World Health Organization <https://extranet.who.int/agefriendlyworld/afp/welhavens-street-5-technological-apartment-building/>

technology on the well-being of seniors. A project at the University of Missouri Center for Eldercare and Rehabilitation Technology found that, using gait speed and stride length, built-in sensors could predict, within a three-week period, when the residents of independent living apartments (average age: 83) were likely to fall. People with the sensors were able to remain independent for almost twice as long, an average of 4.3 years versus 2.6 years.³⁹

- **San Francisco Opportunity** -- In all programs supporting home modifications, the City could expand its list of allowable expenses to include technology that supports safety and helps to sustain independence. This may also imply the need to increase budgets and expenditures to ensure City and partner staff are educated and remain up to date about the resources available and that budgets are sufficient to include technology purchases, and, as appropriate, associated monitoring subscriptions. City staff should also help residents maximize use of technology that they may already have on hand. For example, Apple Watches now include a fall detection feature that is automatically turned on for older adults and contacts emergency services if a fall is detected and an individual remains immobile for thirty seconds.⁴⁰
- **Integrating home modification with services** – Begun as a Johns Hopkins University research study, Community Aging in Place - Advancing Better Living for Elders (CAPABLE) provides seniors with five months of support from an interdisciplinary team including a handy worker, occupational therapist, and registered nurse that collaborates from the initial assessment of the senior's situation. The program has been shown to reduce older adults' disabilities and decrease depressive symptoms. An average expenditure of \$3,000 per participant yielded a per participant average of \$22,000 in medical savings over two years. CAPABLE is now widely recognized as a promising practice and being implemented in approximately 30 communities.⁴¹
 - **San Francisco Opportunity:** San Francisco already has several of the components of CAPABLE in place (e.g., Community Living Fund and CHIPPS) but lacks integration of these programs and services. The City could create a comprehensive initiative addressing the health and wellness of older adults and people with disabilities, either integrating more of its existing services for seniors across disciplines and departments or adopting CAPABLE's evidence-based model, learning from prior replication in other communities.

³⁹ Innovations at Home: Approaches to Successful Aging in Community from 25 Countries, An Introduction for Funders, Grantmakers in Aging

https://www.giaging.org/documents/190611_GIA_Innovation@Home_Funding_Guide_FINAL.pdf

⁴⁰ Use Fall Detection with Apple Watch webpage, Apple, March 31, 2022 <https://support.apple.com/en-us/HT208944>

⁴¹ Community Aging In Place – Advancing Better Living for Elders (CAPABLE) webpage, Johns Hopkins School of Nursing https://nursing.jhu.edu/faculty_research/research/projects/capable/index.html

Program goals: making housing and other costs more affordable for seniors

- ***Utility Discounts*** – The Seattle Utility Discount Program provides bill assistance for seniors, persons with disabilities, and low-income customers with household income at or below 70% of the state median income. The program offers a discount of about 60% on a resident’s Seattle City Light bill and a 50% discount on their Seattle Public Utilities bill.⁴² In contrast, the City of Boston targets its utility discounts (30% on their monthly water and sewer charges) to homeowners who are seniors or persons with disabilities regardless of income.⁴³
 - ***San Francisco Opportunity:*** San Francisco Public Utilities Commission (SFPUC) already offers a customer assistance program discounting water and wastewater bills by 25% and Hetch Hetchy power bills by 30% for eligible residents. However, at 200% or less than the Federal Poverty Level, eligibility for San Francisco’s discounts is much less generous than in either Seattle or Boston. And, for water and wastewater, the discount in San Francisco is also lower than in these two other cities. The Board of Supervisors could suggest the San Francisco Public Utilities Commission consider expanding eligibility and increase discounts for SFPUC provided services. Doing so would have the most direct effect on homeowners as it is common practice in San Francisco for rent to include water and wastewater services. More than half (53%) of San Francisco seniors and 41% of adults with disabilities are homeowners. For water and wastewater discounts to benefit more eligible renters, the City would need to establish a mechanism for savings incurred by landlords to be passed through to the renters.
- ***Freezing Rent*** – In New York City, seniors and people with disabilities living in rent regulated apartments who have household incomes of \$50,000 or less and who spend more than one-third of their monthly income on rent can qualify for an exemption from rent board approved annual increases, effectively freezing their rental rate indefinitely. The City applies credits to the landlords’ property tax bill to cover the difference between the actual rent amount and what the eligible tenant is responsible for paying at the frozen rate.⁴⁴
 - ***San Francisco Opportunity:*** The City could explore creating a similar program for low-income or rent-burdened seniors and people with disabilities living in rent-controlled units. Ensuring that landlords remain financially whole despite tenants in the program ceasing to experience an annual rent increase is important to ensuring that landlords don’t discriminate against older tenants and people with disabilities when applying for housing or try to get them to move out once in residence. Applying average rent control increases

⁴² Utility Discount Program webpage, Seattle Public Utilities, <https://www.seattle.gov/utilities/your-services/discounts-and-incentives/utility-discount-program>

⁴³ Residential Billing Info and Assistance webpage, Boston Water and Sewer Commission <https://www.bwsc.org/residential-customers/billing-info-and-assistance>

⁴⁴ Freeze Your Rent webpage, New York City <https://www1.nyc.gov/site/rentfreeze/index.page>

to the estimated number of rent burdened seniors and people with disabilities living in rent-controlled units suggests an estimated direct cost of approximately \$4.1 million in the first year and increasing annually based on number of eligible and registered program participants and the Rent Board's allowable annual rent increases.

- **Property Tax Relief for Homeowners & Renters** – The State of Maryland provides property tax relief to both homeowners and renters. The Homeowners' Property Tax Credit Program, also known as the Circuit Breaker Program, provides tax relief for eligible homeowners by setting a limit on the amount of property taxes owed based on their income. Particularly noteworthy is the fact that Maryland extends property tax relief to renters. The Renters' Property Tax Credit Program is based on the reasoning that renters indirectly pay property taxes as part of their rent and thus should be offered mitigations similar to what is available to homeowners. It targets renters who pay high monthly rent relative to their total income, and the majority of recipients are Marylanders aged 60 or older (though the program is also available to the 100% disabled and renters under age 60 with at least one dependent child). This credit is issued in the form of a direct check payment of up to \$1,000 a year. In FY 2020-21, 7,525 eligible renters in Maryland received an average of \$446 in tax relief.⁴⁵
 - **San Francisco Opportunity:** California's Proposition 13 negates the need for a Circuit Breaker Program similar to the Maryland program for lower-income homeowners. The City and County of San Francisco could, however, explore ways to acknowledge that renters are contributing toward the property tax payments made by landlords. Maryland's credit for renters is framed and communicated as property tax mitigation but is just a direct cash transfer which the City could replicate for any subset of renters it chooses such as low-income renters who are seniors, people with disabilities, or non-elderly adults with disabilities. San Francisco's Working Families Credit is an example of an existing program that frames a direct transfer to families as a "tax credit" despite the City not actually collecting income taxes.
- **Swapping Volunteer Hours for Property Tax Abatement** – The Senior Citizen Property Tax Work-Off Abatement Program in Massachusetts allows a city or town to establish a program giving property owners 60 or older the opportunity to volunteer services to the city or town in exchange for a reduction in property tax equivalent to minimum wage for the number of volunteer work hours up to a maximum cap set by the state.⁴⁶ Although implemented differently in different municipalities (different age and income eligibility standards, volunteer opportunities, and reduction caps) this opportunity is quite common

⁴⁵ SDAT's 2022 Homeowners' and Renters' Tax Credit Applications Now Available Online, news release, Maryland Department of Assessments and Taxation, February 7, 2022 https://dat.maryland.gov/newsroom/Pages/2022-02-07-TaxCreditAppsAvailable_2022.aspx

⁴⁶ "Seniors Who Volunteer Can Work Off Some of Their Property Tax Bills," OpenDOR, Massachusetts Department of Revenue, October 30, 2009 <https://blog.mass.gov/revenue/current-affairs-2/seniors-who-volunteer-can-work-off-some-of-their-property-tax-bills/>

throughout the state. The Abatement Program is in addition to the statewide Senior Circuit Breaker Tax Credit which is a refundable state income tax credit available to income-eligible residents aged 65 or older for Massachusetts property they own or rent and occupy as their principal residence.⁴⁷

- **San Francisco Opportunity:** Reducing property taxes for San Franciscans in a manner akin to what Massachusetts allows would likely necessitate a change in state law. However, similar to the idea around rent freezes above, the City could provide a subsidy should it choose to do so, offsetting the amount owed for homeowners who engage in activities determined to be of benefit to the City.
- **Co-Locating Services with Affordable Housing** – Massachusetts has created the Senior Supportive Housing Initiative which brings assisted living level care to elderly residents and people with disabilities living in a subset of state-supported public housing sites. Seniors and adults with a documented disability and an income less than 80 percent of the state median income. Assets aren't considered in determining eligibility. In addition to rent assistance, residents in the more than 6,000 units across 41 sites around the state receive at no cost: service coordination, on-call supervision as needed, medication reminders, at least one meal per day, and activities with other residents. A higher level of service including personal care services (help with bathing, grooming, dressing), laundry, housecleaning, and errands is available for free to those assessed as have having functional and financial need for it and via a sliding scale fee structure to others.⁴⁸
 - **San Francisco Opportunity:** San Francisco's Department of Homelessness and Supportive Housing and other public agencies are piloting new models that expand services to residents of permanent supportive housing, many of which are older adults or living with disabilities. This includes:
 - Launching a pilot in two permanent supportive housing sites with the Department of Disability & Aging Services and In Home Support Services (IHSS) for enhanced IHSS services in permanent supportive housing.
 - Working with the Department of Public Health to enhance behavioral and physical health services in permanent supportive housing through a new roving service model funded by Proposition C (program under development). The DPH roving clinical teams will include case management, triage, medical support and training to on-site housing

⁴⁷ Massachusetts Senior Circuit Breaker Tax Credit, Massachusetts Department of Revenue, updated March 30, 2022 <https://www.mass.gov/info-details/massachusetts-senior-circuit-breaker-tax-credit>

⁴⁸ Massachusetts Supportive Housing Senior Housing Initiative Program webpage, Paying for Senior Care, updated July 18, 2020 <https://www.payingforseniorcare.com/massachusetts/supportive-housing>; Supportive Housing and Eligibility webpage, Executive Office of Elder Affairs, Commonwealth of Massachusetts <https://www.mass.gov/service-details/supportive-housing-eligibility>

providers to meet tenants clinical and health needs and support housing stability.⁴⁹

The City could try to build on lessons learned from these pilots and the Massachusetts model to increase the availability of services supportive of aging in place to existing residents of affordable housing. Although San Francisco's authority over public housing developments is limited, the City has more influence over 100% affordable housing sites, including former public housing sites now managed by the Mayor's Office of Housing and Community Development.

Policy options: Practices and opportunities for consideration from other jurisdictions

The Board of Supervisors could consider legislation or promoting initiatives to:

- 1.4 *Reduce or eliminate permitting fees for home modifications supportive of resident safety and accessibility.***
- 1.5 *Invest resources to extend the availability of no cost loans for home modifications to additional households with low-income seniors or persons with disabilities.***
- 1.6 *Expand the list of allowable expenses in programs supporting home modifications to include technology that supports safety and helps to sustain independence and increase budgets accordingly.***
- 1.7 *Build upon the evidence-based CAPABLE model and more intentionally integrate home modification resources and other services and supports for vulnerable seniors and people with disabilities.***

To make housing and more affordable for low-income seniors and people with disabilities, the Board of Supervisors could consider legislation or initiatives to:

- 1.8 *Advocate for an increase in eligibility for and the amount of the San Francisco Public Utilities Commission's water and wastewater discounts available to seniors and people with disabilities.***
- 1.9 *Establish a rent freeze program for low-income, rent-burdened seniors and people with disabilities living in rent-controlled units.***
- 1.10 *Consider direct cash transfers to low-income, rent-burdened seniors, potentially in recognition of volunteering services to the City or framed as a credit for their contribution to landlords' property tax payments.***
- 1.11 *Explore with homeowners, landlords, developers, and contractors the type and value of incentives that motivate them to invest in permanent accessibility modifications for their properties.***

⁴⁹ Email from Bryn Miller, Department of Homelessness and Supportive Housing, April 15, 2022.)

1.12 Increase the availability of on-site services supportive of aging in place to residents of affordable housing who are older or have disabilities.

2.A When a move is necessary: market rate housing for seniors and people with disabilities including more opportunities for downsizing

Although seniors are more likely to remain in the same home from year to year than other San Franciscans,¹ there are a wide variety of circumstances that could prompt relocation. Situations that may be more common among seniors and people with disabilities are a decrease in income associated with retirement or loss of a partner, a desire to downsize to a smaller space or one requiring less maintenance, a desire to drive less, be closer to children or other relatives, and current or anticipated accessibility or care needs.

Concerns about losing financial benefits derived from a lengthy occupancy may dissuade or delay a move, resulting in seniors remaining in homes that, especially once any children have moved out, are more upkeep and space than desirable or feasible. The benefits from housing tenure that may affect an individual or couple's decision about relocating include below market rate property assessments or rents due to California's Proposition 13-based property tax structure and San Francisco's Rent Control Ordinance, respectively. It is accurate that seniors and persons with disabilities may lose rent control or have their base rent rise as result of a move. However, Proposition 19 passed in 2020 makes it possible for senior homeowners to retain their relatively low property tax assessments, carrying it with them to a newly purchased or constructed replacement primary residence up to three times.

Securing and Affording Good Fit Housing Is Hard, Even For Middle Income Seniors

While much of this report focuses on services and affordable housing for lower income seniors and people with disabilities, there are many seniors in San Francisco who are not housing cost-burdened and have resources that could be used for market rate housing. Although those with income and assets certainly have more options than their lower-resourced peers, finding a good fit home can still be challenging, given San Francisco's older housing stock, high demand, limited new construction, and the lack of designated Senior Housing.

The demand nationally for market rate senior housing, including assisted living, memory care, and skilled nursing facilities, is reported to be strong by industry representatives and analysts. Longer life spans coupled with projected growth in the senior population in the coming years are key drivers of this demand.² San Francisco demographic trends also portend an increase in demand locally. As presented in Section 1 of this report, San Francisco's senior population is projected to grow by the California Department of Finance by 79,461 individuals by 2042, or by 48.4 percent compared to 2022.

Additionally, at least one national study by a University of Chicago-headed team has specifically focused on middle income seniors for whom most market rate senior housing is a stretch but whose incomes and assets disqualify them for public support such as Medicaid (Medi-Cal in

¹ American Community Survey 2019 1-Year Estimate Subject Tables: S0103 Population Age 65 and Older in the United States, San Francisco County, CA

² The Senior Living Sector is Poised for Growth, NAIOP, Fall 2021. Senior Housing Market Insight, CBRE, Q2 2021.

California).³ This national study forecast that at least 60 percent of middle-income seniors will have mobility limitations by 2029 and 20 percent will have high health care and functional needs, not unlike the senior population in general. Assuming this same model and the study's conclusions apply to San Francisco's middle-income seniors, each year, a subset of middle-income San Francisco seniors will likely need to move due to changes in their mobility and abilities but will likely find limited possibilities.

The supply of market rate housing is not on track to meet this demand, inflating the cost of housing that is available. San Francisco has an estimated seven mostly market-rate buildings or housing complexes explicitly marketed to seniors.⁴ Three of these offer independent living apartments as part of a Continuing Care Retirement Community. The hallmark of such developments is a contract providing a senior age 60 or older with housing and a comprehensive continuum of care, extending usually for the life of the individual, in return for payment of an upfront entrance fee and monthly fees that will not change based on level of care or service needed. CCRCs usually include independent living, assisted living, and skilled nursing care in a single or adjacent buildings. Although the cost varies, upfront entrance fees for CCRCs are usually set at or above median house values in the area where the CCRC is located.⁵

Increased construction of market rate housing could help to ward off a gap between supply and demand. Greater alignment may also help to keep costs of housing realistic for middle-income seniors looking to relocate and/or downsize. However, as current incentives are proving insufficient to motivate developers, the City will need to do more should it wish to encourage development. Local law allows for density bonuses to be awarded to private sector developers that construct Senior Housing meeting "the physical and social needs of senior citizens" and maintaining their development exclusively for seniors for the lifetime of the building. In spite of this potential incentive, there is a dearth of market rate developments in San Francisco that meet the criteria for Senior Housing, as defined in State Civil and Local Planning codes.⁶ This lack of market rate Senior Housing suggests that developers do not find it to be a profitable proposition in the City or worth the trade-off of the available density bonus⁷ for the conditions placed on them, not least of which is a limitation that units be occupied exclusively by seniors or other qualifying residents for the life of the building. This is especially true given that developers and property managers can elect to target their marketing to seniors, whether or not they secure a Senior Housing designation from the City.

³ The Forgotten Middle: Many Middle-Income Seniors will have Insufficient Resources for Housing and Health Care, Pearson, Quinn, et al, Health Affairs 38, No. 5. 2019

⁴ Scan of senior living listings online cross-checked against MOHCD portfolio; review of individual websites. These developments may or may not have been formally designated as Senior Housing by the City or State.

⁵ Continuing Care Retirement Communities in California. Is One Right for You? 2009, p. 4.
<http://www.canhr.org/publications/PDFs/CCRCGuide.pdf>

⁶ San Francisco Planning Code, Section 202.2(f)(1) and California Civil Code, Section 51.3

⁷ San Francisco Planning Code, Section 202.2 f 1 E
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_planning/0-0-0-63346

Policy options: encouraging market rate housing for seniors and people with disabilities

The following are suggestions the Board of Supervisors could consider in the interest of encouraging more market rate development for seniors and people with disabilities. Creation of such housing could help facilitate moves by seniors or people with disabilities to market rate homes that better meets their needs and when appropriate for their financial and personal circumstances.

The Board of Supervisors should consider the following actions.

2.1 Enhance efforts to educate homeowners about their ability to transfer their property tax assessment to a new purchased home - The decision by seniors and people with disabilities to remain in their long-time homes may be due to reluctance to lose a lower level of property taxes due to the California property tax structure, which sets property tax levies based on the assessed value of a property, updated to market rate each time it sells. However, State Proposition 19 passed in 2020 allows homeowners who are over 55 years of age or severely disabled to transfer the assessed value of their primary home to a newly purchased or newly constructed replacement primary residence up to three times, thus eliminating an increase in taxes that would otherwise be associated with purchase of and a move to a new market rate housing unit

→ The City could expand its efforts to educate homeowners who are seniors and people with disabilities about this opportunity to downsize or move into more suitable housing without fear of losing their property tax advantages. Currently, the Assessor's Office website contains an educational video on this topic. This and other related materials could be posted and distributed through other City venues and departments such as the Mayor's Office of Housing and Community Development and distributed to targeted segments of the City's population.

2.2 Promote a City database of mobility accessible rent control units and buildings – Looking for a new apartment in San Francisco is made more difficult when one's mobility is limited, impeding the searcher's ability to visit multiple places in person. Information is not readily available about the accessibility of the unit.

→ The City could explore having the San Francisco Rent Board or MOHCD maintain a database of accessible rent-controlled units. Tenants considering a move could look up addresses in the database to see whether the units they have seen marketed as available also meet basic accessibility standards, saving them time from viewing apartments that are not a good fit for their needs.

The City's new housing inventory database being launched by the Rent Board this year is a likely option for collecting and maintaining this

information. This may require amending the Administrative Code section that established the housing inventory.

2.3 Expand locations qualifying for Senior Housing designation. The City's Planning Code requires that Senior Housing projects, which are eligible for the State authorized density bonus, be "within a quarter of a mile from a Small-Scale Neighborhood Commercial District zoned area or higher."⁸ This requirement seems intended to assure a second requirement that Senior Housing be "in an area with adequate access to services, including but not limited to transit, shopping, and medical facilities."⁹

→ The Board of Supervisors could decide that access to transit that makes it easy for seniors to travel to services and medical facilities trumps quarter-mile proximity to a Small-Scale Neighborhood Commercial District, allowing for location of senior housing in additional residential neighborhoods, something that may, in fact, be appealing to some seniors and would certainly increase the number of suitable properties for developers. This would require an amendment to the City's Planning Code.

2.4 Reduce inclusionary housing requirements for private sector developments designated for seniors and people with disabilities -- San Francisco's developers of residential projects with 10 or more units are required to reserve a percentage of units to be rented or sold at a below market rate, pay a fee, or – in some cases –dedicate land for affordable housing or some combination of the above. Senior Housing is subject to the same inclusionary housing requirements as other projects in San Francisco. However, unlike other projects, they are mandated to provide their below market rate units on site.¹⁰

→ If the Board of Supervisors wishes to incentivize development of market rate housing for seniors and people with disabilities over other types of market-rate housing, it could potentially amend the City Planning Code to remove these requirements for developments that meet the standards to be designated as senior housing or for housing designated for people with disabilities.

Other policy options that the Board of Supervisors could consider to encourage production of market rate housing for seniors and people with disabilities based on approaches found in other jurisdictions include the following.

2.5 Establish an Overlay Zone to allow greater density for senior housing developments -- Overlay zoning is a way to give "use by right" to prioritized

⁸ San Francisco Planning Code, Section 202.2 f 1 D iv
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_planning/0-0-0-63346

⁹ Ibid

¹⁰ San Francisco Planning Code, Section 202.2 f 1 D iii
https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_planning/0-0-0-63346

types of development because it takes precedence over the underlying zoning. It makes projects more desirable to developers by reducing uncertainty and is often coupled with other incentives such as increased density allowances, reduced fees, or fast-track review. Overlay zones have been used to incentivize affordable housing in other jurisdictions, including cities throughout San Mateo County and elsewhere in the Bay Area. Foster City has a floating Senior Housing Overlay district aimed at facilitating the development and construction of affordable senior citizen-oriented rental housing.¹¹ Much of the western side of San Francisco has limited ability to absorb such units because of allowable density.¹²

- The Board of Supervisors could explore establishing and applying a Senior and People with Disabilities Housing Overlay Zone to parts of the City lagging in the number of deed-restricted rental or homeownership units for seniors and people with disabilities as is the case in much of the City's western neighborhoods. The Board of Supervisors may wish to encourage coupling such an Overlay Zone with allowances for an additional story of height or other benefits for Senior Housing projects, including those located in what has traditionally been RH-1 and RH-2 districts, but will have new designations under recently adopted legislation.

2.6 Waive impact fees for market rate developments designated for seniors and people with disabilities -- *Waiving* or discounting fees on the types of housing that a City wishes to encourage is one way to directly reduce development costs and incentivize desirable projects. This is found across the country for affordable housing. For example, the City of Sunnyvale credits developers \$300,000 against its housing impact fee for every very low-income unit, or \$150,000 for every low-income unit. The city also waives the park and recreation fee for affordable units.¹³ Austin, Texas extends incentives to projects that are Safe, Mixed-Income, Accessible, Reasonably Priced and Transit-Oriented (SMART) and compliant with the City's Energy Green Building standards. Projects that meet standards, including increased access for people with disabilities, can qualify for fee waivers.¹⁴

- In addition to the density bonus afforded to San Francisco deed-restricted market rate Senior Housing pursuant to State law, San Francisco may wish to consider incentivizing housing for seniors and people with disabilities by offering developers of such projects waivers or discounts for impact fees and infrastructure connection costs.

¹¹ Foster City, California Planning Code, Chapter 17.37.

<https://www.codepublishing.com/CA/FosterCity/html/FosterCity17/FosterCity1737.html>

¹² https://sfplanning.org/sites/default/files/documents/publications/DB_06_Implementing_State_Density.pdf

¹³ https://mtc.ca.gov/sites/default/files/CASA_Compact.pdf

¹⁴ <https://www.austintexas.gov/department/development-incentives-and-agreements>

2.B When a move is necessary: affordable housing for seniors and people with disabilities

Among seniors and people with disabilities in affordable housing developed through the efforts of MOHCD, there are those who have long tenure in their units more generally and are aging in place. There are also those who moved into affordable housing only after having become a senior citizen or developing a disability, possibly after finding their age or disability status coincided with decreased income. This section is most relevant to seniors and people with disabilities whose phase of life and/or financial situation necessitates a move into affordable housing in San Francisco. Surveys show most people want to age in their homes and communities. The presence of affordable housing throughout the City can at least make it possible to age in community, if not in one's original home.

Three-quarters of low-income, private-sector workers in California and half of the state's middle-income, private sector workers have no dedicated retirement assets other than Social Security.¹⁵ San Francisco's aging population coupled with a mismatch between Social Security benefits and the City's high cost of living suggest the need for affordable senior housing will continue to grow, creating urgency for increased production, acquisition, and subsidy.

Affordable housing production

Deed-restricted affordable housing for seniors, people with disabilities, and others in San Francisco is largely the result of the actions of the Mayor's Office of Housing and Community Development (MOHCD). The Office employs two primary program approaches for this responsibility: 1) new construction, and 2) rehabilitation. Both approaches result in housing for seniors and people with disabilities but neither of the approaches are exclusively dedicated to those populations, nor are any of the major programs administered by MOHCD, described below.

- **New construction:** MOHCD provides loan and grant funds to nonprofit developers to construct new affordable housing for seniors, people with disabilities, and other low to moderate income individuals and families. Private for-profit developers also construct new affordable housing largely through the City's inclusionary housing requirements where developers of housing projects over a certain size are required to either include affordable below market rate units in their developments or contribute to the cost of constructing a number of units offsite proportional to the size of their development.

New units are also being constructed in San Francisco through the HOPE SF program administered by MOHCD. This is a program in which four former public housing complexes are being replaced with newly constructed affordable housing. The program is aiming to avoid displacement of original tenants by phasing construction and increasing density so that 1,900 public housing units are being replaced one-for-one and 4,000 additional low-income and market rate units are being added to

¹⁵ Half of California Private Sector Workers Have No Retirement Assets, UC Berkeley Labor Center, Press Release, July 1, 2019, <https://laborcenter.berkeley.edu/california-retirement-savings/>

produce new mixed income communities in lieu of the four complexes being entirely provided to low-income residents. All new housing will be managed privately.¹⁶

- **Acquisition and rehabilitation:** Affordable housing is maintained and created in San Francisco through acquisition and rehabilitation of existing housing, including some former public housing units. Such efforts are accomplished through various programs administered by MOHCD including the Rental Assistance Demonstration Program (RAD), the Small Sites program, and the Multifamily Rental Program, among others.

Between 2016 and 2021, these approaches and programs have resulted in 9,148 units of newly constructed affordable housing, of which 484 units were dedicated to seniors. In addition, 2,268 existing units were rehabilitated for seniors, assisting them with staying in place, but not adding to the overall inventory of senior housing. Most of the rehabilitated senior units were through the Rental Assistance Demonstration Program (RAD).

All of the new construction and rehabilitated units help serve low-income seniors and people with disabilities. However, the number of newly produced units dedicated to seniors and people with disabilities is small relative to the senior population of approximately 164,036 in 2022, as demonstrated by demand for lottery awarded affordable housing repeatedly exceeding supply. Many of these seniors are low income and will have a need to relocate from their current housing in coming years due to mobility or other health issues, or for personal reasons such as a change in household or family composition. In accordance with the preferences of most seniors,¹⁷ such moves would be within their neighborhood to a more accessible affordable housing unit or a service facility such as assisted living.

As shown in Exhibit 2.1, the City currently has 5,595 deed-restricted affordable housing units dedicated to seniors in place in the MOHCD portfolio relative to a 2022 senior population of approximately 164,036. To merely maintain this 3.4 percent ratio of deed-restricted affordable units relative to the projected senior population of 243,497 in 2042, the City will need to produce approximately 2,708 additional units, or 135 units per year. This represents an increase in production compared to the annual average of 81 units per year for the six years between 2016 and 2021, not accounting for the projected increase in the average age of seniors in the coming years. The increase in elderly seniors is likely to mean a greater share of the population will need to move out of their current homes for mobility or other health reasons or due to changes in their personal circumstances. It also does not address the unmet need with the current inventory, as demonstrated by the long waitlists for affordable housing applicants maintained by MOHCD.

The 5,595 deed-restricted senior units in MOHCD's portfolio do not represent all affordable housing opportunities for seniors in San Francisco. As reported by the Department of Disability and Aging Services (DAS), in 2019, 10,593 units are occupied by at least one senior, or 4,998 more

¹⁶ The Story of Now: A Data Snapshot of HopeSF Residents, Social Policy Research Associates, December 2020. <https://www.hope-sf.org/wp-content/uploads/2022/04/HOPE-SF-The-Story-of-Now-4.pdf>

¹⁷ https://www.aarp.org/content/dam/aarp/research/surveys_statistics/liv-com/2021/2021-home-community-preferences-annotated-questionnaire-age.doi.10.26419-2Fres.00479.002.pdf

units than those deed-restricted for seniors in MOHCD's portfolio¹⁸. Similarly, MOHCD's portfolio includes 2,001 units deed-restricted for people with disabilities, but DAS reported 2,561 units had at least one occupant with a disability as of 2019.

Exhibit 2.1: 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

Sources: Population: California Department of Finance; Housing units 2016 – 2022: Mayor's Office of Housing and Community Development via SF Data.

Also adding to the affordable housing inventory in San Francisco are units and subsidies falling under the oversight of the Department of Homelessness and Supportive Housing (HSH). Given the urgency derived from a target population consisting of many unsheltered individuals and opportunities created by Covid-related disruptions to the housing market and hospitality industry, acquisition is currently playing a big role in how HSH is adding permanent supportive housing units to its inventory, allowing for more accelerated growth in the inventory than possible if dependent upon construction.¹⁹ Both MOHCD and HSH engage in acquisition. MOHCD's acquisition of properties often results in the stabilization of existing residents, helping to prevent homelessness. Acquisition of properties by HSH, recently including multiple former hotels, are more likely to increase the number of housed residents.

HSH has 867 site-based permanent supportive housing (PSH) units set aside for older adults²⁰ in its portfolio of 9,715 site based PSH units.²¹ An additional 103 site-based PSH units for seniors will open in the next few months.²² Site-based PSH units may have come online via either new

¹⁸ 2021 Overview Report on Affordable Housing for Seniors and People with Disabilities, San Francisco Department of Disability and Aging Services, October 2021.

¹⁹ Homelessness Recovery Plan <https://sf.gov/data/homelessness-recovery-plan#available-and-planned-housing-inventory>.

²⁰ Feedback to draft, conveyed in email from Bryn Miller, Department of Homelessness and Supportive Housing, June 2022.

²¹ Permanent Supportive housing unit count includes adult, family, mixed, and transitional age youth as seniors and people with disabilities may be part of any of these categories. However, it does not include Rapid Rehousing as the Rapid Rehousing program is time-limited in nature. Data from <https://sf.gov/data/homelessness-recovery-plan#available-and-planned-housing-inventory>

²² Feedback to draft, conveyed in email from Bryn Miller, Department of Homelessness and Supportive Housing, June 2022.

construction or acquisition and are where tenants live in units in a building that the City or a non-profit partner owns or master leases and where support services are provided on site. The full inventory of PSH units also includes scattered-site PSH where tenants use subsidies to live in private market units arranged by the City or its nonprofit partners and receive support in their home from mobile service providers. HSH does not administer any scattered-site PSH units that are specifically set aside for seniors or people with disabilities. However, as the Coordinated Entry system prioritizes for housing more vulnerable populations including older adults and those with disabilities and several funding sources require a disability for eligibility, HSH believes these groups to be well represented among all of the units mentioned above.²³

Funding challenges and options for production of affordable housing for seniors and people with disabilities

The City currently makes substantial investments in the production of new affordable housing, including for seniors and people with disabilities. The largest funding sources in recent years administered by MOHCD has been general obligation bonds (approximately 37 percent of MOHCD's total revenue sources over the last five years), development impact fees, General Fund contributions, federal grants, and other grants, gifts, and sources. Federal funding sources in general have generally not increased, particularly since 2016. If the City wishes to ramp up production, enhancements to existing funding sources should be considered as well as new sources.

A key funding source in recent years available to affordable housing developers was the Low-income Housing Tax Credit, a federal tax subsidy program that provides developers with tax credits in exchange for their equity contributions to affordable housing. The California Tax Credit Allocation Committee (CTCAC) awards these tax credits to project developers, either at a nine percent rate based on a competitive award process, or at a four percent annual tax credit, often paired with tax-exempt bonds. Unfortunately, this key source of funding for affordable housing projects is now unavailable to projects in San Francisco due to a CTCAC decision to allocate these dollars to developers in other cities where the unit costs of developing affordable housing are lower than in San Francisco and the tax credits thus go further in producing affordable housing.

In the past, the San Francisco Redevelopment Agency was an important funding source for affordable housing but since the 2012 dissolution of all redevelopment agencies in California, this source has diminished as a source for new projects though the Office of Community Investment and Infrastructure continues to administer long-term projects and previously approved funding sources for enforceable obligations. None of the OCII projects completed between 2016 and 2021 included deed-restricted housing for seniors

Given the dwindling of federal and state funding sources for affordable housing, the City is currently most reliant on general obligation bonds, development impact fees, the Housing Trust Fund, ERAF, and other General Fund contributions for the production of needed additional affordable housing for seniors and people with disabilities. Absent other new sources of funding,

²³ Email from Bryn Miller, Department of Homelessness and Supportive Housing, April 15, 2022.

maintaining or enhancing the City's current level of production is dependent on these key sources of funding.

General obligation bonds

General obligation bonds, backed and repaid by voter approved ad valorem property taxes, allow for sizable infusions of cash needed for high-cost production of affordable housing. With some limitations, the size of bond issuances is within the City's control, subject to voter approval. The two most recent voter-approved bond issuances for affordable housing were in 2015 and 2019 for \$310 and \$600 million, respectively, or a total of \$910 million. However, only \$120 million of these two issuances were specifically earmarked for senior housing (though seniors and people with disabilities can benefit from funding designated for other groups to which they also belong such as low-income or public housing residents).

City policy established in 2006 places a limit on the value of total Citywide general obligation bond debt that can be repaid at any one time to approximately 0.12 percent of the assessed value of the City's real property. The City Capital Planning Committee assesses proposals for all City debt financing to make determinations of the amounts of bonded indebtedness that should be issued for all City purposes, including for affordable housing, within the debt limit cap. An increase in general obligation bonds for affordable housing must be approved by the Capital Planning Committee balancing such an increase against all other City needs such as funding for transportation, parks, public health, and other capital needs.

Certificates of Participation

Another financing mechanism that can be used for affordable housing bonds is Certificates of Participation (COPs). COPs are a long-term lease obligation entered into by the City whereby the City covenants to appropriate funds annually for the use and occupancy of a physical City asset securing the financing. As COPs are structured as a long-term lease whereby payments are contingent upon the beneficial use and occupancy of an asset, COPs are not subject to voter approval.

COPs are considered by credit rating agencies to carry somewhat greater risk than general obligation bonds, given that COPs payments are subject to annual appropriation. Therefore, COPs generally have higher interest rates than general obligation bonds, resulting in higher borrowing costs for the City. City policy puts a limit on General Fund backed COP financings which is that the total annual payments for leases/COPs cannot exceed 3.25 percent of General Fund discretionary revenue. As with general obligation bonds, any allocation of Certificate of Participation proceeds to affordable housing must be considered relative to all other City needs that can be funded by Certificates of Participation. Additionally, COPs do not provide for a new revenue source, so funding must be set-aside in the City's budget for these annual lease payments.

Debt issued through the Bay Area Housing Finance Agency

Another possible funding source that may be soon available to Bay Area counties is bond financing through the newly created Bay Area Housing Finance Agency (BAHFA), a regional authority of the Metropolitan Transportation Commission established by the California legislature "to raise, administer, and allocate funding for affordable housing in the San Francisco Bay Area," and

provide technical assistance at a regional level for affordable housing and tenant protection.²⁴ The bonds would be secured by ad valorem property taxes levied in multiple participating Bay Area counties. Any new revenue source to be placed on the ballot requires voter approval by a two-thirds vote.

The new organization is planning a \$10 billion regional debt issuance for affordable housing in the next few years that would be shared by all Bay Area cities that choose to participate, proportionate to their share of the regional population. Depending on the final level of participation by all counties, San Francisco's share if it chooses to participate should be approximately 10 percent of the total issuance, or roughly \$1 billion.

Policy Options: increasing affordable housing production for seniors and people with disabilities

To increase resources for the production or acquisition of new affordable housing for seniors and people with disabilities, the Board of Supervisors could consider the following actions:

- 2.7 Adopt a policy calling for a greater share of future City bond issuances for affordable housing** A City goal could be for the share of future general obligation bonds to be sufficient to at least keep production of affordable housing for seniors and people with disabilities consistent with the current supply relative to the growing senior population or, preferably, relative to a specific goal based on assessed need, as recommended in Section 1 of this report. This could be a standalone policy or integrated with a comparable goal for multi-family and other affordable housing.
- 2.8 Propose a temporary adjustment to the Citywide debt limit cap on general obligation bonds to allow for production of bond-funded affordable housing for seniors and people with disabilities** This change would increase the City's general obligation bond debt limit from the current level of approximately 0.12 percent of assessed value and allow for an increase in general obligation bond indebtedness to be used for affordable housing for seniors and people with disabilities to at least keep up with population growth. This could be done for a set period of time until a specific affordable housing production goal is achieved for seniors and people with disabilities. The current policy is codified in the City's Capital Plan. Changing the current debt policy could affect the City's credit ratings, though that would depend on the economic state of the City and its revenue sources as a whole.
- 2.9 Propose greater use of Certificates of Participation as an additional debt instrument for affordable housing** This debt instrument could be used for housing for seniors and people with disabilities. It would commit a certain amount of City General Fund resources to debt service and, unlike general

²⁴ California Assembly Bill 1487 (2019, Chiu).
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200AB1487

obligation bonds, would not produce a new revenue source through a voter-approved ad valorem tax levy. Use of certificates of participation could be approved by the City without voter approval.

2.10 *Initiate collaborations with the newly formed Bay Area Housing Finance Agency to participate in a regionwide bond issuance* This could result in an estimated \$1 billion in bond proceeds for affordable housing for San Francisco. Such funding could help increase production but may not eliminate the need for subsidies to ensure the housing is affordable to low- and very low-income households. City debt issued through this vehicle should not be limited by the City's current policy limiting total Citywide general obligation bonds debt that can be repaid at any one time to approximately 0.12 percent of the assessed value of the City's real property.

Other approaches to enhance production of affordable housing for seniors and people with disabilities, based on approaches found in other public jurisdictions could include:

2.11 *Initiate a Housing Innovation Challenge* – The City of Los Angeles set aside \$120 million of bond money in 2019 for developing permanent support housing to fund innovative housing models. The primary goal was to identify innovative construction and financing models to produce nearly 1,000 new supportive housing units within two years after receiving funding approval. According to an audit released in February 2022, challenge projects have lower cost estimates than typical projects from the bond fund and Los Angeles Housing Department pipeline.²⁵

San Francisco Opportunity: As the City and County of San Francisco considers potentially issuing additional general obligation bonds or other financing instruments for affordable housing in the future, including affordable housing for seniors and people with disabilities, it may wish to incorporate a housing innovation challenge to expedite production of new units at lower cost. The City should consider dedicating some of the award slots for housing for seniors and residents with disabilities.

2.12 *Declare a housing emergency for a certain period of time in the interest of increasing production to reach a specific goal* -- Multiple communities, including Seattle/King County, Portland, Oregon, and San Jose, California have previously declared a homelessness state of emergency or a housing or shelter crisis. The City of San Diego declared an affordable housing state of emergency in 2002.

Declaring a state of emergency can allow City officials to suspend or bypass normal procedures and regulations to take urgent actions. The communities

²⁵ https://lacontroller.org/wp-content/uploads/2022/02/2.22.23_The-Problems-and-Progress-of-Prop-HHH_Final.pdf

mentioned have used the opportunity to allocate funds more flexibly, reduce regulatory barriers and redirect resources. When the City of Oakland declared a shelter crisis in January 2016, it reduced planning, zoning, building and other requirements for the creation of emergency shelters. Similarly, the Portland Mayor and City Council used the declaration of a state of emergency to, among other things, create a process to waive portions of zoning code requirements for certain developments.²⁶

The City could consider issuing a state of emergency for affordable housing or for housing for seniors and people with disabilities specifically. The duration of the state of emergency could be tied to construction of a specific number of new housing units which could hopefully be expedited because of approval streamlining and enhanced, flexible funding that a state of emergency can enable including implementation of other recommendations in this report.

2.13 Allow and encourage modular housing construction – Pre-fabricated and modular housing units offer a way to accelerate housing construction and reduce costs. In San Francisco, the Housing Accelerator Fund-supported permanent supportive housing project at 833 Bryant Street had a per unit cost approximately \$200,000 less than similar projects in the City,²⁷ largely because the ability to construct the units off-site while simultaneously doing site work shortened the timeline.²⁸ New York City acknowledges the time and cost savings associated with modular construction in its ambitious Housing New York 2.0 plan which aims for 300,000 new or preserved units of housing by 2026.²⁹ Last year, Salt Lake City became the first city in the country to adopt new ICC and Modular Building Institute-backed standards that address the construction of modular dwelling units built off-site outside the city limits. The Oakland City Council passed a Construction Innovation Ordinance which, among other things, removed a ban on manufactured homes and certain impediments to creating modular homes.³⁰ The City of Oakland has and is continuing to support use of modular construction to develop affordable multi-family buildings.

So long as a development is otherwise compliant, San Francisco’s Planning Code is neutral on the use of modular housing units. The smaller units often preferred by seniors and people with disabilities lend themselves to modular construction. In 2018, Mayor Breed committed to spend \$100 Million on

²⁶ <https://endhomelessness.org/resource/homelessness-a-state-of-emergency/#:~:text=San%20Diego%20has%20had%20an,common%20strategy%20in%20the%20past>

²⁷ <https://www.sfchronicle.com/sf/bayarea/heatherknight/article/Here-s-how-to-build-affordable-housing-in-SF-16823736.php>

²⁸ <https://turnercenter.berkeley.edu/wp-content/uploads/2021/02/833-Bryant-February-2021.pdf>

²⁹ Housing New York 2.0, City of New York, <https://www1.nyc.gov/assets/hpd/downloads/pdfs/about/housing-new-york-2-0.pdf>

³⁰ <https://www.oaklandca.gov/news/2021/oakland-city-council-passes-groundbreaking-construction-innovation-ordinance>

affordable housing from a modular housing facility in San Francisco,³¹ While there were reportedly challenges with the rollout of this initiative, the relative affordability of modular construction offers a way for more property owners to afford the addition of Accessory Dwelling Units, further bolstering the supply of affordable housing in the City. With modular construction potentially offering a cost- and time-efficient way for the City to achieve its goal of more housing, San Francisco may wish to invest in learning and developing internal staff expertise around the associated models, products, and processes. The intentional approach being taken by King County, Washington may be a model for how to proceed. That county issued a request for proposals explicitly for a team to deliver a modular affordable housing project.³²

Making Housing Affordable for Very and Extremely Low-Income Seniors and People with Disabilities

Seniors and people with disabilities tend to have lower incomes than other San Franciscans. Approximately 25% of seniors age 65 and older have incomes below 150% of the federal poverty level,³³ compared to approximately 15% of all San Franciscans.³⁴ Approximately 30% of San Franciscans with disabilities age 18 – 64 live in poverty, in contrast to approximately 8% of their peers without disabilities.³⁵

Given the relatively low incomes of these demographic groups, it is not surprising that approximately three-quarters of the elderly and disabled occupants of affordable housing units in the MOHCD portfolio report incomes below 20% of Area Median Income.³⁶ This, despite three quarters of affordable units in the MOHCD portfolio being occupied by seniors and people with disabilities having affordability standards between 30% and 50% of AMI.³⁷ This discrepancy is explained by the prevalence of housing subsidies. According to the 2021 Overview Report on Affordable Housing for Seniors and People with

³¹ <https://sfmayor.org/article/mayor-london-breed-commits-spending-100-million-affordable-housing-modular-housing-facility>

³² https://publicola.com/wp-content/uploads/2018/07/ShorelineRFQ_A_SystemConnected-FINAL.pdf

³³ Use of income may overestimate poverty among seniors given that many have retirement or other assets to draw upon.

³⁴ American Community Survey 2019 1-Year Estimate Subject Tables: S0103 Population Age 65 and Older in the United States, San Francisco County, CA.

³⁵ 2019 State Report for County Level Data: Poverty, Disability Statistics & Demographics, Institute on Disability, University of New Hampshire, 2020, p.4. https://disabilitycompendium.org/sites/default/files/iod/reports/2019-state-report-for-county-level-data-poverty-pdfs/2019_State_Report_for_County-Level_Data__Poverty_CA.pdf?ts=1611681312

³⁶ 2021 Overview Report on Affordable Housing for Seniors and People with Disabilities, Department of Disability and Aging Services, San Francisco Human Services Agency, October 1, 2021, p. 11. https://www.sfhsa.org/sites/default/files/Report_SFAS_Affordable%20Housing%20Overview%20October%202021.pdf

³⁷ 2021 Overview Report on Affordable Housing for Seniors and People with Disabilities, Department of Disability and Aging Services, San Francisco Human Services Agency, October 1, 2021, p. 11. https://www.sfhsa.org/sites/default/files/Report_SFAS_Affordable%20Housing%20Overview%20October%202021.pdf

Disabilities prepared by the Department of Disability and Aging Services, “Most senior and disabled residents rely on a rental subsidy to meet their monthly rent. About 77% of senior-occupied units and 91% of disability occupied units have a rental subsidy through federal sources (such as Section 8 Housing Choice Vouchers or Continuum of Care Programs) or local sources (such as the Local Operating Subsidy Program).”³⁸

Given the economics behind affordable housing, construction alone is insufficient to increase the accessibility of affordable housing to seniors and persons without disabilities. Construction must be coupled with additional subsidies to ensure access for very low-income seniors and persons with disabilities and sustainability for the developers. Federally funded subsidies are not expected to increase sufficient to keep up with increased demand for affordable housing among seniors and people with disabilities, placing the onus on San Francisco to fill the gap. As described in Appendix 2, the Senior Operating Subsidy was piloted and has since been institutionalized for this purpose. Additionally, the Local Operating Subsidy which pays the difference between the cost of operating housing that serves homeless persons and other revenue for a project also de facto supports the rents of many seniors and persons with disabilities given their previously described prevalence among the City’s homeless population and the priority assigned to them in the Coordinated Entry system.

Policy Options: Using subsidies to increase access to affordable housing

2.14 Increase funding for operating subsidies to expand the numbers served and link future investments to the production of new affordable units – Operating subsidies, such as the Senior or Local Operating Subsidy, are project-based and increase the affordability of a unit over time, regardless of tenant turnover. The existing operating subsidy programs do not explicitly include persons with disabilities. Additional resources should be invested, and regulations changed to expand eligibility to persons with disabilities, either through an augmentation of the Senior Operating Subsidy or a new designated subsidy for San Franciscans with disabilities. To ensure that operating subsidies are available as new units for seniors and people with disabilities come online, the City should consider setting a desired ratio of operating subsidies to new units and linking investments in the two such that they increase proportionately.

³⁸ 2021 Overview Report on Affordable Housing for Seniors and People with Disabilities, Department of Disability and Aging Services, San Francisco Human Services Agency, October 1, 2021, p. 11.
https://www.sfhsa.org/sites/default/files/Report_SFAS_Affordable%20Housing%20Overview%20October%202021.pdf

3. Residential facility care and services for seniors and people with disabilities

Three out of every four Americans over age 65 will need long-term care, defined as services that help people live as independently and safely as possible when they can no longer perform everyday activities on their own, at some point in their lives.¹ Many will initially receive such care while still living in their own home or that of a relative. However, at some point, they, their family, or physicians may decide that a residential care setting is preferable or necessary. Thirty-seven percent of seniors receive long-term care in a residential facility at some point in time.² For seniors and people with disabilities, in San Francisco, such care is most often provided in the following settings:

- Skilled Nursing Facilities – Skilled nursing facilities (SNF), also referred to as nursing homes or rehabilitation facilities, provide round-the-clock medical supervision and may also offer memory care to those suffering from cognitive decline. Long-term SNF patients have care needs that often require care from licensed medical and therapeutic professionals as well as 24-hour care and monitoring, including assistance with multiple activities of daily living like bathing, eating, dressing, feeding, transferring, and toilet hygiene. Long-term subacute SNF patients often have complex care needs such as ventilators or intravenous feeding that require skilled nursing. SNFs usually also serve other, often younger, patients, with shorter-term post-acute or rehabilitative needs.
- Assisted Living Facilities – Referred to in regulations as Residential Care Facilities for the Elderly (RCFEs) or Adult Residential Facilities (ARFs) depending on the ages served, assisted living facilities provide personal care and safe housing for those who may need help with medication and assistance with activities of daily living, often to be provided by paraprofessionals and without around the clock monitoring. Some assisted living facilities may offer memory care. Facilities with six or fewer beds are sometimes referred to as “board and care homes.”

This report section describes the different out-of-home long term care settings in San Francisco and makes recommendations for how to increase access to and affordability of such care when and as San Franciscans need it. An underlying premise of this report and policy options for consideration by the Board of Supervisors is that individuals should reside in the least medically intensive setting appropriate relative to their care needs. The scope of this analysis did not include researching health outcomes associated with the various care environments nor differences in these outcomes across population subgroups.

Skilled Nursing Facilities

Short of stays in acute care hospitals, skilled nursing facilities, also referred to as nursing homes, provide the most intensive level of out-of-home care available. They provide care by registered nurses in a medical setting, working under a doctor’s supervision. In addition to skilled nursing,

¹ <https://www.cahf.org/About/Consumer-Help/Guide-to-Long-Term-Care>

² “How Much Care Will You Need” webpage, Administration for Community Living, U.S. Department of Health and Human Services, updated 2/18/20, accessed 6/4/22. <https://acl.gov/ltc/basic-needs/how-much-care-will-you-need>

care may include rehabilitative services from licensed physical, occupational or speech therapists as well as assistance with daily living tasks. SNFs are intended to serve individuals requiring a higher level of care than can be provided in an assisted living facility or their home,

Skilled nursing facilities in San Francisco exist in three types of settings:

- Within a designated part of an acute care hospital
- California Pacific Medical Center Davies and Zuckerberg San Francisco General Hospital both have designated SNF beds
- At a hospital specializing in long-term care
 - Laguna Honda Hospital and Rehabilitation Center and the Jewish Home and Rehab Center are San Francisco's two hospitals specializing in skilled nursing and long-term care
- In a freestanding facility
 - San Francisco has 13 freestanding Skilled Nursing Facilities.

Exhibit 3.1 shows that there were 2,264 licensed skilled nursing facility beds in San Francisco in 2020 and an 83.95 percent occupancy rate. Of these, 1,409 beds were in free-standing facilities, 1,147 were in specialty hospitals, and 68 beds were in acute hospitals.

Exhibit 3.1: Skilled Nursing Facility Licensed Beds and Actual Bed-Days in San Francisco, 2020

	Hospital- Acute*	Hospital - Long Term Care*	Free-Standing**	Total
San Francisco Facilities	2	2	13	17
Licensed SNF beds	68	1,147	1,049	2,264
Licensed SNF bed patient days	24,888	419,802	383,934	828,624
Actual patient days	18,781	386,376	290,476	695,633
Occupancy Rate	75.46%	92.04%	75.66%	83.95%

Sources: Hospitals: California Health & Human Services, 2020 Hospital Annual Utilization Data. Free-standing: California Health & Human Services, 2020 Long-term Care Facilities Annual Utilization Data

In the last two decades, the number of SNF beds in San Francisco decreased by an estimated 35 percent from approximately 3,474 beds in 2002 to 2,264 beds in 2020³ due mostly to closures of skilled nursing divisions in San Francisco’s acute care hospitals. The downward trend coincides with a national trend toward shorter hospital stays and, when needed, providing long-term care – both because of cost and preference – in more community-based settings.⁴ The 2016 Framing San Francisco’s Post-Acute Care Challenge report indicates that the high cost of land and construction have also been reported as challenges to maintaining the number of SNFs in the City.⁵

In 2020, there were 138 Skilled Nursing Facility beds for every 10,000 seniors in San Francisco. As shown in Exhibit 3.2, to maintain this ratio as the number of seniors in the City grows over the next two decades, San Francisco will need to reverse the trend of the last two decades and add an additional 1,096 skilled nursing beds by 2032, an increase of 48.4 percent.⁶

³ Recent numbers from California Health and Human Services Agency 2020 Long-term Care Facilities and 2020 Hospital Utilization Data; Number of beds in 2002 from Framing San Francisco’s Post-Acute Care Challenge

https://www.sfdph.org/dph/hc/HCAgen/HCAgen2016/Feb%2016/Post-Acute%20Care%20Project%20Report_02.10.16.pdf

⁴ Framing San Francisco’s Post-Acute Care Challenge

https://www.sfdph.org/dph/hc/HCAgen/HCAgen2016/Feb%2016/Post-Acute%20Care%20Project%20Report_02.10.16.pdf

⁵ Framing San Francisco’s Post-Acute Care Challenge

https://www.sfdph.org/dph/hc/HCAgen/HCAgen2016/Feb%2016/Post-Acute%20Care%20Project%20Report_02.10.16.pdf

⁶ Ratio calculated by population of San Franciscans age 65+ in 2020 (California Department of Finance) by number of licensed SNF beds in 2020 and then applying ratio to California Department of Finance predictions for the number of seniors in 2042.

Exhibit 3.2: Additional Skilled Nursing Facility Beds Needed by 2042 to Keep up with Projected Increase in San Francisco’s Senior Population

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

Sources: Population: California Department of Finance. SNF Beds: California Department of Health and Human Services

Most people are admitted to a SNF immediately following a hospital stay. This was the case for 87 percent of those entering one of San Francisco’s freestanding SNFs in 2020.⁷ Different settings and facilities cater to different populations and needs.

- In 2020, patients in skilled nursing beds at the acute care hospitals CPMC Davies and Zuckerberg SF General remained for approximately one month prior to discharge, whereas the average stay prior to discharge at the hospitals specializing in long-term care was a little more than three months at the Jewish Home and well over a year (464 days) at Laguna Honda.⁸
- The vast majority (85%) of patients at San Francisco’s freestanding facilities were discharged within 3 months, despite 71 percent of them being age 75 or older. More than half of those discharged from these facilities (55%) returned home.⁹
- Laguna Honda’s patient population is more diverse. In Fiscal Years 2019-20 and 2020-21, forty-one percent of patients were under the age of 65.¹⁰
- The primary payer for 97 percent of Laguna Honda’s 2020 patients was Medi-Cal¹¹ whereas Medi-Cal was the payor for just 55 percent of the patients at the freestanding facilities.¹²

⁷ 2020 Annual Long-term Care Facilities Utilization Data, California Health and Human Services Agency
<https://data.chhs.ca.gov/dataset/long-term-care-facilities-annual-utilization-data>

⁸ 2020 Annual Utilization Report of Hospitals Data, California Health and Human Services Agency
<https://data.chhs.ca.gov/dataset/hospital-annual-utilization-report>

⁹ 2020 Annual Long-term Care Facilities Utilization Data, California Health and Human Services Agency
<https://data.chhs.ca.gov/dataset/long-term-care-facilities-annual-utilization-data>

¹⁰ Laguna Honda Hospital Annual Report 2020-2021 <https://lagunahonda.org/sites/default/files/docs/Laguna-Honda-Hospital-Annual-Report20-21.pdf>

¹¹ Laguna Honda Hospital Annual Report 2020-2021 <https://lagunahonda.org/sites/default/files/docs/Laguna-Honda-Hospital-Annual-Report20-21.pdf>

¹² 2020 Annual Long-term Care Facilities Utilization Data, California Health and Human Services Agency
<https://data.chhs.ca.gov/dataset/long-term-care-facilities-annual-utilization-data>

Shorter stays suggest that care is being provided to individuals recovering after an injury, illness, or surgery. Shorter stays may also be indicative of a patient having insufficient resources or insurance to cover the cost of care at a particular facility. Longer stays are more likely to be indicative of chronic conditions and patients needing assistance managing these conditions and associated medications as well as with several activities of daily living.

Regardless of the type of setting, the percentage of days the licensed skilled nursing beds in San Francisco were occupied by patients, i.e., the occupancy or utilization rate, was over 75 percent in 2020. At 92 percent, the occupancy rate was particularly high at San Francisco's two hospitals specializing in skilled nursing and long-term care: Laguna Honda and the Jewish Home and Rehab Center.¹³

Medi-Cal is the primary payor for stays in skilled nursing facilities

According to a survey by insurance company Genworth Financial, the monthly cost in San Francisco for a stay in a skilled nursing facility is approximately \$11,500 for a semi-private room or \$14,000 for a private room.¹⁴ The high cost of skilled nursing facility stays means that most individuals are dependent upon insurers picking up some or all of the cost. Medicaid (Medi-Cal in California) and, to a lesser extent, Medicare are the primary payors for stays in skilled nursing facilities.

For seniors, Medicare is often the first payer upon a move into a nursing home. Medicare will pay for some or all of a nursing home stay after a hospital stay for up to 100 days (in reality, average Medicare coverage for skilled nursing care is just 10 – 20 days, until the individual is stabilized). Medicare covers about fifteen percent of all skilled nursing care in California.¹⁵ Most Californians who remain in a skilled nursing facility for a more extended duration eventually look to Medi-Cal to support the cost. Two-thirds of nursing home residents in California rely on Medi-Cal to pay for care.¹⁶

Although not all facilities with skilled nursing beds in San Francisco are both Medicare and Medi-Cal certified, the majority are. In 2020, all of the hospital facilities were certified to receive both sources of payment. Among the 1,049 skilled nursing beds in San Francisco's freestanding facilities in 2020, 81 percent were in the eight facilities certified to accept Medi-Cal and 92 percent were in the nine facilities certified to accept Medicare. Six of the freestanding SNF facilities were both Medi-Cal and Medicare certified.¹⁷ Nonetheless, it can be very challenging for individuals on Medi-Cal to secure a bed in a skilled nursing facility, especially if transferring from their homes or an

¹³ 2020 Annual Utilization Report of Hospitals Data, California Health and Human Services Agency

<https://data.chhs.ca.gov/dataset/hospital-annual-utilization-report>

¹⁴ <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

¹⁵ Facts and Statistics Long-Term Care Providers, California Association of Health Facilities, Revised March 2020, <https://www.cahf.org/About/Consumer-Help/Facts-and-Statistics>

¹⁶ Guide to Long-Term Care, California Association of Health Facilities, Updated March 2021, <https://www.cahf.org/About/Consumer-Help/Guide-to-Long-Term-Care>

¹⁷ 2020 Annual Utilization Report of Hospitals Data, California Health and Human Services Agency <https://data.chhs.ca.gov/dataset/hospital-annual-utilization-report>

assisted living facility rather than directly from a hospital. Relatively low Medi-Cal reimbursement rates for facility stays and high occupancy rates are blamed for the difficulty.¹⁸

Medicare & Medi-Cal policies regarding residential stays influence stakeholder decision making

For individuals meeting both the program’s financial eligibility requirements and nursing home level of care requirements, Medi-Cal will pay for a fixed daily rate for nursing home stays, even long-term, indefinite stays. Medi-Cal does not cap the number of individuals whose nursing home stays it will pay for, making the nursing home benefit an entitlement for eligible individuals. In contrast, and consistent with federal regulations, Medi-Cal does not pay for room and board in an assisted living facility and only pays for the care portion of assisted living stays for a capped number of individuals participating in one or its waiver programs. Medicare does not pay for assisted living.

The policies regarding nursing home and assisted living stay coverage by these two public insurance programs can influence the decisions and actions of various stakeholders, including:

- Skilled Nursing Facilities – Because of relatively low Medi-Cal reimbursement rates, skilled nursing and assisted living facilities may choose not to accept Medi-Cal coverage at all or to de-prioritize Medi-Cal enrollees for admission.
- State and Local Governments – Along with the federal government, California and localities contribute to the cost of Medi-Cal coverage for residents. California and its counties are thus motivated to decrease expensive nursing home stays in favor of less expensive home and community-based care. California and the City and County of San Francisco are trying to reduce the need for or duration of nursing home stays through Medi-Cal waiver and locally-funded initiatives, respectively.
- Consumers – Although seniors and persons with disabilities express a preference for care in less intensive settings, entitlement coverage by Medi-Cal for nursing home stays versus assisted living or around-the-clock home care may cause them to choose nursing home stays for financial rather than health reasons. Additionally, insurance requirements that almost all of an individual’s income be contributed toward co-pays or the cost of care, meaning low-income nursing home residents can lose their prior housing while institutionalized, making it harder for them to transition out of nursing home care.¹⁹ Over 9 percent of [California nursing home residents](#), an estimated 37,000, have low-level care needs and could potentially live in the community, according to a 2017 estimate by the American Association of Retired Persons.²⁰

¹⁸ “On Medi-Cal and Feel Shut Out of Nursing Homes? Tips to Claim Your Bed” by Emily Bazar, California Healthline, September 29, 2017. <https://californiahealthline.org/news/on-medi-cal-and-feel-shut-out-of-nursing-homes-here-are-tips-to-claim-your-bed/>

¹⁹ No way out: How the poor get stranded in California’s nursing homes,” by Jesse Bedayn, CalMatters, January 20, 2022. <https://calmatters.org/health/2022/01/california-nursing-homes-transition/>

²⁰ No way out: How the poor get stranded in California’s nursing homes,” by Jesse Bedayn, CalMatters, January 20, 2022. <https://calmatters.org/health/2022/01/california-nursing-homes-transition/>

The policy options below, many of which are from or build upon those made by the San Francisco Post-Acute Care Collaborative,²¹ aim to assure a sufficient supply of and access to skilled nursing. Like the Collaborative, we believe it important to couple such strategies with other “upstream” ones that aim to reduce the need for long-term care in skilled nursing facilities through increasing the accessibility and affordability of assisted living and home-based care. We recommend the Board of Supervisors advocate for these parallel approaches.

Policy options: improving skilled nursing facility accessibility for seniors and people with disabilities

Many of the challenges to increasing the number of skilled nursing facilities in San Francisco are similar to the barriers impeding the addition of new senior housing and assisted living. Within the City’s Planning Code, skilled nursing facilities are considered the same as residential care facilities and are principally permitted in most residential districts and Neighborhood Commercial Districts regardless of numbers of people served.²² As described elsewhere in this report in other contexts, anything that the City can do to directly or indirectly reduce development, construction, and operating costs for skilled nursing facilities will increase the likelihood of additional inventory becoming available over time. The following policy options are more specific to SNFs.

3.1 Utilize existing Bay Area facilities on a temporary basis to provide SNF care until SNF inventory is sufficient in San Francisco as defined through a City demographic analysis of the City’s future SNF need²³ –The Post-Acute Care Collaborative suggests taking a regional approach and:

- Coordinating with neighboring counties to purchase or lease SNF beds for San Francisco residents
- Advocating for regional Medi-Cal enrollment and creating Medi-Cal Health Plan letters of agreement that allow for patient transition across counties
- Creating a formal governance structure to oversee regional SNF patient placement practices and protocols.

²¹ Addressing San Francisco’s Vulnerable Post-Acute Care Patients: Analysis and Recommendations of the San Francisco Post-Acute Care Collaborative, Hospital Council of Northern & Central California, 2018.
[https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20\(1\).pdf](https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20(1).pdf)

²² 2019 Health Care Services Master Plan – Draft for comment, San Francisco Planning Department
<https://citypln-m-xtnl.sfgov.org/SharedLinks.aspx?accesskey=7ff84b3ff3eaf9c60309eea16e1132f588d337144002b0e4a316b2f9405a6488&VaultGUID=A4A7DACD-B0DC-4322-BD29-F6F07103C6E0>

²³ This recommendation in its entirety is taken from Addressing San Francisco’s Vulnerable Post-Acute Care Patients: Analysis and Recommendations of the San Francisco Post-Acute Care Collaborative, Hospital Council of Northern & Central California, 2018, p.41.
[https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20\(1\).pdf](https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20(1).pdf)

This would be an interim plan for placement of individuals and more generally until San Francisco's SNF inventory is proving sufficient to meet the needs of the growing senior population. As beds become available in San Francisco, residents should be transferred back to the City

3.2 Utilize and expand existing underutilized City and non-City facilities to provide SNF and subacute care in San Francisco²⁴ -- In an attempt to minimize the barriers to growth in the number of SNF beds stemming from the high cost of real estate, development, construction and start up in San Francisco, the Post-Acute Care Collaborative suggests:

- Creating a public-private partnership model to use existing health care facilities to provide SNF care in San Francisco.
- Exploring utilization of unused space in hospitals, medical offices, and/or freestanding skilled nursing facilities to create new SNF beds managed by freestanding SNF providers.

In addition to trying to address supply, the Board of Supervisors may also want to consider efforts to reduce demand for SNF beds by investing City dollars to increase the availability of care in home and community-based environments to those in need of SNF levels of care. The following are some additional ideas the Board of Supervisors should consider aimed at reducing the demand for SNFs.

3.3 Increase funding for improved access to community and home-based care for residents ineligible for public support but unable to afford care in residential facilities - The Community Living Fund and several DPH programs already support in-home and assisted living care provision intended to help lower-income individuals to transition out of, prevent, or delay admission to a SNF. The Board of Supervisors should consider directing additional resources for such services, allowing for their extension to more lower income San Franciscans.

- It is worth noting that in its 2018 Report, the Post-Acute Care Collaborative supported by the Hospital Council of Northern & Central California endorsed San Francisco hospitals transitioning nonacute, low-income patients into – and temporarily subsidizing the cost of – independent housing with wraparound services and assisted living as a way to free up SNF beds for those needing more intensive support. The report suggested five years of hospital funded subsidies coupled with

²⁴ This recommendation and its sub-parts are from Addressing San Francisco's Vulnerable Post-Acute Care Patients: Analysis and Recommendations of the San Francisco Post-Acute Care Collaborative, Hospital Council of Northern & Central California, 2018, p. 41.
[https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20\(1\).pdf](https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20(1).pdf)

the longer-term strategy of the City investing in increasing the number of affordable RCFE beds.²⁵

- 3.4 Provide supplemental funding to expand the hours of care provided by IHSS to provide additional hours of services to those who need it to be able to avoid institutionalization.** IHSS recipients can be authorized to receive up to a maximum of 283 hours/month of services, depending upon their situation.²⁶ However, the average number of hours in a month is 730. For some seniors and people with disabilities, it is not the nature of services and care that necessitates institutionalization in a skilled nursing facility but, rather, the lack of access to sufficient services and care in their home or community.

Access to around-the-clock care is particularly important for residents who have intensive needs but live alone or have limited support systems. Thirty-one percent (31%) of San Francisco seniors aged 65 and over live alone compared to twenty-three percent (23%) in California and twenty-six percent (26%) nationally.²⁷ If the City is able to use its resources to increase the availability of home and community-based services for IHSS recipients, it may reduce the demand for stays in skilled nursing facilities.

Assisted Living

“Assisted living” is terminology used herein to describe the services provided to seniors and persons with disabilities by Residential Care Facilities for the Elderly (RCFEs), serving those age 60 and older and Adult Residential Facilities (ARFs) for non-elderly adults with disabilities. Both RCFEs and ARFs are non-medical facilities licensed by the California Department of Social Services that provide personal care and safe housing for those who may need help with medication and assistance with activities of daily living. Some facilities offer or specialize in memory care.

Assisted living facilities with six or fewer beds are sometimes referred to as “board and care homes.” Assisted living facilities are distinguished from skilled nursing facilities in offering a less intensive level of care and medical supervision, usually in a more home-like setting. Assisted living is almost always long-term whereas Skilled nursing also serves individuals, regardless of age, who may have temporary post-acute or short-term rehabilitative needs.

²⁵ Addressing San Francisco’s Vulnerable Post-Acute Care Patients: Analysis and Recommendations of the San Francisco Post-Acute Care Collaborative, Hospital Council of Northern & Central California, 2018, p. 31. [https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20\(1\).pdf](https://www.sfdph.org/dph/hc/HCAgen/HCAgen2018/April%203/PACC%20FINAL%20REPORT%203-1-18%20(1).pdf)

²⁶ Understanding How IHSS Hours are Calculated, Disability Rights California, October 6, 2021. <https://www.disabilityrightsca.org/publications/understanding-how-ihss-hours-are-calculated>

²⁷ Relationship by Household Type (Including Living Alone) for the Population 65 Years and Over, American Community Survey, 2019, 1 year estimate. https://data.census.gov/cedsci/table?t=Older%20Population&g=0100000US_0400000US06_0500000US06075&tid=ACSDT1Y2019.B09020

Assisted Living and in-home care are important resources along the continuum of resources for services and people with disabilities. There are the immediate and direct benefits of this care being available to the recipients of it. Additionally, when such services are available and affordable, they can also negate, delay, or decrease the duration of skilled nursing facility stays. Doing so is worthwhile as SNF stays are extremely expensive and the institutionalized model of care that they offer is also not aligned with the preferences of most seniors and people with disabilities.

There were 59 Residential Care Facilities for the Elderly in San Francisco as of May 2022. Included in this number are Continuing Care Retirement Communities (CCRCs), which usually consist of both Residential Care Facilities for the Elderly (RCFEs) and skilled nursing facilities. These Communities, of which San Francisco has only three, take the form of a campus or building with different floors or wings, offering tiered levels of living arrangements and associated services that senior residents can move between as needed. In order of increasing intensity and support, these are independent living, assisted living, and skilled nursing. A defining feature of a CCRC in California is a contract exchanging the promise of continuing care services for a period longer than a year (often a lifetime) in exchange for payment. CCRCs usually require a sizable upfront payment as well as monthly payments and are not considered to be affordable for most San Franciscans.

More RCFE beds are needed to keep up with growing number of older adults

Of the 3,548 licensed RCFE beds in San Francisco as of May 2022, 859 were in Continuing Care Retirement Communities; the other 2,689 beds were in standard assisted living facilities, as shown in Exhibit 3.3. Almost 41 percent (24) of these facilities have more than 25 licensed beds.²⁸

Exhibit 3.3: Number of Beds in San Francisco’s Residential Care Facilities for the Elderly, May 2022

Residential Care Facilities for the Elderly Beds (not CCRC)	2,689
Continuing Care Retirement Community Beds (CCRC)	859
Total RCFE	3,548

Source: California Department of Social Services, Licensed Facility Data, May 29, 2022.

The National Investment Center for Senior Housing MAP Vision, a senior housing analytic firm that collects data from properties with at least 25 units found assisted living occupancy rates in the fourth quarter of 2021 to be 78.3 percent nationally. They further found the occupancy rate for senior independent and assisted living facilities combined in the San Francisco metropolitan area to be 85.2 percent.²⁹ Assuming these rates are

²⁸ Licensed Facility Data, California Department of Social Services, Updated May 29, 2022

²⁹ “Senior Living Occupancy Rates Increase for Second Quarter in a Row; Delta Variant Has Little Effect,” McKnight’s Senior Living, January 6, 2022. <https://www.mcknightsseniorliving.com/home/news/senior-living-occupancy->

roughly applicable to the City and County of San Francisco, it appears that assisted living facilities in the City are operating at near-capacity and that additional beds will be needed in the coming years to keep up with projected increases in the senior population.

Given anticipated growth in the number of seniors in San Francisco, to just maintain the current ratio of approximately 216 beds for every 10,000 seniors, an additional 1,718 beds will be needed by 2042, as shown in Exhibit 3.4. The issue becomes even more urgent when focusing on the anticipated growth in the number of San Franciscans over 85 since this is the population that generally makes greater use of assisted living facilities including Residential Care Facilities for the Elderly. The California Department of Finance forecasts an increase of 29,812 seniors over 85 in San Francisco by 2042, from 25,249 reported for 2022 to 55,061 in 2042, an increase of 118 percent.

Exhibit 3.4: Additional Residential Care Facilities for the Elderly Beds Needed by 2042 to Keep up with Projected Increase in Senior 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

Sources: Population: California Department of Finance; RCFE beds: Licensed Facility Data, California Department of Social Services, Updated May 29, 2022.

Decline in number of Adult Residential Facilities (ARFs) beds increases the Need for out-of-county placements

In San Francisco most assisted living for non-elderly adults with disabilities has been available via small Adult Residential Facilities (ARFs). As with assisted living facilities with less than six beds (also referred to as board and care homes), high costs and low payments have made it difficult for many of these small facilities to stay afloat and the number of both facilities and beds has declined.

As of May 2022, there were 398 ARF beds in 35 facilities in San Francisco. This represents a decrease of 34.6 percent since 2012, when there were 609 beds in 64 facilities.³⁰ As indicators of the impact of this decrease, San Francisco’s Department of Public Health (DPH) and the Golden Gate Regional Center, which supports individuals with

increases-for-second-quarter-in-a-row-delta-variant-has-little-effect/#:~:text=Assisted%20living%20occupancy%20increased%20to,in%20the%20first%20quarter%202021.

³⁰ Compares 2012 data included in Long-Term Care Coordinating Council’s Assisted Living Workgroup’s 2019 *Supporting Affordable Assisted Living in San Francisco* 2019 report with May 2022 data on licensed facilities from the California Department of Social Services.

developmental disabilities, report that they are both sending adults with disabilities out of the county for care at ARFs.³¹ Approximately 39% of DPH-supported Assisted Living placements are in facilities outside of San Francisco.³² For low-income adults with disabilities, it can be very challenging to access services in a residential setting in the City, much less their own community.

The City is in the process of attempting to add more Adult Residential Facility (ARF) beds to its inventory. As part of the commitment announced in July 2021 to add 400 new treatment beds for people experiencing mental health and substance use issues,³³ the City is attempting to acquire space for 69 ARF beds.³⁴

Assisted living facilities are not covered by Medicare or Medi-Cal, and are unaffordable for most low and middle income San Franciscans

The Genworth Financial survey previously referenced reports a median cost of approximately \$6,300 per month for assisted living care in San Francisco.³⁵ About 90 percent of assisted living services are paid for with private funds, most often personal or family assets or, less frequently, long-term care insurance.³⁶ Medicare and, with some exceptions, Medicaid (Medi-Cal in California) do not cover assisted living costs. The high cost of care and extremely limited coverage for it by public insurers means that many low and middle income seniors who might choose assisted living are unable to afford it. As discussed above, San Francisco will need to increase the number of assisted living beds to keep up with changing demographics, but the more immediate crisis is one of affordability.

Individuals who have very low-incomes and assets and are also blind, disabled, or over age 65 may qualify for Supplemental Security Income (SSI). SSI in 2022 pays \$841 per month. In California, SSI recipients residing in an out of home care facility may receive an additional State Supplementary Payment (SSP) of \$524.77 per month in 2022.³⁷ In California, approximately thirty percent of assisted living residents are using SSI/SSP non-medical out-of-home grants to pay for room and board.³⁸ Consistent with State policy,

³¹ *Supporting Affordable Assisted Living in San Francisco*, City and County of San Francisco Long-Term Care Coordinating Council's Assisted Living Workgroup, 2019.

³² *Supporting Affordable Assisted Living in San Francisco*, City and County of San Francisco Long-Term Care Coordinating Council's Assisted Living Workgroup, 2019, p. 10.

³³ "Mayor London Breed Announces San Francisco Is Implementing a Significant Expansion Of Treatment Beds For People Suffering From Mental Health And Substance Use Disorders" Office Of The Mayor of San Francisco, Press Release, July 22, 2021

³⁴ DPH Behavioral Treatment Expansion Dashboard, May 5, 2022. Updated number of ARF beds from San Francisco Department of Public Health, June 2022.

³⁵ <https://www.genworth.com/aging-and-you/finances/cost-of-care.html>

³⁶ California Association of Health Facilities Guide to Long-Term Care <https://www.cahf.org/About/Consumer-Help/Guide-to-Long-Term-Care>

³⁷ SSI/SSP Rates (webpage), California Assisted Living Association, <http://caassistedliving.org/provider-resources/and-more/ssissp-rates/>

³⁸ Facility-based Care, Guidant Care Management, <https://www.guidantcare.com/facility-based-care/>

these SSI/SSP recipients retain just \$154/month for other personal expenses.³⁹ Without subsidy, the \$1,211.77 in SSI/SSP monthly payments is far from sufficient relative to median assisted living costs of \$6,300 per month in the San Francisco area, as reported by Genworth Financial.

These low SSI/SSP payment levels are not sustainable for most assisted living facilities in the City so few choose to accept patients, especially those needing significant personal care, on SSI.⁴⁰ In San Francisco, smaller board and care RCFEs have been the most likely to accept SSI/SSP payment levels, often combining these payments with subsidies from public agencies or programs such as San Francisco's Department of Public Health or Department of Disability and Aging Services, or, a California Department of Developmental Disabilities Regional Center. However, the finances are becoming increasingly untenable for these small facilities, as evident by a large number of closures over the last decade.⁴¹

Medi-Cal's Assisted Living Waiver can help cover the costs of assisted living for seniors, but the number of waiver slots available for this coverage is very limited and care facility participation in San Francisco is very low

The State of California has a limited number of spots available in its Assisted Living Waiver program which provides a small number of Medi-Cal enrollees with some coverage for assisted living costs that are otherwise not covered by Medi-Cal. Unfortunately, even with the waiver, room and board costs associated with assisted living are still excluded from Medi-Cal coverage. Further, there are currently only 12,744 Waiver slots available for assisted living care in 15 counties statewide. A further discussion of the Assisted Living Waiver program, including ideas for how to increase participation by San Francisco facilities is provided later in this section.

California previously had a waitlist for its Assisted Living Waiver which supports individual Medi-Cal recipients in accessing assisted living, but additional COVID-19 Recovery funding is allowing the state to expand the program sufficient to clear the waitlist,⁴² although it had not done so as of the writing of this report.⁴³

³⁹ SSI/SSP Rates (webpage), California Assisted Living Association, <http://caassistedliving.org/provider-resources/and-more/ssissp-rates/>

⁴⁰ However, should an existing assisted living resident's personal resources decrease over time to the point where the individual becomes dependent upon SSI, the facility is required to reduce monthly charges for basic services to the SSI/SSP rate. Section 87464(e) of Title 22 of the California Code of Regulations per CANHR canhr.org/factsheets/rcfe_fs/html/rcfe_fs.ssi.htm

⁴¹ Supporting Affordable Assisted Living in San Francisco, Long-term Care Coordinating Council's Assisted Living Workgroup, January 2019.

⁴² "California to Eliminate Medicaid Waitlists Through Assisted Living Waiver," by Kimberly Bonvissuto, McKnights Senior Living, March 21, 2022. <https://www.mcknightsseniorliving.com/home/news/california-to-eliminate-medicaid-waitlists-through-assisted-living-waiver/>

⁴³ Assisted Living Waiver Year to Date Enrollment and Waitlist January 2019 through May 2022, California Department of Health Care Services, Integrated Systems of Care Division. <https://www.dhcs.ca.gov/services/ltc/Documents/ALW-YTD-Dashboard-May2022.pdf>

A handful of other programs can support the cost of assisted living, but the number of slots and subsidy rates are low

Like the Assisted Living Waiver, the Medi-Cal Health and Community Benefits Alternatives (HCBA) Waiver allows, in some instances, Medi-Cal funding to go toward the provision of care in or by assisted living facilities. Medi-Cal will not pay for room and board and care funded must be both allowable under the waiver and approved as part of an individual's Personal Care Plan. In San Francisco, as of early July 2022, only 113 individuals are enrolled in the HCBA waiver and 32 on a waitlist.⁴⁴ The City is more flexible in allowing resources to be used for payment of assisted living care consistent with its own programmatic guidelines. But the numbers receiving assisted living subsidies through these programs is small.

Recognizing assisted living as a tool to reduce institutionalization in SNFs, the Department of Disability and Aging Service's Community Living Fund (CLF) will sometimes pay for assisted living care. CLF assisted approximately 27 individuals per six-month period between July 2019 and June 2021 in paying for assisted living care.⁴⁵

The Department of Public Health supports assisted living in larger numbers, most often for individuals living with mental illness and demonstrating behavioral health challenges. The most recently available data, from FY 2015-16, show that DPH subsidized assisted living for 898 adult and older adult clients.⁴⁶

Additional information about the programs mentioned here is available in the Program Inventory included in Appendix 2.

Location of assisted living facilities in San Francisco is concentrated in certain areas not always aligned with the neighborhoods in which seniors are most likely to live

For San Francisco seniors and people with disabilities, another challenge is that the geographic distribution of assisted living facilities in San Francisco doesn't align with where they live. A concentration of facilities is near the Geary Boulevard corridor in lower Pacific Heights. Few are located in the western, southern or northeastern parts of the City, areas where many independent seniors reside. The result is that most San Francisco seniors needing or desiring to move into an assisted living facility must leave the community they consider home, going against the strong preference among older adults, demonstrated by a recent AARP survey in which 79 percent of respondents expressed a preference to remain in their own community.⁴⁷

⁴⁴ Email from Aaron McPherson, Chief Operating Officer, Institute on Aging, July 7, 2022.

⁴⁵ Community Living Fund 6-Month Report January – June 2021, San Francisco Human Services Agency <https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

⁴⁶ San Francisco Department of Public Health Transitions Division, Presentation by Kelly Hiramoto, June 20, 2017.

⁴⁷ Home and Community Preference Survey 2021, Annotated Questionnaire, Conducted by NORC at the University of Chicago for AARP. https://www.aarp.org/content/dam/aarp/research/surveys_statistics/liv-com/2021/2021-home-community-preferences-annotated-questionnaire-age.doi.10.26419-2Fres.00479.002.pdf

Policy options related to improving assisted living facility availability and accessibility for seniors and people with disabilities in San Francisco

The following are options for the Board of Supervisors to consider enhancing access to assisted living for San Francisco seniors and people with disabilities. Many of these options reaffirm recommendations made previously by the Long-term Care Coordinating Council's Assisted Living Workgroup in its 2019 report.⁴⁸

3.5 Make it easier to add new assisted living facilities or beds by loosening zoning constraints that can dissuade development of new Residential Care Facilities for the Elderly. RCFEs are already provisionally permitted throughout most of the City, including in its lowest density neighborhoods. Recent Citywide legislation expanded permissiveness for RCFEs and also puts limitations on changes in use and demolition of RCFEs.⁴⁹ However, RCFEs can still face challenges due to other zoning issues such as height restrictions, yard size, etc. The Board of Supervisors could consider promoting a loosening of such restrictions for RCFEs as a means of encouraging new development or changes in use.

The City's HomeSF program offers a model of allowing additional height for housing developments with a certain percentage of on-site affordable units.⁵⁰ Overlay zoning might be another way to potentially free up constraints affecting siting and to streamline review processes to make development of RCFEs more attractive to developers.

3.6 Explore supplementing SSI payments for San Franciscans in assisted living to make provision of assisted living to low-income San Franciscans more financially sustainable States can supplement monthly Supplemental Security Income (SSI) payments for residents who are low-income and disabled and living in care facilities.⁵¹ In 2022, California supplements the monthly SSI benefit of \$841 with an additional \$524.77/month.⁵² Given the high cost of real estate in San Francisco and the City's higher wage rates, unless the assisted living facilities has no rent or mortgage, the combined payment is still too low relative to the cost of providing care. Both Hawaii⁵³ and the District of Columbia⁵⁴ provide larger supplements than California. San Francisco could explore with

⁴⁸ Supporting Affordable Assisted Living in San Francisco, Long-term Care Coordinating Council's Assisted Living Workgroup, January 2019.

⁴⁹ <https://sfbos.org/sites/default/files/o0149-21.pdf> changing Planning Code Section 202.11

⁵⁰ <https://sfplanning.org/home-sf>

⁵¹ Social Security Benefits and Assisted Living, Paying for Senior Care Website affiliated with Caring, LLC. <https://www.payingforseniorcare.com/social-security>

⁵² SSI/SSP Rates, California Assisted Living Association <http://caassistedliving.org/provider-resources/and-more/ssisp-rates/>

⁵³ Supplemental Security Income (SSI) in Hawaii, Social Security Administration, Publication No. 05-11108, January 2022 <https://www.ssa.gov/pubs/EN-05-11108.pdf>

⁵⁴ Supplemental Security Income (SS) in the District of Columbia, Social Security Administration, Publication No. 05-11162, January 2022. <https://www.ssa.gov/pubs/EN-05-11162.pdf>

the State the possibility of the City supplementing SSI payments even further for its out-of-home SSI recipients, paying the care facility directly. The higher payment rate may make accepting lower income residents more sustainable for operators of care facilities in the City.

- 3.7 *Incentivize more engagement of San Franciscans and local care providers in the Medi-Cal Assisted Living Waiver Program*** – The scale of California’s Assisted Living Waiver Program, discussed in Section 1 of this report, has more than doubled. To maximize this opportunity, the Board of Supervisors should consider investing in outreach and education about the program to both City residents and care facilities. Given the low participation by local assisted living facilities and care coordination agencies, the Board of Supervisors could advocate for the City exploring with these groups what additional support or incentives they would need to participate and consider providing, up to and including rate supplements.
- 3.8 *Increase payment/subsidy rates for assisted living*** – The City has witnessed a decline in the number of Adult Residential Facilities and beds available to non-elderly residents with disabilities. Through mostly the Department of Public Health, the City subsidizes approximately 42 percent of local ARF beds.⁵⁵ The City is a primary payor, supporting hundreds of placements per year. Given this role and interest in the sustainability of these facilities in San Francisco, the City should explore increasing its payment rates to levels more reflective of the actual cost of providing services locally and supportive of the financial sustainability of local care facilities.
- 3.9 *Increase flexibility to support assisted living*** – Via sliding scale subsidies, the Department of Disability and Aging Services’ Support at Home program, described in Appendix 1 of this report, has expanded access to affordable in-home care to moderate income residents who don’t qualify for the Medi-Cal supported IHSS program. The Board of Supervisors should consider promoting a reframing of the program, making it more similar to the Community Living Fund, in having the flexibility to support a wider range of expenses associated with home and community-based care and consistent with the individual’s desires and needs, regardless of care setting so that assisted living facilities are also supported.
- 3.10 *Increase the number of City-run assisted living facilities.*** San Francisco’s Department of Public Health not only subsidizes numerous residential care placements but also manages a handful of Adult Residential Facilities (ARFs) and Residential Care Facilities for the Elderly, mostly focusing on individuals with behavioral and mental health challenges. In order to assure sufficient

⁵⁵ Supporting Affordable Assisted Living in San Francisco, Longterm Care Coordinating Council’s Assisted Living Workgroup, January 2019.

affordable assisted living beds, the City may wish to expand the number of RCFEs and ARFs facilities or beds that it manages directly.

- The State of Alaska may offer a model for managed RCFEs that addresses the cost of such operations. At approximately 730,000, Alaska's population is smaller than that of the City and County of San Francisco. Alaska directly operates six assisted living facilities, referred to as Pioneer Homes, providing five levels of care to almost 500 older adults. Although seniors aged 60 and older are eligible for care, in 2020, the average age of residents at the Pioneer Homes was 86 and the majority of residents had some form of dementia. Each level of service has an associated cost, set by the State, inclusive currently of a small, fixed room and board rate (currently \$579 per month). State payment assistance is available to those who are not approved for participation in a Medicaid waiver program. After a resident passes away, the State can claim for the payment assistance debt against the individual's estate but will not do so the extent that it will create an undue hardship on the surviving spouse or legal dependent(s) of the deceased.⁵⁶

Other types of residential facilities providing care to seniors and people with disabilities

Residential Care Facilities for the Chronically III (RCFI)

In response to the HIV/AIDS crisis, the City and community nonprofit organizations developed permanent units dedicated to housing People Living with HIV/AIDS. These include primarily Independent Living Associations that provide housing for adults with disabling health conditions who do not need medication oversight and are able to live independently as well as Residential Care Facilities for the Chronically III, which are State-licensed facilities for individuals who require 24-hour support, including assistance with daily living activities such as bathing and dressing. There were 62 beds in RCFIs in San Francisco as of May 2022.

Unlike assisted living and skilled nursing facilities, there is a decreasing need for Residential Care Facilities for the Chronically III (RCFCIs) in San Francisco. Medical advances have helped people living with HIV/AIDS live healthier, longer lives. Thus, over the past few years, City departments and nonprofit service providers have been actively engaged in delicensing RCFCIs and shifting toward a model of providing transitional congregate care more focused on life skills development and placement in long-term housing.⁵⁷

⁵⁶ Alaska Pioneer Homes (webpage), Department of Family and Community Services, State of Alaska.
<https://dfcs.alaska.gov/daph/Pages/default.aspx>

⁵⁷ "RCFCI Delicensure Project," Presentation to the San Francisco Planning Commission, May 6, 2021.
<https://commissions.sfplanning.org/cpcpackets/SF%20Planning%20Commission%20Presentation%20-%20May%206%202021.pdf>

Permanent Supportive Housing

Permanent supportive housing is another, less intensive, level of residential support available to a subset of seniors and adults with disabilities and recent histories of homelessness. Services available to residents of permanent supportive housing vary but almost always include case management, connection to community resources, and other supports intended to ensure the resident can remain housed.⁵⁸ Permanent supportive housing residents may also receive other care such as In-Home Supportive Services based on their individual needs. Recognizing that the need for additional care and services is not uncommon, the Department of Homelessness and Supportive Housing and other public agencies are piloting new service models that, although organized differently, may result in levels of care more similar to what is commonly associated with assisted living, including a pilot for enhanced In-Home Supportive Services at two permanent supportive housing sites and another with roving Department of Public Health clinical teams.⁵⁹

There are currently 867 site-based permanent supportive housing units in the City designated for seniors.⁶⁰ Seniors and non-elderly adults are likely well-represented in these other units as well because the Coordinated Entry process that HSH uses to equitably distribute scarce resources prioritizes, among other characteristics, people with disabilities and older adults.

The Department of Homelessness and Supportive Housing maintains waitlists for permanent supportive housing.⁶¹ There is clearly unmet need for Adult Residential Facilities and permanent supportive housing units, and the City is actively trying to increase supply. An additional 143 units of permanent supportive housing for seniors are scheduled to become available this summer.⁶²

⁵⁸ Admin Code section 20.54.3 https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-53578

⁵⁹ Feedback on draft, conveyed via email from Bryn Miller, Department of Homelessness and Supportive Housing, June 2022.

⁶⁰ <https://sf.gov/data/homelessness-recovery-plan>

⁶¹ <https://www.propublica.org/article/in-san-francisco-hundreds-of-homes-for-the-homeless-sit-vacant>

⁶² <https://sf.gov/data/homelessness-recovery-plan>

Planning and Saving for Long-Term Care

For those able to secure and afford quality plans, long-term care Insurance can potentially be an alternative to dependence on public support for care if and when it is needed. Almost two decades ago, with philanthropic and legislative support, California's Department of Health Care Services engaged private insurance companies in offering long-term care insurance policies meeting or exceeding requirements set by the State and through collaboration. This California Partnership for Long-Term Care also embarked on an education campaign.⁶³ The marketplace for long-term care insurance has changed significantly in the past few decades and none of the Partnership-certified companies are currently selling plans that meet the State standards.⁶⁴ Nonetheless, some sort of public-private initiative aimed at increasing the number of City residents with long-term care insurance seems like a promising direction.

The State of Washington recently created the Washington Cares Fund, a long-term insurance program for most workers in Washington State. Workers in Washington will begin contributing up to .58% of their earnings to the fund in July 2023. Self-employed workers can also opt in and make contributions. Benefits will be available to eligible individuals beginning July 2026. Benefit levels are set at \$36,500 per person and will be adjusted annually for inflation. The benefits are intended to be flexible and can be used to pay for whatever mix of family and professional care meets the needs of the qualifying adult resident needing help with activities of daily living. They can also pay for things like home modifications, equipment, meal delivery and transportation.⁶⁵ Exemptions are provided for certain categories of workers such as the self-employed.

All Singaporeans and permanent residents are required to begin contributing to ElderShield long-term care insurance beginning at age 30 and are expected to continue to contribute through retirement. In return, if and when they need support with at least three activities of daily living, they will receive a capped monthly pay out which continues indefinitely.⁶⁶

There appears to be support for a similar program in California. In a March 2022 report, the UCLA Labor Center indicates that 85% of surveyed California consumers answered yes to the question: "Would you support the creation of a new social insurance program to help all Californians pay for their long-term care if it were a 1% tax on your income"⁶⁷

⁶³ <https://www.dhcs.ca.gov/services/ltc/Pages/CPLTC.aspx>

⁶⁴ <https://www.rureadyca.org/partnership-certified-companies>

⁶⁵ <https://wacaresfund.wa.gov>

⁶⁶ https://www.eria.org/uploads/media/Books/2021-Coping-with-Rapid-Population-Ageing-Asia/9_Part1-Ch-5-Long-term-Care-Singapore.pdf

⁶⁷ <https://www.labor.ucla.edu/wp-content/uploads/2022/03/Lives-and-Livelihood-Report-1.pdf>, p. 75

Financial Planning for Long-Term Care Support and Long-term Care Education to Facilitate Saving and Planning

As mentioned above, approximately three out of every four Americans over age 65 will need long-term care at some point in their lives.⁶⁸ Unfortunately, as highlighted previously, paying for long-term care, whether in the home, assisted living, or a skilled nursing facility can be very expensive. Few Californians have the resources or a plan to pay for it. The Medicare and Medi-Cal programs that so many seniors and persons with disabilities depend upon severely limit who and what is covered pertaining to long-term care. Unless policies change, most moderate-income San Franciscans will need to draw upon personal assets to pay for long-term care. In 2014, three-quarters of California's low-income workers in the private sector and half of middle-income workers in the private sector had no dedicated retirement assets.⁶⁹ Over half of private sector employees ages 25-64 did not have an IRA or 401(k) or participate in a current employer pension in 2014.⁷⁰

Given limitations on the availability of public resources for long-term care, it would be very beneficial for more San Francisco residents to plan and save for long-term care in advance. Depending on the individual or couple's situation, this could include estate and Medi-Cal eligibility planning as well as the use of financial and insurance products like long-term care insurance, home equity sharing agreements, and reverse mortgages. The City can potentially play a role in raising resident awareness about the likelihood and expense of long-term care. Building on its role in the financial empowerment space,⁷¹ the City should also support residents in planning for long-term care, educate residents about options, and increase access to responsible products. Other and prior initiatives and policies provide ideas about how the City could potentially approach the issue of consumer education and planning for long-term care.

Initiated in 1994 with authorizing legislation dating back to 1990,⁷² *The California Partnership for Long-Term Care* was created to educate Californians on the need to plan for future long-term care needs and to consider insurance as a potential vehicle to fund that care. The State Department of Health Care Services engaged private companies in setting quality standards for plans branded "Partnership Plans" and in contributing to a common fund for consumer education and marketing.⁷³ The partnership created the

⁶⁸ <https://www.cahf.org/About/Consumer-Help/Guide-to-Long-Term-Care>

⁶⁹ Release: Troubled Future: Half of California Private Sector Employees Have No Retirement Assets, UC Berkeley Labor Center, July 1, 2019. <https://laborcenter.berkeley.edu/release-troubled-future-half-california-private-sector-employees-no-retirement-assets/>

⁷⁰ Release: Troubled Future: Half of California Private Sector Employees Have No Retirement Assets, UC Berkeley Labor Center, July 1, 2019. <https://laborcenter.berkeley.edu/release-troubled-future-half-california-private-sector-employees-no-retirement-assets/>

⁷¹ Cities for Financial Empowerment <https://cfefund.org/location/san-francisco-ca/>

⁷² About The California Partnership for Long-Term Care, https://www.facebook.com/cpltc/about/?ref=page_internal

⁷³ Web page: "The California Partnership for Long-Term Care" accessed June 7, 2022. <https://www.dhcs.ca.gov/services/ltc/Pages/CPLTC.aspx>

website RUPReadyCA.org to educate and engage consumers in planning for long-term care needs. The Partnership appears to now be mostly inactive as none of the participating carriers are currently offering Partnership Plans, given changes in the marketplace.⁷⁴

The California Long Term Care Insurance Task Force, a group created through State legislation, is currently working on a proposal for a plan using a combination of government funding, enrollee premiums, and private insurance. The group's goal is to issue their plan in January 2023,⁷⁵ and recent surveying suggests there to be political support for a state solution. In a March 2022 report, the UCLA Labor Center indicates that 85% of surveyed California consumers answered yes to the question: "Would you support the creation of a new social insurance program to help all Californians pay for their long-term care if it were a 1% tax on your income".⁷⁶

- The City Treasurer's **Bank on San Francisco** initiative convened financial institutions around making bank accounts more accessible, transparent, and affordable and engaged in a comprehensive campaign to increase the percentage of banked San Franciscans.⁷⁷ It has since been replicated in cities and states around the country and offers a model for how the City could potentially: engage with financial institutions offering products relevant to financing long-term care, and educate and engage consumers about long-term care insurance.

Policy Options for increasing the percentage of San Franciscans with resources or a plan for affording long-term care

The following are policy options for the Board of Supervisors to consider for how the City can advance the goal of increasing the number of San Franciscans with resources or a plan for affording long-term care.

3.11 Set and track progress against a goal for the percentage of San Franciscans with resources or a plan for long-term care – Assessing progress against a goal is a way to assure accountability. The City should seek to create a goal that acknowledges the different starting points and financial circumstances of its residents and the various ways that they can assure future access to long-term care. The City should not aim for nor expect a "one-size-fits-all" answer for residents but rather seek increased awareness of the issue and cost of long-term care and more intentionality in how residents are approaching it.

3.12 Launch a campaign to educate residents about the importance of planning and saving for long-term care. – San Francisco should launch an outreach and education campaign – potentially building upon The California Partnership for Long-Term Care "RUPReadyCA" campaign to inform and engage City residents about the issue of long-term care and the various ways they can potentially

⁷⁴ <https://www.rureadyca.org/partnership-certified-companies>

⁷⁵ Long Term Care Insurance Task Force, California Department of Insurance. <http://www.insurance.ca.gov/0500-about-us/03-appointments/lcicf.cfm>

⁷⁶ <https://www.labor.ucla.edu/wp-content/uploads/2022/03/Lives-and-Livelihood-Report-1.pdf>, p. 75

⁷⁷ <https://sfgov.org/ofe/find-safe-bank-account>

access and pay for care. The education component of the campaign should go beyond the Partnership's exclusive focus on long-term care insurance to also include information and considerations around other financial products (e.g., reverse mortgages, shared equity arrangements) and public benefits.

- The campaign may wish to target the City's middle-aged residents as they still have multiple options to choose from and time to accumulate assets. Should residents choose to purchase a long-term care insurance product, monthly premiums are more likely to be affordable when initiated well in advance of needing the care. Like The California Partnership for Long-Term Care, the City may wish to try to secure private sector resources to support its outreach and education efforts. This campaign could potentially be integrated with existing financial education and coaching sponsored by the Treasurer's Office of Financial Empowerment and the Mayor's Office of Housing and Community Development. The City may wish to engage new partners that reach into additional communities or demographic groups as well as partners knowledgeable about elder law.

3.13 Explore creation of a mandated long-term care insurance program for City residents or join forces with the State or other jurisdictions toward this end –

A publicly initiated universal long-term care insurance program could make long term care available and affordable to more City residents similar to such programs in Washington state and Singapore. The City previously initiated and spearheaded a parallel effort in the health insurance space, resulting in increased access to affordable health care through the San Francisco Health Plan. The State of Washington and city-state of Singapore long-term care plans described above could serve as models for consideration by the City and County of San Francisco. Given its past success, the City could pursue this alone if necessary but may want to first proactively participate in efforts already underway to craft a statewide solution.

The timeline for release of the Task Force's plan means that San Francisco will have a sense of a state plan's design and viability for adoption in time to inform decisions about the whether to invest any significant resources into a local design effort.

Programs available to San Francisco residents to support remaining in their homes in lieu of residential care facilities or making a transition to a facility

A number of programs available to San Francisco residents generally share the goals of providing services to seniors and people with disabilities to help prevent them from institutionalization such as assisted living and skilled nursing facilities, or to provide support services when use of such facilities is necessary. These programs are described in Appendix 2, including program profiles, identification of administering agency(ies), limitations, and opportunities to serve more residents, as applicable. The programs described in Appendix 2 are:

- Community Living Fund
- Department of Public Health Assisted Living Subsidies
- Assisted Living Waiver
- Permanent Units Available to People Living with HIV/AIDS

APPENDIX 1

1. In Home Supportive Services (IHSS)

Pay for in-home caregivers allowing seniors and people with disabilities to remain in their homes. Clients must be Medi-Cal enrolled.

Profile

IHSS is a statewide Medi-Cal entitlement program that provides attendant care to help low-income seniors and people with disabilities to remain safely in their own homes. IHSS can pay for non-medical personal care, domestic tasks, paramedical services, and transportation to and from medical and other necessary appointments up to an approved number of hours. Program participants have the option to choose and hire their own caregivers, including friends and relatives. In February 2022, 24,992 San Franciscans received services from IHSS providers, according to California Department of Social Service records.¹ Of these, approximately 75% (18,878) were seniors aged 65 or older. Seniors aged 75-84 made up more than 28% of all February 2022 IHSS recipients.² Through a pilot launched in 2021, this population includes people living in some Permanent Supportive Housing sites funded by the Department of Homelessness and Supportive Housing. Federal, state, and local resources combine to fund IHSS. The total cost for IHSS services in San Francisco in FY 2021 is estimated to be \$764.8 million with the following amounts contributed by each level of government:

- Federal share = \$405.3M (53%)
- State share = \$199.4M (26%)
- Local share = \$160.1M (21%)³

Administering Agencies

- State: California Department of Social Services
- Locally: Department of Disability and Aging Services (DAS) oversees the IHSS system for the City, determines applicant eligibility and grants eligible individuals IHSS services according to need and state regulations. Other key local partners include IHSS Public Authority and Homebridge.⁴

¹ IHSS Program Data for February 2022, California Department of Social Services. <https://www.cdss.ca.gov/inforesources/ihss/program-data>

² IHSS Program Data for February 2022, California Department of Social Services. <https://www.cdss.ca.gov/inforesources/ihss/program-data>

³ Email from Cindy Kauffman, Department of Disability and Aging Services, San Francisco Human Services Agency, June 7, 2022.

⁴ IHSS System webpage, San Francisco Human Services Agency. <https://www.sfhsa.org/services/care-support/home-supportive-services-ihss/ihss-system>.

Limitations

Requires Medi-Cal eligibility,⁵ assessment of need, and that resident live in a private residence.

Opportunity to serve more:

A 2021 issue brief from Office of Behavioral Health, Disability, and Aging Policy in the U.S. Department of Health and Human Services projects that more than one-third of adults age 65 or older presently or eventually will need help with two or more activities of daily living or have severe cognitive impairment and use some paid long-term support and services.⁶ Without layering in income and asset limits, this translates to approximately 54,132 seniors at present based on the estimated 164,036 current senior population and 67,155 seniors, or 13,023 more, by 2032 based on California Department of Finance projections of the senior population in that year.

Most other Medicaid programs for seniors and people with disabilities who are at risk of institutionalization have caps on enrollment, but IHSS is an entitlement program, available to all eligible individuals. San Francisco should continue and bolster outreach to, and education of, potentially eligible residents. Although San Francisco has historically had very high IHSS utilization rates,⁷ outreach and education will become even more important as the limits on assets countable for Medi-Cal eligibility determination are set to increase from \$2,000 to \$130,000 for individuals (\$3,000 to \$195,000 for couples) in July 2022 and to be eliminated altogether in 2024.⁸

The City may also want to more proactively offer Medi-Cal and long-term planning assistance to residents so that, should the need for care arise, they can maximize the resources available to them. For example, it is likely that many San Franciscans don't realize that the value of their home, one car and household and personal belongings are excluded from consideration in determining Medi-Cal eligibility⁹ and that, under certain circumstances, 401ks and IRAs may also be exempt. The State can, however, pursue Medi-

⁵ Exception is IHSS-Residual (IHSS-R) program paid for by state and county funds serves mostly immigrants who don't qualify for federal funding. Currently, only about 1% of consumers statewide and .6% in San Francisco are in the IHSS-R program. <https://www.cdss.ca.gov/inforesources/ihss/program-data>

⁶ Most Older Adults Are Likely to Need and Use Long-Term Supports, Issue Brief, Office of the Assistant Secretary for Planning and Evaluation, US Department of Health and Human Services, January 2021 <https://aspe.hhs.gov/reports/most-older-adults-are-likely-need-use-long-term-services-supports-issue-brief-0>

⁷ "In Home Care for Seniors," Memo from Budget and Legislative Analyst's Office to Supervisor Mar, February 1, 2016, p. 10-11. https://sfbos.org/sites/default/files/FileCenter/Documents/54932-Policy%20Analysis.Seniors%20and%20In%20Home%20Care_020116.pdf

⁸ The 2022-2023 Budget: In-Home Supportive Services, California Legislative Analyst's Office, February 2022. <https://lao.ca.gov/reports/2022/4512/IHSS-020222.pdf> and "California is Ending its Asset Test for Medicaid Long-Term Care. Is it a Mistake?" by Howard Gleckman, Forbes, March 10, 2022. <https://www.forbes.com/sites/howardgleckman/2022/03/10/california-is-ending-its-asset-test-for-medicaid-long-term-care-is-it-a-mistake/?sh=3de8e9faaf0c>

⁹ Medi-Cal (for People with Medicare), California Health Advocates <https://cahealthadvocates.org/low-income-help/medi-cal-for-people-with-medicare/#:~:text=You%20may%20have%20up%20to,and%20%24195%2C000%20for%20a%20couple>

APPENDIX 1

Cal beneficiaries' estates after death to recoup the cost of long-term care,¹⁰ a fact which the Human Services Agency understands to cause some older San Franciscans intent on transferring accumulated assets to family members to avoid Medi-Cal.¹¹ Such concerns reinforce the importance of and role for the City in assuring residents access to financial and legal advice sufficiently in advance of a need for long-term care that they can make informed decisions and take actions in time to protect and preserve their estates.

¹⁰ Estate Recovery Program webpage, California Department of Health Care Services.

https://www.dhcs.ca.gov/services/Pages/TPLRD_ER_cont.aspx

¹¹ Comments on draft memo, transmitted via email from Rose Johns, Department of Disability and Aging Services, San Francisco Human Services Agency, June 17, 2022.

2. Vouchers and Subsidies

Helps keep housing affordable for seniors, people with disabilities, and others. Limited availability.

Profile

Tenant-based vouchers offset some or all the monthly rental costs of private rental units that the low-income beneficiaries, including seniors and people with disabilities, are able to secure. There are several voucher programs active in San Francisco.

Section 8 Housing Choice Vouchers

The largest voucher program in San Francisco is the tenant-based Section 8 Housing Choice Voucher program funded by the U.S. Department of Housing and Urban Development, with approximately 7,175 vouchers issued as of March 2022. There were another 320 tenant-based Section 8 Housing Choice Vouchers set-aside for low-income non-elderly disabled San Franciscans via the Section 8 Non-Elderly Disabled (NED) and Mainstream Voucher programs.¹² The average monthly per unit cost for San Francisco's Housing Choice Voucher program as of February 2022 was approximately \$2,084.¹³

Section 8 vouchers in San Francisco¹⁴ likely benefit residents who are themselves – or have in their household – seniors or people with disabilities. National data indicate that, in 2019, 21.5 percent of HUD-assisted tenant-based voucher recipients were age 65 or older.¹⁵ A 2016 report indicated that of all households participating in the San Francisco Housing Authority Housing Choice Voucher program, 44 percent included at least one person with a disability, 46 percent of households with a head of household 61 years or less were headed by a person with a disability, and 88 percent of households headed by someone 62 or older were headed by a person with a disability.¹⁶

Emergency Housing Choice Vouchers

In 2021, San Francisco was awarded 906 tenant-based Emergency Housing Vouchers funded by the COVID-related American Rescue Plan. The San Francisco Department of Homelessness and Supportive Housing (HSH) prioritizes and refers applicants to the

¹² Housing Choice Voucher Data Dashboard, US Department of Housing and Urban Development, accessed June 9, 2022 https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard

¹³ Housing Choice Voucher Data Dashboard, US Department of Housing and Urban Development, accessed June 9, 2022 https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard

¹⁴ Calculated by subtracting total number of Project Based Vouchers Leased and Unleased from aggregate of total Program Units under Annual Contribution Contract and Mainstream Vouchers Effective Award. All numbers from Housing Choice Voucher Data Dashboard, US Department of Housing and Urban Development, accessed June 9, 2022 https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/dashboard

¹⁵ Characteristics of HUD Assisted Renters in Their Units in 2019, Office of Policy Development and Research, US Department of Housing and Urban Development, p. 20.

<https://www.huduser.gov/portal/sites/default/files/pdf/2019-Characteristics-Report.pdf>

¹⁶ San Francisco Housing Authority webpage, Affordable Housing Online, accessed June 9, 2022

<https://affordablehousingonline.com/housing-authority/California/San-Francisco-Housing-Authority/CA001>

Housing Authority which administers the vouchers.¹⁷ HSH also funds supportive services for eligible households. These vouchers are not designated for seniors or people with disabilities but added to the total pool of tenant-based vouchers. Given the priorities of the HSH Coordinated Entry system and the demographics of the City's homeless population, many of these vouchers likely went to seniors and people with disabilities.

Flexible Housing Subsidy Pool Program

The Department of Homelessness and Supportive Housing offers the Flexible Housing Subsidy Pool, a local voucher program where tenants use subsidies to live in private-market units that the City has identified through partnerships with landlords and nonprofit providers. Tenants receive support in their homes from mobile providers or at centralized locations. Out of the total portfolio of over 1,780 slots, 350 slots valued at \$10.2 million in FY 21-22 are prioritized for older adults.

Plus Housing Program for People Living with HIV/AIDS

The Plus Housing Program of the Mayor's Office of Housing and Community Development combines local and federal funding to provide approximately 750 housing subsidies¹⁸ and 456 dedicated affordable units to low-income people living with HIV/AIDS. Patients transitioning out of Residential Care Facilities for the Chronically Ill are prioritized. Also eligible but lower in priority are stably housed individuals with high rent burden.¹⁹ The housing subsidies are a combination of the Federal HOPWA Tenant Based Rental Assistance (TBRA) program serving approximately 180 households and local subsidies ranging from \$200 - \$800 monthly serving approximately 570 households.²⁰

In 2019, the average annual cost of subsidy slots dedicated to people living with HIV/AIDS was \$9,765. Permanent units for PLWHA have both upfront costs to set aside the unit for PLWHA as well as ongoing operating costs. According to MOHCD data, the one-time cost to dedicate a unit of housing for PLWHA is about \$25,000, and the cost to construct a single new unit of housing is around \$700,000. The annual cost for a set-aside unit is estimated at \$24,564.²¹ *Housing Subsidies for Older and Adults and Adults with Disabilities*

With General Fund monies, the Department of Disability and Aging Services (DAS) provides housing subsidies via its Housing Subsidy for Older Adults and Adults with

¹⁷ Emergency Housing Voucher (EHV) Program webpage, San Francisco Department of Homelessness and Supportive Housing <https://hsh.sfgov.org/services/the-homelessness-response-system/housing/ehv/>

¹⁸ City and County of San Francisco HIV/AIDS Housing Five Year Plan 2020-2025, Mayor's Office of Housing and Community Development, June 2021, Updated October 18, 2021.

<https://sfmohcd.org/sites/default/files/Documents/Reports/HIV%20Housing%20Plan%2010.18.21%20Update.pdf>

¹⁹ Plus Housing Program Website, Mayors Office of Housing and Community Development, accessed June 4, 2022. <https://sfmohcd.org/plus-housing>

²⁰ Helen Hale, San Francisco Mayors Office of Community and Economic Development, June 2022.

²¹ City and County of San Francisco HIV/AIDS Housing Five Year Plan 2020-2025, Mayor's Office of Housing and Community Development, June 2021, Updated October 18, 2021.

<https://sfmohcd.org/sites/default/files/Documents/Reports/HIV%20Housing%20Plan%2010.18.21%20Update.pdf>

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Disabilities Program which is expected to provide an average monthly subsidy of \$800 to serve 378 individuals in Fiscal Year 2022-23 at a cost of \$4.3 million, mostly contracted out to Eviction Defense Collaborative, Catholic Charities, and Self-Help for the Elderly.²²

Community Living Fund

The DAS-administered Community Living Fund about which more comprehensive information is provided in a subsequent standalone description, provided scattered site housing and rental assistance to an average of 101 people at an average per person cost per 6-month period of \$14,275 (\$2,379/month) from Jan 2019 through June 2021 via a Department of Disability and Aging Services' contract with Brilliant Corners. During FY 2020-21, CLF spent \$2,839,158 for scattered site housing for 109 unduplicated CLF clients.²³

Administering agencies

Housing Choice and Emergency Housing Vouchers are administered by the San Francisco Housing Authority. The Housing Authority depends upon the Department of Homelessness and Supportive Housing to provide referrals and supportive services for Emergency Housing Vouchers.

The Department of Homelessness and Supportive Housing administers the Flexible Housing Subsidy Pool program.

The Mayor's Office of Housing and Community Development (MOHCD) administers the Plus Housing Program.

The Department of Disability and Aging Services administers the Housing Subsidy for Older Adults and Adults with Disabilities Program and Community Living Fund.

Limitations

There is evidence of significant unmet demand for vouchers. The San Francisco Section 8 waiting list has been closed for years. When the Housing Authority opened the waitlist in September 2021 for vouchers for non-elderly adults with disabilities, it maxed out at 500 applicants and closed within an hour.²⁴ As of May 2021, there were over 900 active Plus Housing applicants awaiting assistance.²⁵ According to the San Francisco's HIV/AIDS Housing Five-Year Plan, in 2019, there were 2,560 severely rent burdened, unstably housed or homeless San Franciscans living with HIV/AIDS.²⁶

²² Rose Johns, Policy & Planning Unit, San Francisco Human Services Agency, June 17, 2022.

²³ Rose Johns, Planning and Policy Unit, San Francisco Human Services Agency, June 17, 2022

²⁴ San Francisco Housing Authority webpage, Affordable Housing Online, accessed June 9, 2022

<https://affordablehousingonline.com/housing-authority/California/San-Francisco-Housing-Authority/CA001>

²⁵ Plus Housing Program Website, Mayors Office of Housing and Community Development, accessed June 4, 2022.

<https://sfmohcd.org/plus-housing>

²⁶ City and County of San Francisco HIV/AIDS Housing Five Year Plan 2020-2025, Mayor's Office of Housing and Community Development, June 2021, Updated October 18, 2021.

<https://sfmohcd.org/sites/default/files/Documents/Reports/HIV%20Housing%20Plan%2010.18.21%20Update.pdf>

Opportunity to serve more

The City's ability to change eligibility or participation for federally funded vouchers is limited. However, locally funded DAS, HSH, and MOHCD- administered programs have more flexibility and can serve as a potential model should the City wish to create additional or expanded programs. There may also be the possibility of leveraging infrastructure and economies of scale from existing programs to minimize overhead for any new local investments.

3. Multi-purpose Senior Services Program (MSSP)

Helps seniors avoid institutionalization and assists with transfers back to home in cases of institutionalization.

Profile:

Funded with state and federal resources averaging approximately \$5,350 per year per member,²⁷ the Multipurpose Senior Service Program (MSSP) is a Medicaid waiver program intended to help seniors delay or avoid entirely costly nursing home placement through the provision of long-term services and supports necessary for them to live safely and thrive in their own home or that of a family member or friend. In addition to delaying or diverting individuals from admission to nursing homes, MSSP also assists current nursing home residents in transitioning back home. The program achieves this objective by arranging assistance and managing a broad set of services, potentially including transportation to appointments, medical care coordination, respite care, home safety modifications and emergency response systems, day activity programs, companionship and social and psychological support services, meals, money management and help accessing benefits or dealing with emergencies such as abuse or eviction. Notably, seniors are permitted to access resources through both the MSSP and IHSS programs at the same time.

Administering Agencies

The California Department of Aging contracts with the Institute on Aging, a San Francisco nonprofit organization, to deliver the program in San Francisco.

Limitations

Eligibility for participation is limited to Medi-Cal eligible individuals who are age 65 or older and certified or certifiable for placement in a nursing facility, i.e., requiring assistance with two or more Activities of Daily Living. Services are available in one's home or the home of a family member or friend. Program beneficiaries cannot live in assisted living or board and care facilities. Statewide enrollment is currently capped at 11,370,²⁸ and there are 557 slots allocated to San Franciscans. At the beginning of July 2022, 413 of those slots were filled, and there was a wait list of 45.²⁹

Opportunity to serve more

The program strictly limits statewide enrollment. San Francisco may wish to continuously track whether its residents are proportionately represented and, if not seek to increase outreach and, potentially, the capacity of local providers. Additionally, San Francisco may

²⁷ Application for a 1915(c) Home and Community Based Services Waiver CA.0141.R06.08 - May 01, 2022 (as of May 2, 2022 Department of Health Care Services and the California Department of Aging), <https://aging.ca.gov/download.ashx?IE0rcNUV0zamngby7oBeTA%3d%3d>

²⁸ Multipurpose Senior Services Program webpage, California Department of Health Care Services. <https://www.dhcs.ca.gov/services/medi-cal/Pages/MSSPMedi-CalWaiver.aspx#services>

²⁹ Email from Aaron McPherson, Chief Operations Officer, Institute on Aging, July 7, 2022.

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wish to leverage the infrastructure and economies of scale within Institute on Aging and, as capacity permits, potentially fund with local resources additional slots for residents who are younger or not Medicaid eligible.

4. Home and Community Based Alternatives (HCBA) Waiver

Medi-Cal Waiver Program providing access to services at home or in an assisted living facility as an alternative to a skilled nursing facility or other institutionalization.

Profile

The Medi-Cal HCBA Waiver provides care management services to Medi-Cal participants of any age at risk for, or transitioning out of, Medi-Cal funded nursing home or institutional placement. The care management services are provided by a multidisciplinary care team comprised of a nurse and social worker who coordinate access to Medi-Cal services (e.g., medical, behavioral health, In-Home Supportive Services, etc.), and arranges for other long-term services and supports available in the local community based on medical necessity. Services available under the waiver include but are not limited to: private duty nursing, medical equipment operating expense, caregiver training and respite, personal care services including an adult companionship component, environmental accessibility adaptations, and Personal Emergency Response System installation and testing. There is no individual cost limit and waiver participants should be able to get all “medically necessary” services authorized by their doctor in a plan of treatment. The HCBA Waiver can be combined with IHSS receipt.³⁰

As of May 2022, there were 7,168 HCBA waiver participants in California and 233 on waiting lists statewide.³¹ Institute on Aging (IOA) is the designated agency for managing applications and services in San Francisco as well as several other counties. According to IOA, the number of waiver participants in San Francisco at the beginning of July was 113 with a wait list of 32.³² The current waiver was set to expire earlier this year but has been temporarily extended through at least September 29, 2022 while the national Centers for Medicare and Medicaid Services considers California’s request for a renewal.

Administering Agencies

The California Department of Health Care Services has delegated responsibility for direct administration of the Waiver to nine HCBA Waiver Agencies. Institute on Aging (IOA) for San Francisco is the designated Waiver Agency for San Francisco. As such it receives and processes applications, assesses applicants, develops a Plan of Treatment, and submits that Plan of Treatment to DHCS for approval. Once an individual is approved for HCBA

³⁰ The Home and Community Based Alternatives (HCB Alternatives) Waiver, Disability Rights California, January 21, 2022. <https://www.disabilityrightsca.org/publications/the-home-and-community-based-alternatives-hcb-alternatives-waiver>

³¹ Home and Community Based Alternatives (HCBA) Waiver Monthly Dashboard: May 2022, Department of Health Care Services, Integrated Systems of Care Division, <https://www.dhcs.ca.gov/services/ltc/Documents/HCBA-Dashboard-May2022.pdf>

³² Email from Aaron McPherson, Chief Operations Officer, Institute on Aging, July 7, 2022.

Waiver services, IOA provides monthly comprehensive care management to ensure all of the services on the Plan of Treatment are being delivered.³³

Limitations

Eligibility is limited to those residing in or eligible for Medi-Cal funded nursing home or institutional care. Although most eligible individuals would qualify for other waivers as well (e.g., Assisted Living or Multipurpose Senior Services Program), HCBA waiver participants cannot be enrolled in other waivers simultaneously. As with other Medi-Cal waivers, participation numbers are capped. Assuming approval of its renewal, California's numbers will be 8,974 next year growing over 5 years to 12,349 maximum participants statewide. Sixty percent of HCBA Waiver capacity is reserved for individuals who are transitioning to the HCBA Waiver from similar Medi-Cal funded home and community based services programs, individuals under 21 years of age, or individuals who have been residing in a health care facility for at least 60 days prior to submission of Waiver application.

Opportunity to Serve More

San Francisco is well-positioned to help eligible residents access available Waiver slots as the maximum number of participants increases during the next Waiver period. The City's Department of Disability and Aging Services partners closely with Institute on Aging around programs for overlapping populations and IOA also administers additional programs for similar groups. This familiarity should help to assure that residents are supported in accessing the Waiver program and other services most suited to their needs and preferences. San Francisco can also advocate with the State and Federal government to continue to increase the scale of allowable waiver participation.

³³ The Home and Community Based Alternatives (HCB Alternatives) Waiver, Disability Rights California, January 21, 2022. <https://www.disabilityrightsca.org/publications/the-home-and-community-based-alternatives-hcb-alternatives-waiver>

5. Village program

Helps seniors and people with disabilities remain in their homes and in community through assistance with daily living and social activities provided mostly by other volunteer members and some outside service providers

Profile

In the past few decades, the Village approach has emerged throughout the country as a model bringing together seniors and their neighbors in support of the well-being and social engagement of seniors and people with disabilities. San Francisco has three active Villages, with hundreds of members between them who are older adults or non-elderly adults with disabilities. The largest of these, San Francisco Village, had 395 members in 2020.³⁴ Spearheaded by local nonprofits, these programs use a membership model in which paid staff coordinate services and social activities for Village members, many of which are provided through community volunteers. In addition to social connection, members can receive assistance from other members and volunteers including, for example, rides, shopping, technology support, and service referrals. One of the nonprofits, Golden Gate Senior Services, has long had site-based Community Service Center programs and is supported by the City in implementing its Village to integrate and leverage the two modes of service delivery, a model the City refers to as Community Bridge.

The nonprofit Village organizations receive grants from the City and philanthropy which go, in part, toward supporting membership fees for lower-income households.

In FY 2021-22, the Department of Disability and Aging Services directed \$601,617 in City funding to Villages and \$172,208 to Community Bridge. The enrollments supported with these resources for Fiscal Year 2021-22 to date are 679 for the Village programs and 250 for the Community Bridge.³⁵

Administering agencies

Local nonprofit organizations Golden Gate Senior Services, NEXT Village SF, San Francisco Village, with some City funding through the Department of Disability and Aging Services. Additional resources critical to maintaining the programs are sourced from membership dues and philanthropic resources.

Limitations

Core to the Village model is the idea of community members assisting community members. Although the nonprofit Village programs have paid staff members, they are

³⁴ Connect When It Matters Most. Annual Report 2019 and 2020, San Francisco Village http://www.sfvillage.org/wp-content/uploads/2020/12/annual-report-2019_2020-for-web.pdf

³⁵ Email from Cindy Kauffman, Department of Disability and Aging Services, San Francisco Human Services Agency, June 7, 2022.

largely dependent upon volunteers. Fidelity to the model necessitates parallel scaling of volunteer hours and membership.

Opportunity to serve more

With Community Bridge programs, the City is already exploring how to build upon the Village model. It could also explore with the nonprofits and other community stakeholder what further investment in existing Villages or in new Villages targeting additional neighborhoods or demographic groups could potentially achieve in terms of increased participation and services. The insights revealed can help inform decisions about whether to grow the City's investment in the model or to stay focused on sustaining existing efforts.

6. Program of All-inclusive Care for the Elderly (PACE)

Helps seniors with chronic illnesses delay or avoid skilled nursing facilities with comprehensive medical and support services while remaining in home. Mostly for Medicare/Medi-Cal enrolled.

Profile

PACE is a fully integrated program in which an interdisciplinary team coordinates the health and other care needs of adults aged 55 or over with chronic illnesses or disabilities with the goal of delaying or preventing them from needing to move into a skilled nursing facility. PACE provides participating seniors with coverage for all needed preventive, primary, acute and long-term care services including prescription drugs, doctor appointments, transportation, home care, checkups, hospital visits, and more. If at some point it is in the best interest of the participant to receive care in a nursing home (skilled nursing facility), PACE will pay for the care while the supervision by the interdisciplinary team continues.

PACE does not restrict eligibility to those below any particular income threshold; however, it is only free to older adults with full-scope Medi-Cal and with no cost share obligations due to having assets below the Medi-Cal limit (beginning July 2022, \$130,000 for an individual and \$195,000 for a couple).

PACE has a capitated payment system in which PACE organizations are paid an amount per member per month. This pooled capitation consists of four main funding sources: Medicare Parts A & B, Medicare Part D, Medicaid (Medi-Cal in California), and, infrequently, private pay. PACE is an “all-inclusive” model of care, which means PACE organizations are at full risk and required to provide, or plan to provide, all service needs of their participants.³⁶

There were approximately 1,120 San Francisco program participants in 2020 at a cost of approximately \$101.7 million, much of this covered by Medicare and Medi-Cal³⁷

Administering Agencies

The nonprofit On Lok administers this program and provides direct services. It also contracts with the Institute on Aging and North East Medical Services for direct provision of PACE services.

³⁶ Understanding PACE Capitation and Funding Sources, Health Dimensions Group, July 14, 2021.

<https://healthdimensionsgroup.com/pace-funding/>

³⁷On Lok Annual Report: 2020. Estimates calculated by applying percentage of PACE participants in San Francisco to total number of PACE participants and to PACE functional expenses.

https://assets.ctfassets.net/4wgj8epkji5y/5Ko3g0v8nvmvVdMmAQ6RQ2/2b3789448656abaa3a984befdcc9da1d/On_Lok-2020_Annual_Report-Final.pdf

Limitations

The program is limited to individuals aged 55 or older confirmed by the State as meeting the requirements for skilled nursing home care but able to live safely in community with help from PACE. Most PACE participants nationwide are dually eligible for both Medicaid and Medicare, though PACE eligibility does not require participation in either of these programs. Although free to most individuals receiving Medi-Cal³⁸, individuals qualifying only for Medicare pay a share of cost. In San Francisco, the cost for PACE for individuals not receiving Medi-Cal can be prohibitively expensive.³⁹

Because of the financial risk that PACE providers assume, they will not enroll individuals who they have reason to believe may not be able to comply with the medical and service plans they co-create with their PACE providers. This may mean it limits individuals who are not housed or who have substance use disorder.⁴⁰

In accordance with regulation, PACE does not pay for housing. That said, for those in need of significant hours of supervision or personal assistance, a PACE program may sometimes make the financial decision to contribute to the cost assisted living for the client.

Opportunity to serve more

PACE is an evidence-based program improving health outcomes for frail seniors.⁴¹ PACE providers do not have capacity constraints that limit enrollment.⁴² The Chief Operations Officer at Institute on Aging estimates that PACE is only serving one-third to one-half of San Franciscans who could qualify for and benefit from enrollment in the program.⁴³

PACE-eligible individuals can privately pay for PACE costs that Medi-Cal or Medicare do not pick up, but this can be prohibitively expensive for many who are Medicare only. Given the evidence-base behind PACE, the City may wish to explore offsetting the share of cost required from PACE participants who are low-income or moderate income but above the threshold for full-scope Medi-Cal eligibility, i.e., increasing the affordability of the program for an expanded percentage of PACE-eligible City residents. The City may also want to explore with On Lok whether, with City funding, they would consider expanding the PACE model to adults under age 55 with disabilities.

³⁸ A subset may be responsible for paying a “share of cost.”

³⁹ Aaron McPherson, Chief Operations Officer, Institute on Aging, June 30, 2022.

⁴⁰ Aaron McPherson, Chief Operations Officer, Institute on Aging, June 30, 2022.

⁴¹ Comparing Outcomes for Dual Eligible Beneficiaries in Integrated Care: Final Report, Office of Behavioral Health, Disability, and Aging Policy, Office of the Assistant Secretary for Planning and Evaluation, U.S. Department of Health and Human Services.

<https://aspe.hhs.gov/sites/default/files/documents/9739cab65ad0221a66e45463d10d37/dual-eligible-beneficiaries-integrated-care.pdf>

⁴² Aaron McPherson, Chief Operations Officer, Institute on Aging, June 30, 2022.

⁴³ Aaron McPherson, Chief Operations Officer, Institute on Aging, June 30, 2022.

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The City can help to increase awareness about PACE through outreach at venues such as HSA eligibility and intake centers and DPH medical facilities. The City could also potentially support targeted outreach and education of IHSS consumers who are fifty-five or older about the PACE opportunity.

7. Community Living Fund

Support services for seniors in transfers back to home and community from institutional care as well support for others to prevent such placements

Profile

This is a locally funded program that serves seniors and adults with disabilities currently in institutional care who are willing and able to be discharged to community living with appropriate support as well as those individuals at imminent risk of placement in institutional care. Services include intensive case management and purchase of goods and services for lower income individuals at risk of institutionalization so that they can age safely in place, in assisted living facilities, or supportive housing. Services are flexible and may also include personal assistance and homecare, adult day health and social day programs, money management, mental health and substance abuse services including residential programs, 24-hour mental health services, home health care, home repairs and modifications, and subsidies for housing and residential care. The program is restricted to individuals with incomes at or below 300 percent of the Federal Poverty Level.

As referenced in the earlier description of the City’s voucher programs (Section 2), CLF program participants who need an affordable housing unit to facilitate their transition out of institutional care may be connected to a unit and provided with a rental subsidy. DAS contracts with Brilliant Corners for this program component. The nonprofit identifies and rents up to 110 scattered site units, mostly studio apartments, from private landlords and then matches CLF housing assistance recipients to available units and provides them with a rental subsidy to make them affordable.⁴⁴ Brilliant Corners also provides housing retention support to help clients – many of whom are formerly homeless or managing behavioral health challenges – maintain their housing.⁴⁵

With an annual budget averaging \$8.76 million between Fiscal Years 2018-19 and 2020-21 CLF has served an average of 338 individuals each six month period during those years.⁴⁶ CLF’s budget for Fiscal Year 2021 was \$8,838,557,⁴⁷ and the program served total of 357unduplicated individuals during this time.⁴⁸

⁴⁴ Email from Cindy Kauffman, Department of Disability and Aging Services, April 11, 2022.

⁴⁵ Comments on draft memo, transmitted via email from Rose Johns, Department of Disability and Aging Services, San Francisco Human Services Agency, June 17, 2022.

⁴⁶ Community Living Fund 6 Month Reports, San Francisco Human Services Agency
<https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

⁴⁷ Community Living Fund 6-Month Report January – June 2021, San Francisco Human Services Agency.

<https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

⁴⁸ Comments on draft memo, transmitted via email from Rose Johns, Department of Disability and Aging Services, San Francisco Human Services Agency, June 17, 2022.

Administering Agencies

The City's Department of Disability and Aging Services (DAS) administers this program through its lead contractor, the nonprofit Institute on Aging. DAS also has a contract with Brilliant Corners for the scattered site housing and rental subsidies funded through the Community Living Fund

Limitations

The program accepts clients on a first-come, first serve basis. As of September 2021, CLF had 32 referrals awaiting assignment, almost three-quarters of which were waiting for intensive case management (average of 154 days on waitlist) and the remainder for a purchase of service (average of 235 days on waitlist). The waitlist was shorter than during prior periods (54 in March 2021,⁴⁹ 70 in September 2020⁵⁰) but the duration of wait just as long.⁵¹

Opportunity to serve more

The Community Living Fund is a locally initiated and funded program. With additional resources, it could potentially serve more individuals. The current target population is codified in Section 10.100-12 of the San Francisco Administrative Code but could potentially be expanded to offer services to a broader subset of seniors and non-elderly adults with disabilities. Supportive of this idea is the fact that, in January through June 2021, 49% of 68 referred clients were found to be eligible, suggesting additional residents that are interested in and might benefit from services if eligibility were expanded.⁵²

⁴⁹ Community Living Fund 6-Month Report July – December 2020, San Francisco Human Services Agency. <https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

⁵⁰ Community Living Fund 6-Month Report January – June 2020, San Francisco Human Services Agency. <https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

⁵¹ Community Living Fund 6-Month Report January – June 2021 San Francisco Human Services Agency. <https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

⁵² Community Living Fund 6-Month Report January – June 2021 San Francisco Human Services Agency. <https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

8. Short-Term Home Care for Older Adults***Personal care, homemaker, and chore services to help seniors remain in home*****Profile**

Title IIIB of the Older Americans Act provides funding for a series of supportive services programs designed to address functional limitations in older adults with a goal of maintaining health and independence while living at home. The Department of

Disability and Aging Services groups Chore, Homemaker, and Personal Care

Services programs together, referring to them collectively as the Short-Term Homecare for Older Adults program. This program differs from In-Home Supportive Services (IHSS) in program authorization and scope, eligibility criteria, scale, and specific types of services provided. The funding level for the program is currently determined on an annual basis with the release and allocation of the Area Plan contract from the California Department of Aging. Funding for FY 2021-22 is \$165,739 with resources sourced from 69% State, 14% Federal and 17% County General Fund.

- Chore Services – 880 hours total across 105 unduplicated individuals
- Homemaker Services – 880 hours total across 105 unduplicated individuals
- Personal Care Services – 820 hours total across 95 unduplicated individuals⁵³

Administering agencies

California Department of Aging through the San Francisco Department of Disability and Aging Services which contracts with the nonprofit Self-Help for the Elderly for the provision of services.

Limitations

Eligibility is limited to San Franciscans aged 60 or older who need the provided services. The Older Americans Act further requires that resources be targeted to individuals who are low-income, non- or limited-English speaking, are low-income, non- or limited-English speaking, minority, frail, or Lesbian/Gay/Bisexual/Transgender.

Opportunity to Serve More

This is a very small program, able to provide on average only about a day's worth of each of type of service to each individual served per year. However, eligibility is relatively broad. The City and County of San Francisco could potentially leverage the mandated

⁵³ Memo to Disability and Aging Services Commission from Cindy Kauffman and Esperanza Zapien, April 6, 2022. <https://www.sfhsa.org/about/commissions-committees/disability-and-aging-services-commission/april-6-2022-das-commission-0>

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program by increasing its own investment so that it could serve additional individuals who don't qualify for other resources or to provide more hours of services to existing clients.

9. Support at Home***Home care services for people with disabilities who don't qualify for other financial assistance programs*****Profile**

This program provides sliding scale home care subsidies via vouchers for low- and moderate-income San Franciscans with disabilities who don't qualify for other financial assistance. Enrollees can elect to purchase home care services directly from an independent provider at a wage set by the program or to purchase services monthly in advance through an approved home care agency at an hourly cost determined by the agency.

The number of unduplicated consumers served in FY 2021-22 as May 31, 2022 was 125 and the average monthly value of voucher payments per enrollee was approximately \$1,073. Enrollees contribute to the cost of care via monthly co-payments averaging approximately \$216 per person. The program is funded solely through General Fund resources, with the FY 2021-22 allocation totaling \$1,843,954.⁵⁴

Administering agencies

The Department of Disability and Aging Services administers this program via a contract with Institute on Aging.

Limitations

Eligibility requires that program participants be assessed as having the functional need for care, be ineligible for other public subsidies for care, have a monthly income not exceeding area median income, assets less than \$40,000 (excluding one home and vehicle) and be able to provide a co-payment toward the cost of the care.

Opportunity to serve more

An evaluation of the Support at Home program conservatively estimated monthly cost savings per enrollee – mostly from reduced hospitalizations, emergency department visits, and physician visits – of \$626.41 more than the cost per enrollee of operating the program.⁵⁵ A sustained waitlist (exceeding 300 individuals as of June 1, 2022) is indicative of demand for the program.⁵⁶

The City should consider increasing resources for the Support at Home program at least enough to eliminate the existing waitlist and increase outreach to and representation of marginalized groups that qualify for the program under its current eligibility standards.

⁵⁴ Email from Cindy Kauffman, Department of Disability and Aging Services, San Francisco Human Services Agency, June 7, 2022.

⁵⁵ Evaluation of the San Francisco Support at Home Program: Year 3 Report, HealthForce Center at UCSF, October 14, 2020, p.40.

<https://healthforce.ucsf.edu/publications/evaluation-san-francisco-support-home-program-year-3-report>

⁵⁶ Rose Johns, Policy and Planning Unit, San Francisco Human Services Agency, June 17, 2022.

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Support at Home is a locally created and managed initiative. The City could potentially increase resources for it further, enabling expansions in eligibility or allowable costs. For example, the City could consider increasing income eligibility for renters with limited assets, incorporating consideration of an individual's medical expenses into eligibility determination, or allowing resources to be expended on home modifications and technology such as monitoring systems or assistive devices in addition to home care. The City may also want to reconsider whether there is sufficient rationale to maintain Support at Home and Community Living Fund (CLF) as two distinct programs, rather than increase CLF's eligibility sufficient to include the Support at Home target population, allowing for more flexibility around resources and services provided. Making these changes would involve upfront costs, establishing new processes, and potentially even some legislative changes, however, the BLA thinks it worth the Board of Supervisors weighing such costs, with input from the Department of Disability and Aging Services, against the potential long-term value that could result from additional community members served, a more consumer-centric model, and more leverage and integration and reduced emergency room costs and physician visit costs.

10. Senior Home Repair Program (SHRP)

Forgivable loans for home accessibility modifications for seniors and people with disabilities. Limited program.

Profile

SHRP is a new program, initially locally funded at \$500,000⁵⁷ providing up to \$50,000 in the form of a forgivable loan for roof or HVAC repairs or accessibility improvements to low to moderate-income senior/disabled homeowners residing in historically distressed and underserved neighborhoods. It expects to serve 20 households in FY 2022-23 and 10 household in FY 2023-2024.⁵⁸ SHRP loan balances will be forgiven entirely 5 years after completion of improvements for borrowers who still own and occupy their property and complete Estate Planning Education or demonstrates completion of an estate plan. This program is part of the Mayor’s Dream Keeper Initiative intended to redirect and invest resources from law-enforcement to support San Francisco’s black communities.

Administering agencies

Mayor’s Office of Housing and Community Development, through a contract with the nonprofit Rebuilding Together.

Limitations

The program’s limited budget enables it to serve very few homeowners, with the exact number to be determined by the scale of repair and modification projects needed by applicants, but likely not to exceed 30, according to MOHCD staff. Eligibility is limited to owner occupied properties in specific census tracts in the Bayview Hunters Point, Western Addition/Hayes Valley, and Oceanview Merced Ingleside neighborhoods. Total household income must not exceed 120% of Area Median Income but a scoring system will prioritize low- and very low-income households. With demand expected to exceed supply, MOHCD anticipates that the application window may be open for as little as 30 days. MOHCD counsels potentially interested residents that the entire process may take up to ten months after the application period opens.⁵⁹

Opportunity to serve more

Additional resources allocated to the program could enable the program to serve more applicants from its current target neighborhoods or expand to serve additional

⁵⁷ Interview with Maria Benjamin, Mayor’s Office of Community Development, January 20, 2022.

⁵⁸ Email from Cissy Yin, BMR Homeownership Program Manager, San Francisco Mayor’s Office of Housing and Community Development, July 8, 2022.

⁵⁹ Dreamkeeper Initiative: Senior Home Repair Program (SHRP) Overview, April 2022

<https://sfmohcd.org/sites/default/files/Documents/MOH/Senior%20Home%20Repair%20Program%20%28SHRP%29/SHRP%20Program%20Overview.pdf>

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neighborhoods. As a locally-initiated and funded program, the City also has the authority to change or expand eligibility.

11. CalHome Loan Program***Competitively awarded State low interest loans for home accessibility and other modifications*****Profile**

Funded by the California Department of Housing and Community Development, the CalHome Loan Program offers a 3% interest, deferred payment loan to address code deficiencies, health and safety hazards, deferred maintenance, remediation of lead-based paint hazards, and accessibility modifications in owner-occupied properties. It is available on a first come first serve basis for eligible applicants when funding is available. The loan amount is determined on a case-by-case basis depending on the needs of the homeowner. The program is expected to re-launch in two to four months after several years during which San Francisco was not awarded state funding for this program. It is anticipated to make five to seven loans in FY 2022-23.⁶⁰ The program is not limited to seniors or people with disabilities but they are eligible for it.

Administering Agencies

The California Department of Housing and Community Development grants resources to nonprofits and local public agencies that can then lend the funds to homeowners. The Mayor's Office of Housing and Community Development has local administrative responsibility, which it provides through a contract with the nonprofit Rebuilding Together who supports and manages the application process for San Franciscans.

Limitations

San Francisco anticipates making just a handful (5-7) CalHome loans in FY 2022-23. It can be challenging to market the program as funding for it from the State is not guaranteed from year to year as it is distributed on a competitive basis.

Opportunity to serve more

The competitive nature of awards from the State makes it hard for the City to depend upon or market the program to residents. The program is not limited to seniors or people with disabilities but nonprofit Rebuilding Together supports outreach and application for the program locally and has relationships and experience relevant to these populations. MOHCD and its partner Rebuilding Together may be able to more broadly frame their outreach to homeowners around available resources for costly repairs and then direct potential applicants to the program, Senior Home Repair Program or CalHome Loans, whichever is more appropriate for their situation. To the degree that MOHCD is able to demonstrate more demand for the CalHome loans than supply, the City may wish to consider expanding the Senior Home Repair Program to close the gap.

⁶⁰ Email from Cissy Yin, BMR Homeownership Program Manager, San Francisco Mayor's Office of Housing and Community Development, July 8, 2022.

12. Rebuilding Together San Francisco***Home improvements for seniors and people with disabilities for safety improvements and modifications to prevent need to move.*****Profile**

Rebuilding Together San Francisco is a local affiliate of the national nonprofit, Rebuilding Together. The program provides home safety repairs, deferred maintenance, and code violation corrections toward the goals of preserving affordable housing and stability for vulnerable populations, increasing the mobility, safety, and independence of seniors and persons with disabilities, and building or preserving equity and long-term security. In FY 2021-22, Rebuilding Together received \$437,274 from the City's General Fund through MOHCD for home modifications and repairs for seniors and people with disabilities and to provide education and application support for homeowners seeking CalHome loans.

The Rebuilding Together San Francisco grant has the goal of improved housing safety through 85 housing assessments and home modifications for 75 residents per year.⁶¹ MOHCD expects to continue to fund Rebuilding Together San Francisco at a similar level for this work in FY 2022-23 and to provide \$75,000 in additional resources specific to the Senior Home Repair Program previously described.⁶²

Administering Agency

The Mayor's Office of Housing and Community Development, through a contract with the nonprofit Rebuilding Together San Francisco

Limitations

Eligibility is limited to San Francisco residents earning less than 80% of Area Median Income per household. However, the average annual household income of families served is much lower at \$13,334. Eighty percent of those served in the last 5 years reside in historically Black neighborhoods in the Southeast sectors of the city.

Opportunity to serve more:

Applying national estimates of households needing modifications, the demand for Rebuilding Together San Francisco's services is estimated at 4,115 senior owner occupied households⁶³ and additional non-elderly residents with disabilities in San Francisco.

⁶¹ Email from Malik Looper, Mayor's Office of Housing and Community Development, March 28, 2022.

⁶² San Francisco Draft 2022-23 Action Plan for Public Review and Comment (prepared for eventual submission to the US Department of Housing and Urban Development, March 28, 2022, p. 68.

<https://sfmohcd.org/sites/default/files/Documents/Reports/Draft%202022-23%20Action%20Plan%20for%20Public%20Review%20and%20Comment%203-28-2022.docx.pdf>

⁶³ Estimated by applying 44% of households needing modifications from Harvard's Joint Center (national) to 38,812 estimated San Francisco 2022 senior owner-occupied households = 17,077 (derived by applying 53 percent owner occupied rate to senior population of 164,036, divided by 2.24 average household size = 38,812). Then applied 24.1% from 2019 ACS as percent of seniors in owner occupied housing who are cost burdened. Sources:

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Unless contracted to focus a subset of resources elsewhere, Rebuilding Together prioritizes for service very low-income households in communities that have survived discrimination. Additional resources might make it possible for the nonprofit to extend its services to additional households unable to afford needed repairs and modifications.

https://www.jchs.harvard.edu/sites/default/files/w15-4_will_1.pdf, p.2 and
https://data.census.gov/cedsci/table?q=S0103%3A%20POPULATION%2065%20YEARS%20AND%20OVER%20IN%20THE%20UNITED%20STATES&g=0100000US_0400000US06_0500000US06075&tid=ACSST1Y2019.S0103

Budget and Legislative Analyst

13. Community & Home Injury Prevention Program for Seniors (CHIPPS)

Funding for education and minor modifications to reduce the potential for falling and other injuries in the home.

Profile

CHIPPS works with older adults and people with disabilities to help prevent falls and injuries and remain living safely and independently in their homes. Services include

- Injury prevention education
- Individualized home safety assessments, recommendations and distribution of supportive items (e.g., bathmats, jar openers, shoehorns, grabber tools)
- Minor home modifications to prevent falls and injuries (e.g., grab bars, handrails, tub rails/clamps, raised and railed toilet seat, hand-held shower heads)

CHIPPS's annual General Fund allocation is approximately \$260,000, including approximately \$70,000 for a licensed contractor to provide home safety modifications at approximately \$650/home.⁶⁴ In fiscal year 2018-19, the last full fiscal year prior to Department of Public Health staff being activated to support the City's Covid-19 pandemic response, the program conducted 130 home safety assessments, completed 117 home modifications, and conducted 19 group injury prevention education sessions.

In Fiscal year 2021-22 to date, the program conducted 235 home safety assessments, completed 71 home modifications, and conducted 20 group injury prevention education sessions, including a Sing Tao radio show and On Lok-Forever Young TV program that resulted in 110 requests for services.⁶⁵

Administering Agency

Department of Public Health.

Limitations

The program reports that it does not have the capacity to meet current demand, resulting in deferral of some requested home modifications into the next fiscal year. Current funding levels constrain the number and scale of home modifications that can be provided

Opportunity to serve more

As the funding entity for the CHIPPS program, the City has full discretion regarding its scope and size. Additional resources could enable the program to engage and serve more seniors, increase the number of assessments and modifications performed, and to provide more costly safety and accessibility modifications when needed. CHIPPS could

⁶⁴ Information compiled by CHIPPS staff and transmitted via email from Ana Validzic, San Francisco Public Health Department, May 12, 2022.

⁶⁵ San Francisco Public Health Department, June 2022.

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also potentially develop expertise around and install, or otherwise support access to, technology that seniors could elect to use for passive monitoring and issuance of an alert should there be an emergency or other reason for concern.

Although CHIPPS staff is already attempting to do so, additional resources could allow for further outreach, education and services to under-resourced and overlooked communities. Staff indicated that more resources could also allow for more robust data collection and analysis that would support continuous improvement.⁶⁶

The Board of Supervisors may wish to consider growing and leveraging CHIPPS beyond just fall prevention, to assess and make connections to address more comprehensive wellness in the home, potentially including air quality and temperature related concerns, food security, security from intruders, safety of appliances, and mobility support systems.

The CAPABLE model which grew out of a Johns Hopkins University pilot is one potential direction with demonstrated results. Interdisciplinary teams that include at least a registered nurse, an occupational therapist, and a handy person assess seniors in their home environment and then provide personal supports and environmental changes to decrease disability and reduce depressive symptoms. An upfront investment of \$3,000 per participant has been found to yield \$22,000 per participant in medical savings.⁶⁷

⁶⁶ Information compiled by CHIPPS staff and transmitted via email from Ana Validzic, San Francisco Public Health Department, May 12, 2022.

⁶⁷ CAPABLE: Aging in Place (website), Healthcare Solutions, Johns Hopkins Medicine
<https://www.johnshopkinssolutions.com/solution/capable/>

14. Cal AIM (Medi-Cal reform)

Medi-Cal reform currently being rolled out to provide greater flexibility in coverage potentially including services for home modifications, and housing assistance for qualified Medi-Cal enrollees including seniors and people with disabilities

Profile

CalAIM (California Advancing and Innovating Medi-Cal) is a new framework and approach that the State of California is rolling out across recent and upcoming Medi-Cal waiver renewals that will provide greater flexibility in what Medi-Cal will cover in addition to payment reform. A far-reaching multi-year effort, the reforms are intended to facilitate a more flexible, person-centered approach, increase coordination, and improve outcomes.

CalAIM is especially focused on vulnerable populations and high-utilizers of public services, including those who are homeless, live with disabilities, and the elderly. As CalAIM rolls out, it is anticipated that managed care, Enhanced Care Management, and community support providers will have new flexibility to address both clinical and non-clinical needs of beneficiaries, including services that help seniors and people with disabilities stay in their homes and communities rather than move to nursing homes. For example, managed care plans will have the option to provide community supports, including housing transition navigation services, housing deposits, housing stabilization, short-term post hospitalization housing, respite care for caregivers, diversion to facilities such as residential care facilities for the elderly (assisted living) and adult residential facilities, personal care and homemaker services, medically-tailored meals, and home modifications. CalAIM will require alignment of Medicare and Medi-Cal plans for people eligible for both programs, thereby supporting better integration and coordination of services.⁶⁸

Administering agency

Department of Public Health is playing the lead role locally for health services, and is working closely in the planning phases with the Department of Disability and Aging Services (DAS) and the Department of Homelessness and Supportive Housing (HSH) for other service scopes, including the delivery of housing related community supports under CalAIM. Funding is from the California Department of Health Care Services (DHCS) and flows through Managed Care Plans.

Limitations

Relevant only to residents who are Medi-Cal eligible.

⁶⁸ CalAIM Explained: Overview of New Programs and Key Changes, October 26, 2021.

<https://www.chcf.org/publication/calaim-explained-overview-new-programs-key-changes/#new-programs>

Opportunity to Serve More

The best way for the City and County of San Francisco to fully leverage the benefits of CalAIM is to ensure that all eligible residents get and stay enrolled in Medi-Cal, something the City already tries to do. Recent and upcoming changes in eligibility create urgency for even greater investment in these outreach and education efforts. More immigrants are becoming eligible for Medi-Cal in 2022. Changes to – and hopefully, by 2024, including elimination of –asset limits will also increase the pool of residents eligible for Medi-Cal. Many residents that will be affected by these changes are likely unaware of them. According to DPH, the City could potentially support CalAIM’s goals by funding work towards integrated data systems for agencies and providers working with the vulnerable populations for which it seeks to improve services.⁶⁹

⁶⁹ Interview with Dara Popo and Claire Horton, San Francisco Department of Public Health, March 30, 2022.

15. Adult Day Program

Non-medical personal care, social activities for seniors and people with disabilities, and respite care for families or caregivers to facilitate remaining in home

Profile

These state-licensed, community-based centers offer a non-medical model of care, providing social and recreational activities, nutrition, and personal care support for seniors and non-elderly adults with disabilities who require help with basic daily tasks and are not able to independently participate in activities at community service or senior centers. Adult Day Programs provide respite for family and friend caregivers during daytime hours. Some sites have specialized programs for persons with moderate-to-late stage dementia and Alzheimer’s disease. Although primarily a private pay service (often on a sliding scale enabling individuals of varying income-levels to enroll), the nonprofits that administer these programs may receive funding through a variety of sources aligned with participant demographics including the Veteran’s Administration for former military personnel, Regional Centers for those with Intellectual or developmental disabilities, and the San Francisco Department of Disability and Aging Services.

There are currently five adult day program providers in San Francisco. Three of these locations plus one additional site offer specialized support and services for adults with Alzheimer’s disease or other dementia-related disorders and their caregivers.⁷⁰ As part of its efforts to provide caregiver support, for Fiscal Year 2021-21, the Department of Disability and Aging Services allocated \$709,633 for Adult Day Programs and an additional \$498,547 for Alzheimer’s Day Care Resource Centers (ADCRCs). As of the writing of this report in FY 2021-22, Adult Day Programs has served 129 unduplicated clients and ADCRCs have served 92.⁷¹ DAS resources are used by the nonprofits running these Centers to pay for associated salaries, fringe benefits, and operating costs.

Administering agency

Adult Day Programs are licensed by the California Department of Social Services Community Care Licensing Division. They are usually operated by independent nonprofits that may receive financial support from public agencies, including the San Francisco Department of Disability and Aging Services.

⁷⁰ Adult Day Program and Alzheimer Day Care Resource Centers webpages, San Francisco Human Services Agency <https://www.sfhsa.org/services/connection-community/adult-day-programs> and <https://www.sfhsa.org/services/connection-community/alzheimer-day-care-resource-centers>, accessed on 5/21/22

⁷¹ Email from Cindy Kauffman, Department of Disability and Aging Services, San Francisco Human Services Agency, June 7, 2022.

Limitations

Although the City makes referrals and provides some funding, the independent nonprofits running these programs have the primary responsibility for reaching out to and engaging participants. Most participants are private pay, often paying based on a sliding fee scale. In recent years, these sites have consistently experienced difficulty meeting costs at the level clients are able to pay.⁷²

Opportunity to Serve More

Research on adult day programs finds that they provide health, psychological and behavioral benefits for participants, particularly those with dementia and other cognitive impairments, and also have beneficial effects on the well-being of caregivers.⁷³ The need for these programs is anticipated to grow exponentially. From 2019 to 2040, the estimated number of San Francisco residents age 55 and older with Alzheimer's Disease is projected to increase by 98% from 18,749 to 37,153 according to a report prepared for the California Department of Public Health.⁷⁴

Unfortunately, the capacity of the nonprofit service providers offering Adult Day Services is often constrained by the below market rate payments they are receiving from participants who often pay according to a sliding scale. The City could build capacity of the nonprofits by providing them multi-year general operating support for the Day Programs. Additionally, the City may wish to consider supplementing the fees paid by individual participants and may also wish to explore whether Adult Day Centers are a good fit for a subset of Support at Home participants. If so, the cost savings of group care relative to paying for in-home care may allow the City to serve additional individuals for the same total cost.

⁷² 2020-23 Dignity Fund Services and Allocation Plan, March 2019, p. 22.

https://www.sfhsa.org/sites/default/files/Report_Dignity%20Fund%20Services%20and%20Allocation%20Plan%202020-2023_March%202019.pdf

⁷³ Adult Day Center Programs and Their Associated Outcomes on Clients, Caregivers, and the Health System: A Scoping Review, *The Gerontologist*, Volume 57, Issue 6, December 2017.

<https://academic.oup.com/gerontologist/article/57/6/e85/3072901>

⁷⁴ Alzheimer's Disease and Related Dementias Facts and Figures in California: Current Status and Future

Projections, by L.K. Ross, M. Bled, and J.C. Yeh for the California Department of Public Health, January 2021

https://www.cdph.ca.gov/Programs/CCDPHP/DCDIC/CDCB/CDPH%20Document%20Library/Alzheimers%27%20Dis ease%20Program/151764_Alzheimers_Disease_Facts_and_Figures_Reportv3_ADA.pdf?TSPD_101_R0=087ed344cf ab2000731ce898d160295eedf924818ccccf9f348322fd30c387ed6729a39e3de2732f08ea0b6cf6143000b901112bc6 e3d457d9efce0b817660a2245a43b656528100a21e8582fcd77cc96a5adee73907b5e26bf69b0c260671ae

16. Adult Day Health Care Centers

Individual outpatient medical care, social and recreational activities for seniors and people with disabilities to help avoid institutionalization

Profile

Adult Day Health Care centers (ADHCs) are state-licensed, community-based facilities that offer a **medical model of care** through an outpatient day program providing social and recreational activities, supervision, physical and occupational therapy, nursing services, and personal care. Dependent on their focus, programs may serve frail older adults and younger adults with chronic disabling medical, cognitive, or mental health conditions who are at risk of institutional placement. ADHCs are primarily a Medi-Cal benefit that also accept private pay clients.

In March 2022, San Francisco had nine Adult Day Health Care Centers with 926 slots licensed to serve Medi-Cal recipients. Utilization across the sites varies but averaged 73% overall in March.⁷⁵ For this current 2021-22, the Department of Disability and Aging Services allocated \$655,669 to three SteppingStone managed ADHCs. These centers used the funds to cover enhanced care coordination which is defined as ADHC hours of service above the billable hours covered by Medi-Cal.⁷⁶

Administering agencies

Adult Day Health Care Centers are usually operated by independent nonprofit organizations. Adult Day Health Care centers are licensed by the California Department of Public Health as health facilities. Most ADHC centers then become certified by the California Department of Aging as Community Based Adult Services to serve Medi-Cal beneficiaries. They may receive financial support from a variety of public and private sources, including the San Francisco Department of Disability and Aging Services.

Limitations

Adult Day Health Care Centers focus on clients with skilled nursing level of care needs and/or cognitive impairment.

Opportunity to serve more

Adult Day Health Care Centers are a cost efficient way to serve frail seniors and younger adults with disabling conditions. However, San Francisco's centers are currently

⁷⁵ List of Community Based Adult Services Providers, California Department of Aging.
https://aging.ca.gov/Providers_and_Partners/Community-Based_Adult_Services/CBAS_Providers/

⁷⁶ Email from Cindy Kauffman, Department of Disability and Aging Services, San Francisco Human Services Agency, June 7, 2022.

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undersubscribed, a situation which preceded the COVID-19 pandemic.⁷⁷ San Francisco could promote Adult Day Health Care Centers further both to Medi-Cal eligible individuals and to those who are not Medi-Cal eligible but might be interested in finding relatively affordable care that incorporates social and recreational components. The City may wish to also explore being the private payor for Adult Day Health Care Center care for a subset of its Community Living Fund and Department of Public Health clients. Doing so may potentially result in the City incurring some cost savings relative to paying for residential care facilities or in-home care. Dependent upon their scale, these savings may allow the City to serve additional individuals for the same total cost.

⁷⁷ Center Overview, Monthly Statistical Summary Reports, March 2022 and January 2020, California Department for Aging, data available for download at https://aging.ca.gov/Providers_and_Partners/Community-Based_Adult_Services/Center_Overview/

APPENDIX 2

Senior Operating Subsidy

Helps make affordable housing possible for low- and very low-income seniors. Limited availability.

Profile

The Senior Operating Subsidy Fund was created by the Board of Supervisors initially in 2019 as a three-year demonstration program and funded at \$5 million to make the near-term pipeline of 130 new senior housing units more affordable.¹ The Senior Operating Subsidy Fund provides project-based subsidies to new affordable housing developments for seniors to ensure that rent is affordable to those with incomes as low as 15-25 percent of Area Median Income. Applications for units in senior housing developments that are subsidized by the SOS Fund are managed through the San Francisco Housing Portal, more commonly referred to as “DAHLIA,” a project of the Mayor’s Office of Housing and Community Development (MOHCD). According to the ordinance establishing the program, it is the City’s intent to continue to fund the subsidy program on an annual basis for the life of all deed-restricted senior affordable housing developments.²

MOHCD anticipates adding about 175 additional Senior Operating Subsidies over the next five years. These would represent about 19% of the approximately 898 senior units reported to be in the affordable housing pipeline.³

In addition to the initial \$5M investment, the Board of Supervisors also allocated \$1.9M as an FY21-22 Addback and approved a multi-year grant from the State of California in the amount of \$52.3M to support the SOS program.⁴

Administering agencies

MOHCD

Limitations

For purposes of the program, “Senior” means a person 62 years old or older, or as defined by the requirements of any funding for the affordable housing development. There is no provision for serving non-elderly adults with disabilities, for whom housing affordability is also a significant challenge. As a project-based subsidy, the program’s beneficiaries are limited to those moving into buildings to which the City has allocated subsidy funds. It

¹ “New Subsidy Program Could Make Senior Housing More Affordable,” by Joshua Sabatini, San Francisco Examiner, May 29, 2019 <https://www.sfexaminer.com/the-city/new-subsidy-program-could-make-senior-housing-more-affordable/>

² SEC. 10.100-324. Senior Operating Subsidies (Sos) Program Fund, San Francisco Administrative Code https://codelibrary.amlegal.com/codes/san_francisco/latest/sf_admin/0-0-0-62401#JD_10.100-324

³ Lydia Ely, Mayor’s Office of Housing and Community Development, June 2022.

⁴ Lydia Ely, Mayor’s Office of Housing and Community Development, June 2022.

does not provide support to low-income seniors seeking resources to remain in their existing homes.

Opportunity to serve more

As a locally created and funded program, the City can set priorities and funding levels. The program appears to be directly addressing a key barrier to affordable housing for seniors. The Board of Supervisors could consider encouraging both increased investment in the program and also either opening it up to non-elderly adults with disabilities or creating a parallel program specific to these San Franciscans.

APPENDIX 3

Community Living Fund

Profile

As first described in Section 1 of this report, the Community Living Fund (CLF) program aims to help lower-income San Franciscans with skilled nursing facility level of care needs avoid, delay admission to, or transition out of institutional settings. CLF provides a wide array of supports for this purpose. While most CLF consumers are potentially in need of assisted living or skilled nursing facility care, some (19-22% between Jan 2019 and June 2021) are identified as needing assisted living facility (ALF) placements to avoid admission to a skilled nursing facility.

CLF assisted approximately 27 individuals per six-month period between July 2019 and June 2021 in securing ALF placement and paying for care. Community Living Fund clients pay the ALF directly from any income they have, retaining just \$154 of their monthly income.¹ CLF resources fill any gap remaining between client contribution and cost of care. In the two years between July 2019 and June 2021, CLF spent a total of \$2,260,463 for ALFs for an average of 27 clients per six-month period.²

Administration

Department of Disability and Aging Services through nonprofit contractor Institute on Aging.

Limitations

The program is limited to individuals at less than 300% of the federal poverty level who have been assessed as having a skilled nursing level of need. These clients must have no other resources available to pay for the support needed to help keep them out of institutional care.

Opportunity to Serve More

CLF is a City-funded program. Although referrals have declined since the start of the pandemic -- for example, 158 referrals in January through June 2019 compared to 68 referrals between January and June 2020 -- there continues to be a waitlist of San Franciscans determined eligible for CLF support. During each of the six-month periods from July 2018 through June 2021, five to fifteen percent of referrals were determined to be ineligible. Both the waitlist and ineligible numbers suggest a gap between supply and demand. If considering expanding the program, the City should not only try to bolster capacity sufficient to eliminate the need for a waitlist but also seek to understand the most common reasons individuals are being deemed ineligible and consider expanding to fill the gap.

¹ This practice is consistent with state policy for Supplemental Security Income (SSI) recipients residing in assisted living and receiving an elevated payment as a result. SSI/SSP Rates Effective January 1, 2022 (webpage), California Assisted Living Association, <http://caassistedliving.org/provider-resources/and-more/ssissp-rates/>.

² Community Living Fund 6-Month Report January – June 2021, San Francisco Human Services Agency <https://www.sfhsa.org/services/care-support/community-living-fund/community-living-fund-reports>

APPENDIX 3

Department of Public Health Assisted Living Subsidies

Profile

The Department of Public Health Transitions Division provides assisted living subsidies and services for high use San Francisco Health Network (SFHN) members with multiple complex characteristics including mental illness, substance use, and various types of medical compromise.³

The Department connects their clients to various levels of care dependent upon their situation and need. Services include utilization management for the length of stay and care coordination and case management toward the goal of cost effectively stabilizing clients in the most appropriate, least restrictive setting. Care includes temporary situations such as treatment and shelter, Single Room Occupancy hotels, Direct Access to Shelter & Care, Residential Care and Mental Health Rehabilitation Facilities, and Medical or Neuro-Behavioral Skilled Nursing Facilities.

In FY 2015-16, DPH supported 1,158 clients in various levels of care, including 898 adult and older adult clients in assisted living. The cost of subsidies for this subgroup of clients was \$9,698,321.⁴

As part of the expansion of Mental Health SF, DPH is planning to acquire new mental health facilities inclusive of at least 73 residential care beds for people with mental health issues who also require assistance with activities of daily living.⁵ Some of these will support the elderly.⁶

Administration:

Department of Public Health and San Francisco Health Network

Limitations:

Although there has been an increase in the number of RCFE beds for the elderly, they are increasingly likely to be at larger facilities which tend to cost more. San Francisco has been experiencing a steep downward trend in the number of Adult Residential Facilities and beds in San Francisco to serve non-elderly adults. DPH places hundreds of San Franciscans in out of county facilities suggesting that the number of facilities that remain are insufficient or a mismatch with the level or type of care needed.

Opportunity to Serve More:

Even after the current planned expansion, additional need for Residential Care Facilities for the Elderly, particularly board and care homes, is likely to remain. To the extent that trend continues, the City could consider expansion of this program.

³ <https://www.sfhsa.org/file/8256/download?token=RgD1puZf>, p.35

⁴ San Francisco Department of Public Health Transitions Division, Presentation by Kelly Hiramoto, June 20, 2017.

⁵ “Mayor London Breed Announces San Francisco Is Implementing A Significant Expansion Of Treatment Beds For People Suffering From Mental Health And Substance Use Disorders” Office Of The Mayor of San Francisco, Press Release, July 22, 2021

⁶ DPH Behavioral Treatment Expansion Dashboard, May 5, 2022.

Assisted Living Waiver

Profile

California has in place a Medicaid Assisted Living Waiver, the goal of which is to:

- Facilitate a safe and timely transition of Medicaid eligible seniors and persons with disabilities from nursing facilities to community homelike settings in a Residential Care Facility (RCF), an Adult Residential Care Facility (ARF), or public subsidized housing, using services covered by the Assisted Living Waiver; and
- Offer eligible seniors and persons with disabilities who reside in the community, but are at risk of being institutionalized, the option of utilizing Assisted Living Waiver services to develop a program that will safely meet his/her care needs while continuing to reside in a RCF, ARF, or public subsidized housing.

Until recently, the Waiver was capped at 5,744 slots in 15 counties throughout the state. The Waiver was approved in January, 2022 though the amendment is retroactive to July 1, 2021, to use American Rescue Plan dollars to expand the program to 12,744 slots, clearing completely the waitlist that existed in May 2021.⁷ Up to the cap, the Assisted Living Waiver is available to eligible individuals living in, or willing to relocate to assisted living facilities in 15 participating counties, including San Francisco. Eligibility requires that the individual:

- Be age 21 or older
- Have full-scope Medi-Cal eligibility with zero share of cost
- Have care needs equal to those of Medi-Cal-funded residents living and receiving care in nursing facilities
- Be willing to live in an assisted living setting as an alternative to a skilled nursing facility
- Be able to reside safely in an assisted living facility or public subsidized housing⁸

For individuals receiving the waiver, Medi-Cal will pay for services at the approved assisted living facility, but the individual is still responsible for the cost of room and board.⁹

Administering Agencies

California Department of Healthcare Services

Limitations

As with other Medicaid Waivers, participation in the Assisted Living Waiver is capped statewide. The expansion authorized in January 2022 should clear that waitlist, but it remains to be seen how well it does at satisfying demand, especially as many potentially qualified individuals may not have

⁷ <https://www.dhcs.ca.gov/Documents/Initial-HCBS-Spending-Plan-Package-7-12-21.pdf>, p 15

⁸ <https://www.dhcs.ca.gov/services/ltc/Pages/AssistedLivingWaiver.aspx>

⁹ <https://www.dhcs.ca.gov/services/ltc/Documents/ProgramdescriptandElig2018.pdf>

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applied given the previously long wait. Although San Francisco is one of the 15 counties to which the waiver applies, there are several barriers to San Franciscans participating. Most notably, there are currently only four participating care facilities in the City with an aggregate bed capacity of 33.¹⁰ The program uses Care Coordination Agencies to facilitate connections to facilities but there is no San Francisco-based care, Assisted Living Waiver coordination agencies.¹¹ San Franciscans are included in the service population of Care Coordination agencies in Citrus Heights and Folsom, both northeast of Sacramento.

Opportunity to Serve More:

The City should seek to understand the factors preventing local RCFEs and ARFs from enrolling in the ALW program. If it is low rates that are inhibiting participation, San Francisco could explore with the State the possibility of the City supplementing State rates. If adding facilities does not increase participation by residents over time, the City might want to incentivize one or more local agencies to become Care Coordination Agencies.

San Francisco should seek to establish a relationship with the State enabling the City to secure the data needed to create a dashboard on the participation of San Francisco residents in the Assisted Living Waiver program that could be regularly reviewed to ensure proportional representation and inform outreach and education efforts by the City about the Assisted Living Waiver as well as demand by Medi-Cal recipients in the City more generally for assisted living. Ideally, the dashboard would contain information relevant to the stage that residents are at in the process – i.e., application, review and assessment, determination, waitlist, seeking facility – through to relocation at a facility and ongoing receipt of subsidy for care.

Permanent Units Available to People Living With HIV/AIDS

Profile

In 2019, San Francisco had 456 targeted permanent units available to People Living With HIV/AIDS (PLWHA). Most, 91.5 percent, were available through Independent Living Associations (304 units) and Residential Care Facilities for the Chronically Ill (113 units). Independent Living Associations are privately owned homes or complexes that provide housing for adults with disabling health conditions, serving residents that do not need medication oversight, are able to function without oversight, and live independently. Residential Care Facilities for the Chronically Ill are state-licensed facilities for individuals who require 24-hour support, including assistance with daily living activities such as bathing and dressing. Most units are managed by non-profit providers. Permanent units for PLWHA have both upfront and ongoing costs. Dedicating a unit of housing for PLWHA is

¹⁰ ALW Assisted Living Facilities Data, updated Jan 1, 2022. <https://data.chhs.ca.gov/dataset/alw-assisted-living-facilities>

¹¹ Assisted Living Waiver Care Coordination Agencies revised May 26, 2022
<https://www.dhcs.ca.gov/services/ltc/Documents/Care-Coordination-Agencies.pdf>

APPENDIX 3

approximately \$25,000. The cost to construct a single new unit is approximately \$700,000. MOHCD estimates the annual cost for a permanent set-aside unit to be \$24,564.¹²

Administration

Mayor's Office of Housing and Community Development supports nonprofit housing and service providers with Housing Opportunities for People With AIDS (HOPWA) and General Fund resources.

Limitations

HOPWA subsidies are funded by incidence of infection per eligible metropolitan statistical area and San Francisco's rate of HIV infection is dramatically decreasing, resulting in an expected decline in funding after 2022.

Opportunity to Serve More

Given anticipated future decreases in federal HOPWA Funding, the City will be challenged to maintain its current level of service provision. Plus, the San Francisco HIV Housing Plan FY 2020-2025 indicates an unmet need for housing among 2,588 HIV/AIDS households. The HIV Housing Plan affirms the City's commitment to residents living with HIV/AIDS and expands upon it, pledging in the next five years an additional 35 dedicated units within 5 years as well as an expansion by 30% of the number of rental subsidies from 456 to 593 and the number served by MOHCD HIV Housing service programs by 30% from 409 to 532.¹³ In order to fulfill this goal, the City will need to continue advocacy for federal and state resources. It will also likely need to plan for the General Fund to support a higher percentage of the cost.

¹² Citation for all information in this paragraph is San Francisco HIV Housing Plan 2020-2025, Mayors Office of Housing and Community Development, Revised October 18, 2021

<https://sfmohcd.org/sites/default/files/Documents/Reports/HIV%20Housing%20Plan%2010.18.21%20Update.pdf>

¹³ San Francisco HIV Housing Plan 2020-2025, Mayors Office of Housing and Community Development, Revised October 18, 2021

<https://sfmohcd.org/sites/default/files/Documents/Reports/HIV%20Housing%20Plan%2010.18.21%20Update.pdf>