

July–August 2018

Rezoning Public Land for Residential Housing: A Land Grab Monetizing Laguna Honda Hospital Campus

by Patrick Monette-Shaw

In response to a public records request on a different subject, news inadvertently surfaced about plans underway to place residential senior housing on Laguna Honda Hospital's (LHH) property.

This is another bad idea, as this article explores.

As the *Westside Observer* [reported](#) in June 2018, City officials have studiously avoided any public discussion about whether the *El Bethel* vs. *CCH* lawsuit — including discussion by D-7 Supervisor Norman Yee — contributed at all, and to what extent, in killing the senior housing project proposed for 250 Laguna Honda Boulevard.

To further explore whether the *El Bethel* lawsuit had indeed affected the decision by the Mayor's Office of Housing and Community Development (MOHCD) to withdraw all funding for the 250 Laguna Honda project, two separate records requests were placed on Sunday, May 27 to Supervisor Yee's office and essentially the same records request to Amy Chan, MOHCD's Director of Policy and Planning. Both records requests asked for any and all correspondence and e-mails exchanged between Yee and his staff with MOHCD staff regarding Judge Ulmer's tentative ruling in the *El Bethel* San Francisco Superior Court case.

MOHCD's response on May 30 revealed plans are now underway to place residential housing for seniors on LHH's campus.

Initial Planning for Senior Housing at LHH






Anyone who's ever played the *Monopoly* board game knows you can't place homes and hotels on utility and railroad spaces on the game board — because they are, essentially, public infrastructure spaces on the board.

D-7 Supervisor Norman Yee's staff first contacted MOHCD about placing "assisted living" and/or RCFE (*Residential Care Facilities for the Elderly*) units on LHH's campus, on March 13, 2018 just six days *after* MOHCD [pulled](#) all funding from the 250 Laguna Honda senior housing project.

It should be noted Yee is rightly very concerned about the lack of assisted living facilities and RCFE units throughout San Francisco.

As the *Westside Observer* [reported](#) in December 2017, after the San Francisco Health Commission ruled on September 5, 2017 that CPMC's planned closure of St. Luke's Hospital's skilled nursing and sub-acute units *would* have a detrimental impact on San Franciscans' healthcare, Supervisors Hillary Ronen and Ahsha Safai introduced a request to hold a hearing on the shortage of skilled nursing and sub-acute facilities in the City.

A week after the Health Commission's ruling, the Board of Supervisors held a hearing on September 12 regarding the severe shortage of SNF and sub-acute level of care facilities in-county. During opening remarks on September 12, Yee threw a wrench in the proceedings claiming he had asked in June 2017 for a hearing "on these issues," but in fact he had not. Instead, Yee had requested in June to have a hearing to "*understand the efforts of City departments regarding institutional housing, particularly assisted living, residential care facilities, and small beds for seniors in San Francisco.*" Those are separate issues from the issues of sub-acute and SNF level of care. While both issues are important and interrelated, they are not synonymous.

Zoned: "P" (Public) Use Type: "Hospital" 375 Laguna Honda Boulevard (LHH)  LAGUNA HONDA HOSPITAL AND REHABILITATION CENTER SAN FRANCISCO DEPARTMENT OF PUBLIC HEALTH PRICE \$200	Zoned: RH-1(D) Use Type: "Residential" 250 Laguna Honda Boulevard PRICE \$400	Zoned: "P" (Public) (2101 Washington) Lafayette Park  SAN FRANCISCO RECREATION OF PARKS PRICE \$100
Zoned: RM-4 (Mixed) Use Type: "Residential" 1483 Mason Street Lady Shaw Senior Housing  Self-Help for the Elderly 安老自助處 PRICE \$275	Zoned: "P" (Public) Forest Hill MUNI Station  PRICE \$200	Zoned: RH-1(D) Use Type: "Convalescent" 1 Thom. More Way Alma Via Assisted Living  ELDERCARE ALLIANCE PRICE \$275

Remember Monopoly? Anyone who's played the "Monopoly" board game knows one rule says players have to own all parcels with similar shading at the top before they can buy and place houses or hotels on those properties. Another rule is players can't place houses or hotels on Monopoly board "public" properties that aren't shaded.

MOHCD's response on May 30 revealed plans are underway to place residential housing for seniors on LHH's campus.

Anyone who's ever played the Monopoly game knows you can't place homes and hotels on public infrastructure spaces.

Yee is rightly very concerned about the lack of assisted living facilities and RCFE units throughout San Francisco.

Yee should focus his efforts on the shortage of assisted living and RCFE facilities, because offering senior housing is *not* a reasonable or humane substitute for skilled nursing, assisted living, and RCFE facilities.

Documents Relating to the Proposed Housing on LHH's Campus

Of 27 records provided by MOHCD regarding correspondence between MOHCD and Yee's staff, several documents shed light on the proposal to place residential housing on LHH's campus:

- **Supervisor Yee Forms RCFE Working Group:** On March 13 Supervisor Yee's aide, Jarlene Choy, [e-mailed](#) employees in the Department of Public Health, MOHCD, San Francisco's Human Services Agency, and San Francisco's Department of Aging and Adult Services," writing:

"I wanted to inform you that Sup Yee will be announcing today at the Full Board that he will form an RCFE Working Group and would like each of your Depts to participate in the discussions. The purpose and goals are: to build upon the work of the PACC and include more community-based providers in developing short and long-term incentives and tools to retain and build a more sustainable supply of affordable and quality RCFEs."

It's notable Yee formed this working group just six days after MOHCD pulled all funding for the senior housing project proposed for 250 Laguna Honda Hospital, and then invited MOHCD to join his new working group.

- **LHH Campus Would Need to Be Rezoned:** The next day on March 14, Chan [e-mailed](#) Yee's aide, Nick Pagoulatos, saying Laguna Honda Hospital's campus "*is zoned 'P,' so [it will] likely need to re-zone[d] for housing.*"

Of note, Chan did *not* inform Pagoulatos on March 14 that the Planning Department's zoning codes prohibits placing residential housing on land zoned as "P":

"Any lot in a P District may be occupied by a principal use listed in Section 211.1, or by a conditional use listed in Section 211.2, subject to applicable regulations of this Code. Principal uses not identified under Sections 211.1 or 211.2 of this Code are not permitted in any P District."

§ 211.2(c) explicitly states: "Additionally, on property with a P District designation that the City and County of San Francisco owns, any use not otherwise principally permitted in a P district as set forth in Section 211.1 of this Code shall be permitted with Conditional Use authorization, *except for:*

§ 211.2(c)(1) **Residential uses ...**"

The Planning Code is clear residential housing can't be placed on parcels zoned "P – Public," not even as a conditional use.

- **Avoiding a New EIR:** In her same March 14 e-mail to Pagoulatos, Chan wrote that "*it's possible*" the 2002 EIR for the entire Laguna Honda Hospital rebuild "*can be amended, but only if what is being proposed is the same as what was studied in the previous EIR.*"

It appears MOHCD may want to avoid having to perform a new EIR to assess additional environmental impacts that may not have been considered during the 2002 EIR, including increased transportation impacts.

- **Project Seeks Assemblyman Phil Ting's Help:** Pagoulatos appears to have authored a draft [document](#) on May 15, 2018 titled "*LHH Ting Project Description*" that was submitted for comment and feedback to MOHCD's Director, Kate Hartley and to Amy Chan, MOHCD's Director of Policy and Legislative Affairs. Pagoulatos' first draft proposed:

"Yee should focus his efforts on the shortage of assisted living and RCFE facilities, because offering senior housing is not a reasonable or humane substitute."

"On March 13 Yee announced during the Board of Supervisors meeting he will form an RCFE Working Group to retain and build a more sustainable supply of affordable and quality RCFEs."

"The Planning Code is clear residential housing can't be placed on parcels zoned 'P – Public,' not even as a conditional use."

*“The goal is to **create a spectrum of housing options** for seniors within the footprint of this one project. This means units will **serve a range of needs, from those who need assisted living and skilled nursing to those who are capable of independent living**. The proximity of the site to the hospital will facilitate service provision.”*

Pagoulatos requested MOHCD’s help on May 15 in identifying “uses” for \$3.5 million in proposed funding for the project. How Pagoulatos may have known the project may have needed \$3.5 million in initial funding is unknown, and his first draft didn’t include any line-item details on a “predevelopment budget.”

- Hartley and Chan used Microsoft Word’s revision marks feature to suggest [proposed revisions](#) to Pagoulatos’ first draft. One change Hartley added states:

*“While the hospital provides skilled nursing to its patients, many are in need of stable, independent living when they stabilize, but **face affordability challenges in the market place**. New affordable housing on the hospital grounds could assist in the transition of some Laguna Honda Hospital patients to independent living once their medical crises have abated.”*

Hartley may be assuming — probably wrongly — that patients with chronic and progressive medical conditions will simply stabilize, outgrow, and “abate” their needs for medical-based care. She ignores that if they die prematurely without adequate medical care facilities, they won’t need senior housing, either.

Separating children from their asylum-seeking immigrant parents is one form of abuse. Another form of abuse may be denying people who can’t access assisted living and RCFE facilities a level of care they may need and prefer, perhaps worsening their morbidity and mortality.

Hartley also deleted the paragraph Pagoulatos’ had submitted requesting a *spectrum* of housing options, apparently **ruling out building either assisted living or RCFE** (Residential Care for the Elderly) units on LHH’s campus, even though that appears to have been what Supervisor Yee had proposed to build.

The revised draft appeared to imply that one of LHH’s existing parking lots had been considered for building an “assisted living facility” on LHH’s campus at the rear of the old “finger wing” buildings outside of Ward M-5 on the northeastern side of the campus, which facility was never built due to cost concerns and “isolating” people needing an assisted living facility on the same campus as patients “institutionalized” in the hospital. At first reading it appeared the proposed senior housing project would be placed on the same northeast parking lot.

The revisions Hartley and Chan proposed for Pagoulatos’ initial project description included a detailed line-item breakout of how the \$3.5 million in proposed “predevelopment costs” would be allocated. For her part, Chan deleted Pagoulatos’ statement that the LHH housing project concept was proposing “*a six-story building with up to 160 units (a mix of studio and 1-berooms [sic: “bedrooms”])*.” Chan deleted the description, claiming in a “comment” that “*we haven’t done the feasibility study yet*.” How could they have developed the “predevelopment costs” proposal to Assemblyman Ting without knowing how many units are being proposed?

- **MOHCD Claims LHH Site Isn’t “Big Enough”:** On May 15, MOHCD’s Kate Hartley also weighed in, [claiming](#) that the LHH site isn’t “big enough.” She wrote:

“Hartley may be assuming — probably wrongly — that patients with chronic and progressive medical conditions will simply stabilize, outgrow, and ‘abate’ their needs for medical-based care.”

“Hartley also deleted the paragraph Pagoulatos’ had submitted requesting a spectrum of housing options, apparently ruling out building either assisted living or RCFE (Residential Care for the Elderly) units on LHH’s campus.”

“Chan deleted the description, claiming in a ‘comment’ that ‘we haven’t done the feasibility study yet’. How could they have developed the ‘predevelopment costs’ proposal without knowing how many units are being proposed?”

“This has a big misconception, in that the site itself isn’t big enough to ... create a spectrum of housing options for seniors that will serve a range of needs, from those who need assisted living and skilled nursing to those who are capable of independent living.

I know Supervisor Yee really wants a senior housing ladder, from skilled nursing to independent living, with RCFEs and assisted living in-between, but this site can’t accommodate that, even if we (or some other city agency) had the money.”

This is sheer nonsense from Hartley. LHH’s campus is 62 acres, and there’s plenty of room to build a full continuum of facilities — including assisted living and RCFE units — on the site. It’s ludicrous to claim the site isn’t big enough.

“ On May 15, Hartley claimed the LHH site isn’t ‘big enough’ ... and ‘this site can’t accommodate’ RCFEs and assisted living. ”

- **MOHCD Rules Out Yee’s Proposed Assisted Living:** In response to Pagoulatos’s May 15 proposal on behalf of Supervisor Yee to MOHCD seeking to build a *spectrum* of housing options on LHH’s campus, Chan [responded](#) the following day on May 16, saying in a cover e-mail:

“We want to clarify that MOHCD can only proceed with a feasibility study for independent living for seniors only,” [meaning senior housing only]. *“We don’t think an assisted living or RCFE model [at LHH] would be feasible.”*

Chan included the proposed edits and revisions Hartley and Chan had hammered out in the “revised” project description to be sent to Assemblyman Ting.

“ Chan responded on May 16 saying ‘We don’t think an assisted living or RCFE model [at LHH] would be feasible’. ”

- **Map of LHH’s Campus:** Another of the documents is a [map](#) annotated with handwritten notes of the LHH campus. The map shows that the assisted living housing proposed for LHH in August 2007 would be placed adjacent to the staff parking lot at the rear of the old “finger” wings on the northeast side, by demolishing the last two finger wings of the old hospital (the “K” – “L” and “M” – “O” wings). But MOHCD and DPH are apparently proposing to place the senior housing project on a *different* portion of the LHH campus.

They claim they’re proposing to place the senior housing in a “gravel parking lot to the west of the [replacement hospital] North Building [tower of skilled nursing units patient rooms].” It’s not actually used as a parking lot, which is even further northwest. It was supposed to be the site for the 420-bed “West Tower” of skilled nursing patient rooms that was eventually eliminated and not built.

“ MOHCD and DPH are proposing to place the senior housing project on a *different* portion of the LHH campus. ”

Voters were told in 1999 that the \$401 million bond to rebuild LHH would include up to 140 assisted living units on LHH’s campus.

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An Anshen+Allen Architects/Gordon H. Chong & Partners draft feasibility study for assisted living housing on the Laguna Honda Hospital campus was released to the public on August 2, 2007.

Of five options presented, one proposed constructing 246 housing units (to house 251 residents), at a total project cost of \$246.7 million, just shy of \$1 million per housing unit. So-called “sticker shock” resulted, oddly attributed, in part, to the fact that all five options presented involved Residential Care Facilities for the Elderly (RCFE), a licensed category of housing. Many RCFE projects have been built for far less per unit. The Assisted Living Project planning workgroup disavowed it had instructed the design team to develop any, or only, RCFE options.

“ On December 4, 2007 San Francisco’s Health Commission adopted a resolution urging acceptance of report that assisted living be built as an RCFE on the LHH campus as financing became available. ”

On December 4, 2007 San Francisco’s Health Commission [adopted](#) a resolution urging acceptance of the Anshen+Allen assisted living report that assisted living be built as an RCFE on the LHH campus, and that “*the buildings should be constructed as [soon as] financing becomes available.*”

- **Letter to Assemblyman Phil Ting:** On May 21 Director of Public Health, Barbara Garcia and MOHCD's Kate Hartley co-signed a [letter](#) sent to Assemblyman Phil Ting via Ting's Deputy District Director, Amiee Alden. The letter appears to be requesting additional State funding, stating “[With a] *financial support supplement[al appropriation]*” *to the City's own [financial funding] we will be able to take the next steps to evaluate this site [for senior housing].*”

The letter didn't specify how much money Garcia and Hartley are asking Ting to contribute in supplemental State funding towards the \$3.5 million predevelopment budget, or why the supplemental appropriation needs to be obtained *before* taking further steps to evaluate feasibility of the proposed project site. Shouldn't a project's “feasibility” be determined *before* funding is identified? Presumably, the revised project description changing Pagoulatos' initial project description pitch — including the line-item predevelopment budget — was included in a May 21 records request to Ms. Alden and Assemblyman Ting seeking information on what is being asked of him or whether he's being asked to sponsor some type of legislation.

A response received on June 22 from the Assembly's *Committee on Rules* cited language in *California's Legislative Open Records Act (LORA)*. LORA exempts from disclosure “*preliminary drafts, notes, or legislative memoranda,*” “*correspondence of and to individual Members of the Legislature and their staffs,*” and “*communications from private citizens to the Legislature.*”

The response went on to say that while LORA provides “*a mechanism by which a citizen may inspect an existing legislative record,*” LORA “*is not a means to request the Legislature to compile information or otherwise create a record ...*” The *Committee on Rules* indicated that the records request on whether Ting is being asked for a specific supplemental dollar amount towards an MOHCD feasibility study, or whether he is being asked to sponsor some other type of legislation “*does not identify or describe any existing legislative record,*” and so the *Committee on Rules* is “*unable to respond to that part*” of the records request.

At this this point, the question of whether Ting is being asked to help fund just a portion of the \$3.5 million predevelopment budget, or if he's being asked to fund the entire \$3.5 million ball of wax, hasn't been answered. Maybe that question will be answered eventually if the project moves forward.

In other words, Ting's office is refusing to respond to a basic request of what he is being asked to do. Why the secrecy? What's he hiding?

- **Kate Hartley Response to Records Request:** In response to a June 14 records request to Hartley seeking further details about the amount of funding needed to conduct a feasibility study to place senior housing on LHH's campus, she [replied](#) on June 15 saying:

- “*MOHCD has not awarded any funding towards a feasibility analysis.*”
- “*To my knowledge, the Department of Public Health is not contributing any funding toward a feasibility analysis.*”
- “*MOHCD was prepared to allocate funding for a feasibility analysis,*” [contingent on] “*if Senator [sic: “Assemblyman”] Phil Ting's office was likely to award [the \$3.5 million] predevelopment funding.*”

“ On May 21 Director of Public Health, Barbara Garcia and MOHCD's Kate Hartley co-signed a letter sent to Assemblyman Phil Ting requesting additional State funding to 'evaluate this site' [for senior housing]. ”

“ Shouldn't a project's 'feasibility' be determined before funding is identified? ”

“ The Committee on Rules indicated that the records request on whether Ting is being asked for a specific supplemental dollar amount towards an MOHCD feasibility study, or whether he is being asked to sponsor some other type of legislation 'does not identify or describe any existing legislative record' ... so the Committee declined to respond. ”

“ In other words, Ting's office is refusing to respond to a basic request of what he is being asked to do. Why the secrecy? What's he hiding? ”

- “To my knowledge, Senator [sic: “Assemblyman”] Ting’s office has not awarded any predevelopment funding for this project.”
- “We may in the future conduct a feasibility analysis for the site, but, again, we have awarded no such funds.”

This contradicts earlier reporting that MOHCD would provide a “small amount” of funding for feasibility analysis.

Hartley hasn’t indicated how much a feasibility study is estimated to cost. For her part, Ms. Alden didn’t respond to how much supplemental funding is being requested from Ting, or whether Assemblyman Ting is being asked to sponsor some other type of legislation. Alden let — or may have been required to have — LORA respond on her behalf.

“Hartley indicated on June 15 that MOHCD has not awarded any funding towards a feasibility analysis, , the Department of Public Health is not contributing any funding toward a feasibility analysis, and MOHCD is prepared to allocate funding for a feasibility analysis *contingent on* whether Senator [sic: Assemblyman] Ting’s Office is likely to award [the \$3.5 million] in predevelopment funding.”

San Francisco’s “Public” Zoning for Hospitals

The Planning Department recently provided information San Francisco has 930 parcels zoned “P” for “public” uses.

Just nine of the parcels zoned as “public” carry an Assessor’s “Use Type” designation for “hospitals,” meaning public hospitals. Those nine public hospital zones — less than one percent of the 930 “P” zones — are for just three “block and lot” numbers, one at LHH, and two at San Francisco General Hospital.

Six private-sector hospitals in San Francisco are zoned RH-2, RM-2, RM-3, RC-4, or CRNC parcels for various types of residential-mixed, residential-homes, or residential-commercial uses with various “densities.”

Cart Before the Horse

No feasibility analysis has yet been conducted for this proposed project. The feasibility study should have been conducted *before* asking Assemblyman Ting — or any other agency — to shoulder the burden of identifying potential funding sources. And shouldn’t the feasibility analysis be conducted *after* Supervisor Yee’s *RCFE Working Group* has concluded developing recommendations on how to address the crisis of the insufficient amount of RCFE facilities in the City? Isn’t all of this the cart before the horse?

“Shouldn’t the feasibility analysis be conducted *after* Supervisor Yee’s RCFE Working Group has concluded developing recommendations on how to address the crisis of the insufficient amount of RCFE facilities in the City?”

The Feasibility Analysis

On June 4, Ms. Hartley noted during a phone call that a feasibility study will ostensibly be conducted, in part focusing a transportation impacts and whether shuttle-bus transportation solutions will be included in the project. MOHCD apparently recognizes that there is a dearth of neighborhood amenities in the LHH area — such a nearby grocery stores, pharmacies, and other amenities most people desire when they choose where they want to live. Unlike most San Francisco neighborhoods with neighborhood character, there’s no neighborhood to speak of at the top of LHH’s campus.

“On June 4, Ms. Hartley noted during a phone call that a feasibility study will ostensibly be conducted, in part focusing a transportation impacts and whether shuttle-bus transportation solutions will be included in the project.”

Placing senior housing on the proposed location is even further from public transportation. That would impose an increased burden on elderly seniors to easily access public transportation, because the proposed site on LHH’s campus is far up a daunting, steep slope and hillside, blocks and blocks away from the Forest Hill MUNI station. Going back up that hill to housing is even more arduous. The new sidewalk along the hillside was badly designed, still dangerous, and perhaps still not ADA-compliant.

“MOHCD previously indicated affordable housing funding typically cannot be used for on-going maintenance or operating expenses, such as transportation.”

MOHCD previously indicated that affordable housing funding typically cannot be used for on-going maintenance or operating expenses, and that the funding is typically limited to the brick-and-mortar construction, not on-going operating expenses, such as transportation. That portends that whatever funding sources may be identified for placing senior housing on LHH's campus may not cover shuttle-bus transportation over a 50- to 90-year period for the project.

Do As I Say, Not As I Do

Back in June 2006, when patient safety was severely jeopardized at LHH, patient advocates placed Prop. "D" on the ballot asking voters to create an LHH Special Use District to limit admissions to LHH to people needing healthcare facilities that provide long-term skilled nursing care and certain types of assisted living facilities. The ballot measure was thought to apply *only* to LHH's campus, but a drafting error thought to have been introduced by land use and zoning expert Alice Barkley wrongly opened the door for misinterpretation by others that Prop. "D" would apply to other "P – Public" zoned parcels in the City.

Various paid arguments opposing Prop. "D" in the voter guide included one by former City Attorney Louise Renne, who's paid [argument](#) claimed: *"It permits private facilities on public lands ... in ALL residential neighborhoods."*

Another paid argument against Prop. "D" was co-signed by Calvin Welch, a long-time housing activist in San Francisco, and a co-founder of Council of Community Housing Organizations (CCHO). Welch's argument claimed: *"Prop 'D' will allow private developers to build for-profit facilities on public land in hundreds of parcels designated as 'public use districts' under the Planning Code."*

Renne and Welch were both concerned about giving up control of city land and handing it to private developers. The pair joined others to mount opposition to Prop. "D" by falsely asserting Prop. "D" was a *land grab*. In fact, it was no such thing.

Initially, Ms. Renne campaigned as a reformer trying to drain the LHH swamp of private developers to prevent privatizing use of public land. Over time, her successors appear to be flooding the swamp to preserve a vibrant life for private developer alligators. Who knew?

Since MOHCD's proposal to place senior housing on LHH's campus will probably use a private developer to develop private facilities on "P"-zoned public land — including, more than likely, market-rate housing — how is this *not* Ms. Renne saying, *"Do as I say, not what I do,"* as if her successors at City Hall are now considering placing private facilities on public land zoned "P"?

Placing Housing on Public Land Is a Land Grab

The "No on D" ballot opponents led an aggressive campaign claiming if Prop "D" had passed, it would amount to a land grab by private developers clamoring to acquire city land. Isn't it ironic that a dozen years later, it's now somehow OK to propose allowing a land grab to place market-rate housing on LHH's campus?

Perhaps Calvin Welch and Louise Renne can tell us about the dangers of MOHCD inviting private development of housing on LHH's campus, rather than preserving it for healthcare facilities.

"The ballot measure was thought to apply *only* to LHH's campus, but a drafting error thought to have been introduced by land use and zoning expert Alice Barkley wrongly opened the door for misinterpretation by others that Prop. 'D' would apply to other 'P – Public' zoned parcels in the City."

"Louise Renne and Calvin Welch were both very concerned about giving up control of city land and handing it to private developers. The pair joined others to mount opposition to Prop. 'D' by falsely asserting Prop. 'D' was a *land grab*. In fact, it was no such thing."



"Isn't it ironic that a dozen years later, it's now somehow OK to propose allowing a land grab to place market-rate housing on LHH's campus?"

As desperately as the City needs senior housing, this plan should be opposed until a feasibility analysis is finished, because the documents also show that they have ruled out either “assisted living” or “residential care facilities” on the parking lot site, both of which are also in desperately-needed short supply.

If LHH’s property is re-zoned, it may open the door to place massive housing projects on its campus, including market-rate housing there, and on other “P”-zoned properties in the City. That’s not what public land has long been intended for. If this door is opened, what will prevent placing market-rate housing in Golden Gate Park?

Yee’s absolutely right that we need more RCFE units in the City to prevent out-of-county patient dumping.

As the *Westside Observer* [reported](#) in December 2017 San Francisco has discharged — dumped — at least 1,381 patients out-of-county due to the shortage of SNF and RCFE beds in-county. But that number is probably far higher, because it only includes 11 years of data for discharges from LHH (FY 06–07 to FY 16–17), eight years of data for SFGH out-of-county discharges (FY 09–10 to FY 16–17, because SFGH claimed that three years of data were maintained in an off-site paper storage facility and unavailable electronically), and essentially two years of data for just two of the six private-sector hospitals in the City, CPMC and UCSF (FY 15–16 to FY 16–17).

In’s unknown how many more patients have been discharged out-of-county above and beyond the 1,381 who have been that we know about. Could it be on the order of 5,000?

Yee shouldn’t be abandoning the need for RCFE beds in favor of the less-politically-messy need to build more senior housing.

Although San Francisco desperately needs a full spectrum of SNF, sub-acute, and RCFE beds *and* simultaneously needs more senior housing built, the City shouldn’t sacrifice and subsume the need for SNF, sub-acute, and RCFE beds by building senior housing on LHH’s campus, instead.

As the *Westside Observer* [reported](#) in June 2018, Hartley admitted to CGOBOC on May 21 that “*but with the federal Tax Reform Act that was finalized in December 2017, we lost approximately \$50,000 in equity per unit from our low-income housing tax credit [equity] program.*”

That portends any senior housing project on LHH’s campus will likely also not be able to obtain low-income tax credit equity funding, and further portends MOHCD will have to resort to its other model of funding: Mixed-use projects to leverage funding, including market-rate projects.

First of all, LHH’s campus should be used for SNF, RCFE, and assisted living units, along with Adult Day Health Care (ADHC) programming that LHH had previously sponsored on-site.

Between the last U.S. Census in 2010 and 2017, San Francisco’s population has increased by 78,593 people, to 884,363. By 2050 (just 22 years from now) San Francisco’s population is projected to increase to 993,440, an increase of another 109,077 people, who will place demands on hospital-based City infrastructure as they age.

The LHH campus should be considered a “rainy-day” resource conserved for when the City needs more land zoned as “P – Public” for hospital and medical-related use types. SFGH’s campus is fully built out, and we may need LHH’s campus for additional acute-care hospital facilities, along with additional skilled nursing facility beds as private-sector hospitals in San Francisco continue to eliminate hospital-based SNF beds and sub-acute care beds.

“ If LHH’s property is re-zoned, it may open the door to place massive housing projects on its campus, including market-rate housing there, and other ‘P’-zoned properties in the City, perhaps including Golden Gate Park. ”

“ Yee’s absolutely right that we need more RCFE units in the City to prevent out-of-county patient dumping. San Francisco has dumped at least 1,381 patients out-of-county due to the shortage of SNF and RCFE beds in-county. ”

“ The City shouldn’t sacrifice and subsume the need for SNF, sub-acute, and RCFE beds by building senior housing on LHH’s campus, instead. ”

“ LHH’s campus should be used for SNF, RCFE, and assisted living units, along with Adult Day Health Care programming. ”

\$110 Million in COP's to Renovate Two LHH Wings for DPH Admin Offices

Instead of proposing to place senior housing on the location identified in 2007 for assisted living (in the old “K” – “L” and “M” – “O” wings), DPH is planning to [renovate](#) Wings “M” and “O” into administrative offices for DPH — at a staggering \$60 million cost using so-called “certificates of participation” (COP) funding — on the same spot the assisted living was to have been placed. (COP funds are not approved by the voters, but by the stroke of the Board of Supervisors pen.) It’s thought another \$50 million will be required to pay down the interest on the COP’s.

COP’s are a form of issuing paper debt that is not considered to be “long-term debt.” COP funding use a scheme of leasing other properties owned by the City and renting those properties back. COP’s don’t require voter approval; the City just issues them through the Board of Supervisors. Currently the LHH campus is mortgaged to the tune of \$327.5 million in principal, plus another \$293.4 million in interest, for a total of \$620.9 million in COP costs through the year 2032. It’s not yet know what other City property may be “leased” to secure the COP funding for renovating LHH for use as DPH administrative offices.

The renovation includes new windows, a new roof, gutters, upgrade of two elevators serving the “M” and “O” Wings, code-compliant restrooms, and asbestos abatement, among other things. Approximately 480 DPH staff currently housed in leased buildings in the City will be relocated to the LHH campus when the renovation is completed in mid-2021. Those additional 480 staff will obviously increase traffic congestion in the Forest Hill neighborhood above and beyond transportation impacts identified in the 2002 EIR.

Buyers Beware: Another Bait-and-Switch

At the same time, MOHCD’s recommendation to place senior housing (not assisted living) on the same northwest spot that was supposed to have been built for SNF beds will restrict future hospital expansion plans. Converting both locations to other uses is, clearly, another bait-and-switch. These plans preclude placing assisted living units where they were first envisioned, and precludes placing additional skilled nursing facilities on the most logical site to link to, and provide access into, the rebuilt hospital at the least expense.

LHH’s campus shouldn’t be developed for residential housing *or* for administrative offices for DPH staff; it should be preserved for hospital and medical-based facilities as the City’s population increases and additional hospital-based infrastructure becomes more critical.

Then there’s the problem of a potential bait-and-switch. The Department of Public Health has a terrible bait-and-switch record. Consider that in 1985, voters approved a \$26 million bond measure to construct a state-of-the-art 147-bed psychiatric facility — the Mental Health Rehabilitation Facility (MHRF) — on the grounds of San Francisco General Hospital. The MHRF ended up costing \$39.7 million, including interest on the bonds. It was eventually built and opened in 1996. Seven short years after it opened, a so-called “Blue Ribbon Committee” split the three-story MHRF into multiple uses in 2003, reducing the 147 psychiatric beds to just 47 by 2008. This isn’t the only example of DPH’s and MOHCD’s bait-and-switch maneuvers.

As early as May 15, Yee’s office indicated to MOHCD that his staff “are working proactively with [some D-7 constituents] to ensure that this project has strong neighborhood support,” constituents who may have already been told the senior housing project will probably involve market-rate housing.

“ DPH is planning to renovate LHH Wings ‘M’ and ‘O’ into administrative offices for DPH — at a staggering \$60 million cost using so-called ‘certificates of participation’ funding. Another \$50 million will be needed to pay down the interest on the COP’s. ”

“ Converting both locations to other uses is, clearly, another bait-and-switch. The plans preclude placing assisted living units where they were first envisioned, and precludes placing additional skilled nursing facilities on the most logical site. ”

“ LHH’s campus shouldn’t be developed for residential housing or administrative offices for DPH staff; it should be preserved for hospital and medical-based facilities, including RCFE’s. ”

“ D-7 constituents may have already been told the senior housing project will probably involve market-rate housing. ”

If the door is opened to placing residential housing on LHH’s campus in the same spot as had been designated to build the 420 skilled nursing beds that were eliminated, it will probably not be long before LHH’s campus and its front lawn is sold to the highest bidder to build market-rate housing all along its frontage facing Laguna Honda Boulevard, eliminating any space in future years to build additional hospital-based facilities on the campus as San Francisco’s population continues to soar and continues to age, suggesting additional facilities will be needed.

“ If the door is opened to placing residential housing on LHH’s campus, it will probably not be long before its front lawn is sold to the highest bidder to build market-rate housing all along its frontage facing Laguna Honda Boulevard. ”

How is monetizing LHH’s campus by re-zoning it to build market-rate housing any different than State Senator Scott Wiener’s failed attempt to re-zone the entire state for higher-density housing under SB 827? Both attempts at re-zoning are simply wrong, disguising land grabs for what they are.

“ How is monetizing LHH’s campus by re-zoning it to build market-rate housing any different than State Senator Scott Wiener’s failed attempt to re-zone the entire state for higher-density housing under SB 827? ”

Supervisor Yee may be seeking a legacy that senior housing was developed in D-7 during his watch. But he shouldn’t be selling his soul — or legacy — pitting the need for senior housing against the need for RCFE and assisted living facilities, forfeiting public land for market-rate housing. His legacy should be getting RCFE and assisted living facilities built in the City, particularly on LHH’s campus.

Perhaps Yee could enlist former City Attorney Louise Renne to help him find a way to get this done. After all, Renne’s 1999 efforts to get the LHH rebuild bond placed on the ballot had promised up to 140 assisted living units built on LHH’s campus. It would be a fitting legacy for both of them.

“ LHH’s campus should not be a spot on a Monopoly board game, or a swamp for market-rate housing developer alligators. ”

LHH’s campus should not be a spot on a Monopoly board game, or a swamp for market-rate housing developer alligators.

Monette-Shaw is a columnist for San Francisco’s Westside Observer newspaper, and a member of the California First Amendment Coalition (FAC) and the ACLU. He operates stopLHHdownsize.com. Contact him at monette-shaw@westsideobserver.com.