



CIVIL SERVICE COMMISSION CITY AND COUNTY OF SAN FRANCISCO

CIVIL SERVICE COMMISSION REPORT TRANSMITTAL (FORM 22)

Refer to Civil Service Commission Procedure for Staff - Submission of
Written Reports for Instructions on Completing and Processing this Form

1. Civil Service Commission Register Number: _____ - _____ -
2. For Civil Service Commission Meeting of: December 15, 2025
3. Check One: **Regular Agenda**
4. Subject: Personal Services Contract # DHRPSC0005440
Residential Services for Adults and Older Adults with Serious and
Persistent Mental Illness and/or Other Behavioral Health Needs;
Postponement from November 17, 2025, to December 15, 2025.
5. Recommendation: Adopt the report.
6. Report prepared by: Reanna Albert, PSC Coordinator, Department of Public Health
Telephone number: reanna.albert@sfdph.org
7. Notifications: nato.green@seiu1021.org;
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Carey.Dall@seiu1021.org; pscreview@seiu1021.org
8. Reviewed and approved for Civil Service Commission Agenda:

Human Resources Director:

Date:
9. Submit the original time-stamped copy of this form and person(s) to be notified
(see Item 7 above) along with the required copies of the report to: **Executive Officer, Civil
Service Commission, 25 Van Ness Avenue, Suite 720, San Francisco, CA 94102**
10. Receipt-stamp this form in the ACSC RECEIPT STAMP≡
box to the right using the time-stamp in the CSC Office.

CSC RECEIPT STAMP



City and County of San Francisco
Daniel L. Lurie
Mayor

San Francisco Department of Public Health

Daniel Tsai
Director of Health

DATE: December 4, 2025

TO: The Honorable Civil Service Commission

THROUGH: Carol Isen, Human Resources Director
Department of Human Resources

FROM: Luenna Kim, Chief Human Resources Officer
Department of Public Health

RE: Status Update - Personal Services Contract # DHR PSC 0005440
Residential Services for Adults and Older Adults with Serious and Persistent
Mental Illness and/or Other Behavioral Health Needs

The San Francisco Department of Public Health (DPH) respectfully submits this status report to provide the Civil Service Commission with an update on the implementation planning, resident protections, civil service impacts, and labor relations activities associated with Personal Services Contract (PSC) 5440, which addresses residential care services for adults and older adults with behavioral health needs.

This report summarizes actions taken to date and describes how DPH has approached system capacity planning while upholding civil service protections, continuity of care, and good-faith labor engagement.

Background and Context

San Francisco continues to experience a critical shortage of locked mental health beds, contributing to prolonged hospitalizations, repeated psychiatric crises, and homelessness among individuals with serious mental illness. Residential care facilities serve as a necessary bridge between acute inpatient treatment and more independent living for individuals who do not require medical care covered by Medi-Cal. Historically, more than eighty percent of SFDPH residential care placements have been provided through community-based partners, as the City and County of San Francisco (CCSF or City) primarily operates residential care only within hospital settings.

In this context, DPH acquired licensed assisted living facilities at 601 and 624 Laguna Street to preserve existing community-based residential capacity while expanding available placement options for adults and older adults requiring residential care. The facilities also enable the

planned repurposing of space within the Behavioral Health Center at Zuckerberg San Francisco General Hospital to add more locked sub-acute mental health beds.

Residential Care Services

DPH has partnered with community-based Adult Residential Facilities (ARF) and Residential Care Facilities for the Elderly (RCFE) facilities for more than thirty years. These services are commonly referred to as assisted living or board-and-care. The services are non-medical in nature and are not covered by Medi-Cal.

Residential care services include meals, assistance with activities of daily living, medication support, housekeeping, social and job-readiness programming and may also include memory care. More than eighty percent of DPH current ARF and RCFE placements are provided through contracts with community-based providers. DPH operates residential care services in hospital-based settings only.

Resident Transition Planning and Care Considerations

Stakeholders have raised concerns regarding the safety of residents and the potential consequences of any transition from current residential settings. DPH recognizes the clinical complexity of this population and the potential risks associated with disruption and has therefore undertaken detailed transition planning activities rather than a facility-wide or accelerated relocation approach.

Individuals residing at the Behavioral Health Center (BHC) continue as DPH clients throughout this process. Residents do not lose their status as DPH clients because of placement changes, and care coordination remains under DPH oversight. Any consideration of placement involves coordination among residents, care teams, family members, and legal decision-makers, including conservators when applicable. Transition planning is conducted on an individualized basis, with attention to clinical needs, supervision requirements, and stability of services.

Moves are not considered without identification of a secure and appropriate next placement. Placements are reviewed for alignment with the level of care required, including residential care, memory care, or sub-acute psychiatric treatment settings, depending on individual needs. Community meetings and individual planning discussions have been used to communicate with residents and to address concerns as planning progresses. This engagement supports clarity and continuity during the transition process.

The facilities at 601 and 624 Laguna Street have been identified as part of available residential care capacity connected to this planning. These are licensed residential care facilities, including capacity for services not currently available within the BHC, such as memory care.

Civil Service Considerations

Staffing changes associated with operations at the BHC at Zuckerberg San Francisco General Hospital include the addition of approximately twenty to thirty new permanent civil service positions. These positions are associated with expanded service operations at the BHC.

The approach includes civil service protections and does not include layoffs. Staffing changes reflect a shift toward classifications required for sub-acute licensure and higher-acuity care, including licensed clinical, nursing, and therapeutic roles. DPH is committed to meeting and conferring with the applicable labor organizations regarding any staff reassignments associated with construction activity, consistent with the requirements of the applicable Memoranda of Understanding (MOU).

Labor Relations Discussions

The City has engaged in extensive and ongoing discussions with the Service Employees International Union, Local 1021 (SEIU) regarding PSC 5440 and potential impacts to BHC staff. Throughout this process, the City has adjusted timelines and sequencing of actions to allow for continued dialogue and labor input.

On August 12, 2025, SEIU raised concerns that staff reassignment would be equivalent to a layoff. The City responded that no positions would be eliminated, that employees would not be involuntarily reassigned into vacant positions, and that no layoffs would occur because of PSC 5440.

Between August 18 and August 22, 2025, the City offered a meeting with the Director of Health, which SEIU accepted. The parties met on September 15, 2025. During that meeting, SEIU provided member testimony regarding continuation of current operations. DPH offered to delay further consideration of PSC 5440 to allow additional discussion.

On September 30, 2025, the parties discussed alternatives to address staffing models, Adult Residential Facility operations, and the use of contractors. Following these exchanges, PSC 5440 was withdrawn from the October 6, 2025, Civil Service Commission agenda. The parties met again on October 20, 2025, and continued discussions regarding reassignment parameters, administrative staffing, and scheduling considerations, with agreement to continue meeting.

Finally, the City is scheduled to meet with SEIU on Thursday, December 4, 2025, in advance of the December 15, 2025, Civil Service Commission meeting.

Conclusion

In closing, this status report summarizes the work undertaken by DPH in connection with PSC 5440, consistent with its mission to serve individuals with complex behavioral health needs while upholding civil service protections and labor agreements. The actions described reflect coordination across care teams, staff, and SEIU. DPH appreciates the Civil Service Commission's consideration and the time afforded for discussion and engagement with SEIU.

Recommendation

Adopt the report of the Department of Public Health and approve PSC 5440.

Attachment

Attachment A: Residential Services for Adults and Older Adults with Behavioral Health Needs
August 18, 2025, Civil Service Commission Presentation

Request for Contract Approval - Residential Services for Adults and Older Adults with Behavioral Health Needs

Civil Service Commission

August 18, 2025

Luenna Kim, Kelly Kirkpatrick, and Yoonjung Kim
San Francisco Department of Public Health



Expanding Safe, Supportive Care for People with Behavioral Health Needs

SFDPH is tackling San Francisco's behavioral health and homelessness crisis

Under Mayor Lurie's Breaking the Cycle Initiative, SFDPH is working to build a more responsive behavioral health system of care that moves people quickly from the streets into effective treatment and sustained recovery.

- Expanding treatment beds and services – across the continuum of care from stabilization to treatment and recovery – is paramount to addressing the behavioral health crisis.
 - There is a severe shortage of locked mental health beds for people experiencing severe mental illness and psychiatric crisis.
 - The City is losing critical assisted living facilities - we need to preserve vital community settings and increase access to residential care for vulnerable adults and seniors.
 - SFDPH recently purchased two assisted living facilities in Hayes Valley – an opportunity to preserve a vital community asset and increase access to residential care placements.
- Expanding assisted living allows us to add critically needed locked mental health beds at the Behavioral Health Center (BHC) at Zuckerberg San Francisco General (ZSFG) by securing a new home for BHC residents currently on the 1st and 2nd floors.



Overview of Request for PSC

Our Request: Approval for 3-year, \$53M contracts to maintain ~210 existing and add ~100 new community-based residential care beds for adults and older adults.

- **Proven Model:** SFDPH has partnered with community providers for over 30 years to deliver Adult Residential Facility (ARF) and Residential Care Facility for the Elderly (RCFE) services.
- **What Residents Receive:** Commonly referred to as "Assisted Living" or "Board & Care," residential care services include:
 - Meals & help with daily activities
 - Medication support
 - Housekeeping & memory care
 - Social and job-readiness programs
- **Why It's Needed:**
 - Not medical care and not covered by Medi-Cal—City contracts fill a critical gap.
 - Over 80% SFDPH ARF/RCFE placements are contracted with providers in standalone, neighborhood settings.
 - The City only operates residential care in **hospital-based settings**.

Bottom Line: Approving these contracts protects existing capacity, adds much-needed beds, adds new permanent civil service positions, and keeps vulnerable clients safe, supported, and on the path to recovery.



San Francisco faces a critical shortage of locked mental health beds contributing to hospitalizations, homelessness, and repeated psychiatric crises.



Unique opportunity & cost-effective solution to increase capacity

Repurposing the first and second floors of the Behavioral Health Center at Zuckerberg San Francisco General is the most cost effective and immediate path to add more than 90 locked beds — doubling capacity in county.

Timely and structured treatment in a safe setting

Beds will serve individuals under conservatorship ensuring they receive timely, structured treatment in a safe, therapeutic setting.



Supporting Staff & Adding New Positions at the BHC at ZSFG

Adds 20-30 New Permanent Civil Service Positions:

Permanent jobs for that strengthen our public mental health workforce.

Civil Service Protections & No Layoffs:

The City's approach ensures no layoffs, upholds civil service protections, and prioritizes fair staffing and reassignments.

Professional Growth and Promotive Opportunities:

Many new roles will offer professional growth opportunities for current staff and provide promotive pathways for recruitment and retention in one of our most strained systems.

Good Faith Process:

Meet and confer with union partners has begun and we continue to engage in a good faith process throughout the transition.



Supporting Current BHC Residents Every Step of the Way

No resident
will move
without a
secure and
appropriate
next home.

Every resident will remain a DPH client:

All residents are guaranteed placement in a setting that meets their care needs.

Ensure the best new placement:

DPH is working closely with residents, their care teams, family members, and legal decision-makers to find the best fit based on needs and preferences.

Close collaboration with clients:

Regular community meetings and one-on-one planning meetings are underway.

DPH is expanding residential care capacity:

With the acquisition of 601 and 624 Laguna Street, DPH can serve the current BHC residents and keep them connected with their community.



Summary of Request for PSC

Residential Care Services: Meeting Critical Behavioral Health Needs

- **Request:** Approval for PSC for ~210 existing beds/placements + ~100 new beds for adults and older adults with behavioral health needs.
- **Gap:** The City does not operate licensed residential care facilities outside local hospital campuses—services are provided through long-standing contracts with community partners.
- **Impact:** Ensures enough community-based beds to meet demand, support recovery, and transition residents to more independent living, including permanent supportive housing.
- **Risk if Denied:** Individuals remain in inappropriate settings, face worsening conditions, or return to homelessness—driving higher-cost emergency and acute care use.
- **Strategic Alignment:** BHC and Laguna Street projects advance SFDPH's system transformation—faster, more connected, more accountable care delivering results for those most in need.



Thank you

