



RCFE / ARF FACILITY LICENSING READINESS GUIDE

A COMPLETE RESOURCE FOR BUYERS & SELLERS OF CARE FACILITIES IN CALIFORNIA

Buying or selling a Residential Care Facility for the Elderly (RCFE) or Adult Residential Facility (ARF) requires understanding California's licensing standards, physical plant requirements, administrator qualifications, and inspection expectations. This page provides four essential tools to help buyers evaluate facilities and sellers present them professionally.

1. BUYER PACKET

What Buyers Need to Know Before Purchasing a Care Facility

Facility Snapshot

- Address
- Year built
- Square footage
- Bedrooms & bathrooms
- Potential resident capacity
- Outdoor & common areas

Regulatory & Zoning

- Zoning supports residential care
- Layout aligns with Title 22 (RCFE) or Title 17 (ARF)
- No HOA or city restrictions
- Neighborhood appropriate for senior care

Physical Plant Requirements

- ADA compliant access
- Grab bars, non slip flooring, safe exits
- Smoke detectors, alarms, extinguishers
- Sprinkler system (if required)
- Strong structural condition
- Functional electrical, plumbing, HVAC
- No mold, moisture, or pest issues

Administrator & Staffing

- Required training completed
- Administrator exam passed
- Background checks completed
- Staffing plan prepared

Licensing Documentation

- SOC 859 prepared
- Floor plan complete
- Fire clearance request submitted
- Insurance secured
- Policies & procedures drafted

Inspection Readiness

- Walkthrough completed
- Deficiencies corrected
- CDSS inspection scheduled

Financial Overview

- Renovation budget
- Licensing fees
- Operating capital
- Market rate analysis
- Revenue projections

2. FACILITY READINESS SCORECARD (0-100 RATING)

Quick Evaluation Tool for Buyers & Sellers

Score each category 0-20:

- Category
- Description
- Regulatory & Zoning
- Zoning approval, Title 22/17 alignment
- Physical Plant
- Safety, accessibility, building condition
- Administrator & Staffing
- Training, certification, background checks
- Licensing Documentation
- Completeness of required forms
- Inspection Readiness
- Preparedness for CDSS inspection

Total Score: 0-100

Interpretation:

- 80-100: License ready
- 60-79: Moderate work required
- 40-59: Significant work required
- 0-39: Not currently viable

3. MARKETING SHEET FOR SELLERS

Showcase Your Facility to Buyers

Property Highlights

- Ideal for RCFE/ARF licensing
- ADA friendly layout
- Spacious bedrooms & common areas
- Safe, quiet neighborhood
- Close to hospitals, pharmacies, major roads

Licensing Advantages

- Aligns with California physical plant requirements
- Administrator training pathway available
- Fire clearance achievable
- Licensing documentation support available

Financial Benefits

- High demand for senior care
- Strong revenue potential
- Attractive cap rate
- Value add opportunities through upgrades

Why Buyers Choose This Facility

This property offers a strong foundation for RCFE/ARF licensing. With modest upgrades, it can be fully license ready and operational quickly—ideal for new operators or expanding providers.

4. WALKTHROUGH INSPECTION CHECKLIST

Use During Buyer Tours or Seller Showings

Exterior

- ADA ramps
- Safe walkways
- Adequate lighting
- Accessible emergency exits

Interior

Common Areas

- Clean, well lit
- Adequate activity space
- Safe, functional furniture

Bedrooms

- Proper size
- Operational windows
- Adequate storage

Bathrooms

- Grab bars
- Non slip flooring
- ADA access

Safety Systems

- Smoke detectors
- Fire extinguishers
- Alarm systems
- Sprinklers (if required)

Mechanical Systems

- HVAC operational
- Plumbing functional
- Electrical safe
- Water temperature regulated

Kitchen

- Clean and sanitary
- Proper food storage
- Fire suppression equipment

Documentation

- Floor plan available
- Fire clearance request prepared
- Licensing forms ready
- Policies & procedures drafted



Michelle J. London

MBA, CPA, MiCP, BROKER

Acquisitions and Sales

DRE# 01971087

Phone: **(949) 397-4506**

michelle@RCFEresource.com

Melvyn D. Richardson

Acquisitions and Sales

DRE# 01318955

Phone: **(949) 500-3630**

melvyn@RCFEresource.com



DRE# 02196652



CALIFORNIA
ASSOCIATION
OF REALTORS®



NATIONAL
ASSOCIATION of
REALTORS®

