



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2020-21 and FY2021-22 Budget Process Update

Local Homeless Coordinating Board
March 3, 2020



Mayor's Budget Instruction to Departments

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- Mandated “target” efficiency/reduction proposals of 3.5% reduction in adjusted General Fund support, growing to 7% total reduction in second year of budget cycle
- Intensified focus on accountability and equitable outcomes
- Demonstrate the effective use of resources, help identify programs and funding that can be reprioritized



2020 Budget Timeline and Status

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- Dec-Feb: HSH Budget Development, Stakeholder Meetings ✓
- Feb. 21: Budget Submission Due to Mayor's Office ✓
- March-May: Mayor's Office Budget Development
- May: City's 9-Month Financial Projections Released
- June 1: Mayor Proposes Two-Year Budget
- June: Board of Supervisors Holds Budget Hearings
- July: Board Adopts Final FY2020-22 Budget



HSH Departmental Budget Summary

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- The Department's proposed budget is \$254 million for FY2020-21 and \$241 million for FY2021-22
- To better align with federal grant timelines, HSH's budget no longer includes the annual Continuum of Care funding from the U.S. Department of Housing and Urban Development but will request appropriation authority in the fall.
- HSH proposed to keep the budget expenditures neutral (no GF reduction) in order to continue to fund for existing homeless services and housing programs, while also making a substantial investment on key Mayoral initiatives such as adding 1,000 emergency shelter beds by the end of 2020 and continuing the Permanent Supportive Housing pipeline as planned.



City's Two-Year Budget Projections

(\$in millions)	Approved FY19-20	Department Proposed FY 20-21	Change From FY 19-20	Department Proposed FY 21-22	Change From FY 20-21
Total Budget	\$367.7	\$254.2	-\$113.5	\$241.1	-\$13.2
Revenue	\$166.3	\$54.1	-\$112.2	\$31.2	-\$23.0
General Fund Support	\$201.3	\$200.1	-\$1.3	\$209.9	\$9.8

Significant decrease in BY revenue due to:

\$68.5 million in last year's one time revenue sources:

- 35m in state homeless emergency aid
- 14m in anticipated revenue from Prop C waiver (gross receipts tax)
- \$19.5 m in Educational Revenue Augmentation Fund (ERAF) revenue

\$51 million in HUD Continuum of Care revenue which HSH will request appropriation in July 2020



Mayoral Phase Plan

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- In Mayor's phase of the budget process, HSH's focus is on how to implement Mayoral priorities on addressing the challenges with those struggling on the street and reprioritizing funding toward the most pressing needs
- HSH plans to request the following budget enhancements on behalf of the non profit providers:
 - Cost of Doing Business Increase to 3% for FY 20-21 and FY 21-22
 - Nonprofit Wage Increases
 - Funding for increased acuity in PSH population