



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2020-21 and FY2021-22 Revised Budget Overview

**San Francisco Local Homeless Coordinating Board
June 8, 2020 meeting**



Revised FY20-22 Shortfall Projection

2

Projected General Fund shortfall from Fiscal Year 19-20 through next two fiscal years

- January projection (pre-COVID 19 impact): \$420 Million
- March projection: \$1.1B - \$1.7 Billion
- May projection: **\$1.7 Billion**



City's 5-Year Budget Forecast

\$ in
Millions

	<u>FY2019-20</u>	<u>FY2020-21</u>	<u>FY2021-22</u>	<u>FY2022-23</u>	<u>FY2023-24</u>
I. Current Fiscal Year	(246.2)				
II. Future Fiscal Year		(753.9)	(735.4)	(1,016.4)	(1,088.5)
III. Projected Shortfalls	(246.2)	(753.9)	(735.4)	(1,016.4)	(1,088.5)
FY 2019-20 - FY 2021-22 Total		(1,735.5)			



COVID-19 Spending & Revenues

4

Current Fiscal Year (FY2019-20)

- Projected spending of \$373M in the current year will likely be offset by federal & other revenues
- But the City will largely deplete the federal CARES Act allocations available to support sustained response costs after July 1st

Next fiscal year and beyond

- Spending needs for FY 2020-21, are largely unknown at this time, but are likely to be significant
- Will be shaped by ongoing community health risk
- Duration of FEMA reimbursement a key financial risk. Additional federal aid packages for local response is unknown.



HSH COVID-19 Spending & Revenues

5

HSH Year to Date COVID spending

- Personnel: \$333,648 (Employees deployed as DSWs and staff time on COVID-19 related projects)
- Contract and Grants: \$2,160,247 (including Shelter expansion, Meals, additional CBO support, SIP sites, Safe Sleeping sites)
- Material and Supplies: \$111,679

Non GF Revenues identified so far to cover COVID spending

- Project Roomkey (State funds): \$6.25M
- Federal CARES Act (Enhanced Emergency Solutions Grant): \$5.5M
- Whole Person Care MediCal waiver funds: \$1.5M
- FEMA Reimbursement (percentage of emergency costs)

<http://hsh.sfgov.org>



Mayor's Budget Instructions

6

- Propose General Fund reductions as requested
- Prioritize core services that provide critical government functions
- Evaluate current operations for realignment with City outlined COVID operating measures and guidelines
 - What operations can and should be performed remotely?
 - What services need to be provided in person? And how?
 - What services can be moved online?
- Prioritize services for vulnerable populations and providing equitable services for underserved populations



Department Reduction Plans

7

- Mandatory budget reduction proposals to help close the deficit
 - Required reduction proposals of General Fund support
 - Equivalent to 10% of adjusted GFS in FY 20-21 (\$17 million for HSH)
 - Propose Additional 5% contingency (\$8.9 million)
 - Propose 15% reduction in FY 21-22
 - Total HSH target to propose: \$42.9 million over two years



Additional Budget Directions

8

- No new discretionary hiring – except for direct COVID response and essential workforce staffing

For the remainder of the current fiscal year (FY 2019-20):

- Pause construction of cash-funded, General Fund supported capital projects, unless necessary to address legal, life-safety issues, and other essential needs
- Pause new programs until rebalancing plan decisions are made



HSH's Balancing Plan

9

- Prioritize services and programs that maintain housing and end homelessness (including permanent supportive housing, rental subsidies, prevention, problem solving)
- Prioritize equity in service delivery to underserved communities
- Leverage new federal, state and philanthropic funding
- Efficiently allocate federal and state resources for both staffing and programs
- Defer or slowdown new program expansions and short-term projects
- Identify program funds that can be redirected for COVID-19 response



Revised Budget Timeline

10

- June 12th: Submit department budget proposals to Mayor's Office
- July 8th: Budget & Finance hearing on revised HSH budget proposal
- June- August: Mayor's Office prepared proposed two-year budget for all City departments
- August 1st: Mayor introduced proposed budget to Board
- August 12th: Board Budget & Finance Committee hearings begin
- Sept. 22nd: First Reading of Budget Ordinances at Full Board
- Sept. 29th: Second & Final Reading of Budget Ordinance at Full Board