FY2021-22 and FY2022-23 Budget Overview

Local Homeless Coordinating Board
January 22, 2021
Since the start of the COVID-19 crisis, the work of HSH and our community has dramatically changed. The 6 core-components of our Homelessness Response System remain as the framework, but the goals have shifted to:

1. Responding to the dangers COVID-19 poses to vulnerable unhoused people
2. Strengthening HSH’s commitment to equity and our response to the overwhelmingly disproportionate impacts of both homelessness and COVID-19 on BIPOC
3. Continuing the operations of the core and essential programs that shelter, serve and house more than 13,000 people every day in our community
City’s Financial Outlook

Despite unprecedented investments in homelessness the City is facing serious economic challenges.

Deficit Projection of $653.2 million over two years

Key Drivers:
• Revenue declines
• Unbudgeted labor costs
• Ongoing COVID expenses

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## City's Two-Year Budget Projections

<table>
<thead>
<tr>
<th></th>
<th>FY 21-22</th>
<th>FY 22-23</th>
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<tbody>
<tr>
<td><strong>Total Sources Increase / (Decrease)</strong></td>
<td>(117.60)</td>
<td>268.50</td>
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<tr>
<td><strong>Uses</strong></td>
<td></td>
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<tr>
<td>Baselines &amp; Reserves</td>
<td>(54.40)</td>
<td>(157.70)</td>
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<tr>
<td>Salaries &amp; Benefits</td>
<td>(150.80)</td>
<td>(233.40)</td>
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<tr>
<td>Citywide Operating Budget Costs</td>
<td>(21.40)</td>
<td>(8.20)</td>
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<tr>
<td>Departmental Costs</td>
<td>(67.00)</td>
<td>(111.20)</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>(293.60)</td>
<td>(510.50)</td>
</tr>
<tr>
<td><strong>Projected Cumulative Surplus / (shortfall)</strong></td>
<td>(411.20)</td>
<td>(242.00)</td>
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<tr>
<td><strong>Two Year Deficit</strong></td>
<td></td>
<td>(653.20)</td>
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FY21-23 Mayor’s Budget Priorities

- Implement homelessness and mental health programming
- Support small business and economic recovery
- Prioritize programs with demonstrated outcomes centered around equity
- Continue to respond to COVID-19

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Mandatory departmental reduction proposals of 7.5% in adjusted General Fund support, with an additional 2.5% contingency should fiscal conditions worsen.

- Prioritize core services and programs, and present clear tradeoffs.
- Prioritize maintaining existing housing and shelter beds.
- Emphasis on Mayoral priorities of recovery and equity.
HSH Proposed FY2021-23 Budget

HSH Budget

• Comply with the Mayor’s **budget instructions** to reduce $15 million (7.5%) General Fund support in FY2021-22.
• Maintain core services and programs
• Implement HSH’s **Racial Equity Action Plan** and continue to develop and implement external Racial Equity Action Plan and priorities

COVID Response

• Continue to implement the Mayor’s **Homelessness Recovery Plan**
• Maintain **emergency response** Temporary Shelter resources including SIP hotels, Safe Sleep and other temporary shelter

Our City Our Home (OCOH)

• Continue to work with OCOH to **strategically** invest Prop C funds

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2021 Budget Timeline

- **December-February:** HSH budget development & meetings with stakeholders
- **February 22:** Proposed HSH budget submitted to Mayor’s Office
- **March-May:** Mayor’s Office budget development
- **June 1:** Mayor releases proposed FY21-23 Budget
- **June:** Board of Supervisors budget hearings and revisions
- **July:** Board of Supervisors adopts final FY2021-23 Budget

http://hsh.sfgov.org
HSH FY2021-23 Budget Meetings

- Public HSH budget meetings hosted by LHCB
  - January 22, 2021
  - February 8, 2021

- Meetings with Stakeholders including
  - Meetings with Provider Networks (HESPA, SHPN, HSN)
  - Special Meeting with Provider Leadership in January
  - Strategic Framework Advisory Committee
  - San Francisco Youth Commission