



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2021-22 and FY2022-23 Budget Overview

Local Homeless Coordinating Board
January 22, 2021



Dept of Homelessness & Supportive Housing

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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

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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



City's Two-Year Budget Projections

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	<u>FY 21-22</u>	<u>FY 22-23</u>
Total Sources Increase / (Decrease)	(117.60)	268.50
Uses		
Baselines & Reserves	(54.40)	(157.70)
Salaries & Benefits	(150.80)	(233.40)
Citywide Operating Budget Costs	(21.40)	(8.20)
Departmental Costs	<u>(67.00)</u>	<u>(111.20)</u>
Total Uses	(293.60)	(510.50)
Projected Cumulative Surplus / (shortfall)	(411.20)	(242.00)
Two Year Deficit		(653.20)



FY21-23 Mayor's Budget Priorities

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- 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**



Mayor's Budget Instructions

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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

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• 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

<http://hsh.sfgov.org>



2021 Budget Timeline

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- **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



HSH FY2021-23 Budget Meetings

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• **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