



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2021-22 and FY2022-23 Proposed Budget

**San Francisco Local Homeless Coordinating Board
February 8, 2021**



FY2021-23 Budget Development

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🔑 January 22nd LHCB Presentation

- Two-Year Citywide Budget Projections and Mayor's Budget Instructions
- Major Themes and HSH Priorities for two-year budget

🔑 Stakeholder Budget Input Sessions

- Meetings with Provider Networks (HESPA, SHPN, HSN): Jan. 19th
- Special Meeting with HSH Provider Leadership: Jan. 29th
- HSH Strategic Framework Advisory Committee
- San Francisco Youth Commission: Feb. 8th Virtual Budget Town Hall

🔑 February 8th LHCB Presentation

- Overview of Department's Proposed Two-Year Budget
- Changes in FY21-23 Budget
- Proposed and Ongoing Initiatives



FY2021-23 Budget Priorities and Major Changes

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🔑 Focus Areas:

- Maintain funding for core services while bringing new programs to scale
- Implement HSH's **Racial Equity Action Plan** and develop Homelessness Response System racial equity plan in collaboration with people experiencing homelessness and community stakeholders
- Implement the Mayor's 2020 Homelessness Recovery Plan
- Prioritize infrastructure and capacity needs

🔑 COVID-19 Response Programs (TBD)

- Maintain **emergency response** including Shelter-in-Place hotels, Safe Sleeping sites and safe reopening of congregate shelter.

🔑 Our City Our Home (OCOH) Investments (TBD)

- Recommend strategic investment priorities for Prop C funds to meet HSH's 5-year goals to reduce homelessness across populations.



Proposed FY2021-23 Budget Overview

(\$ in millions)*	Adopted FY20-21 Budget	Proposed* FY 21-22 Budget	Change From FY20	Proposed* FY22-23 Budget	Change From FY21
Total Budget	\$852.1	\$568.9	(\$283.3)	\$568.2	(\$0.7)
<i>Revenue</i>	\$615.6	\$345.4	(\$270.2)	\$345.4	\$0.0
<i>General Fund Support</i>	\$236.6	\$223.5	(\$13.1)	\$222.8	(\$0.7)

*as of 2/7/21 prior to final
balancing



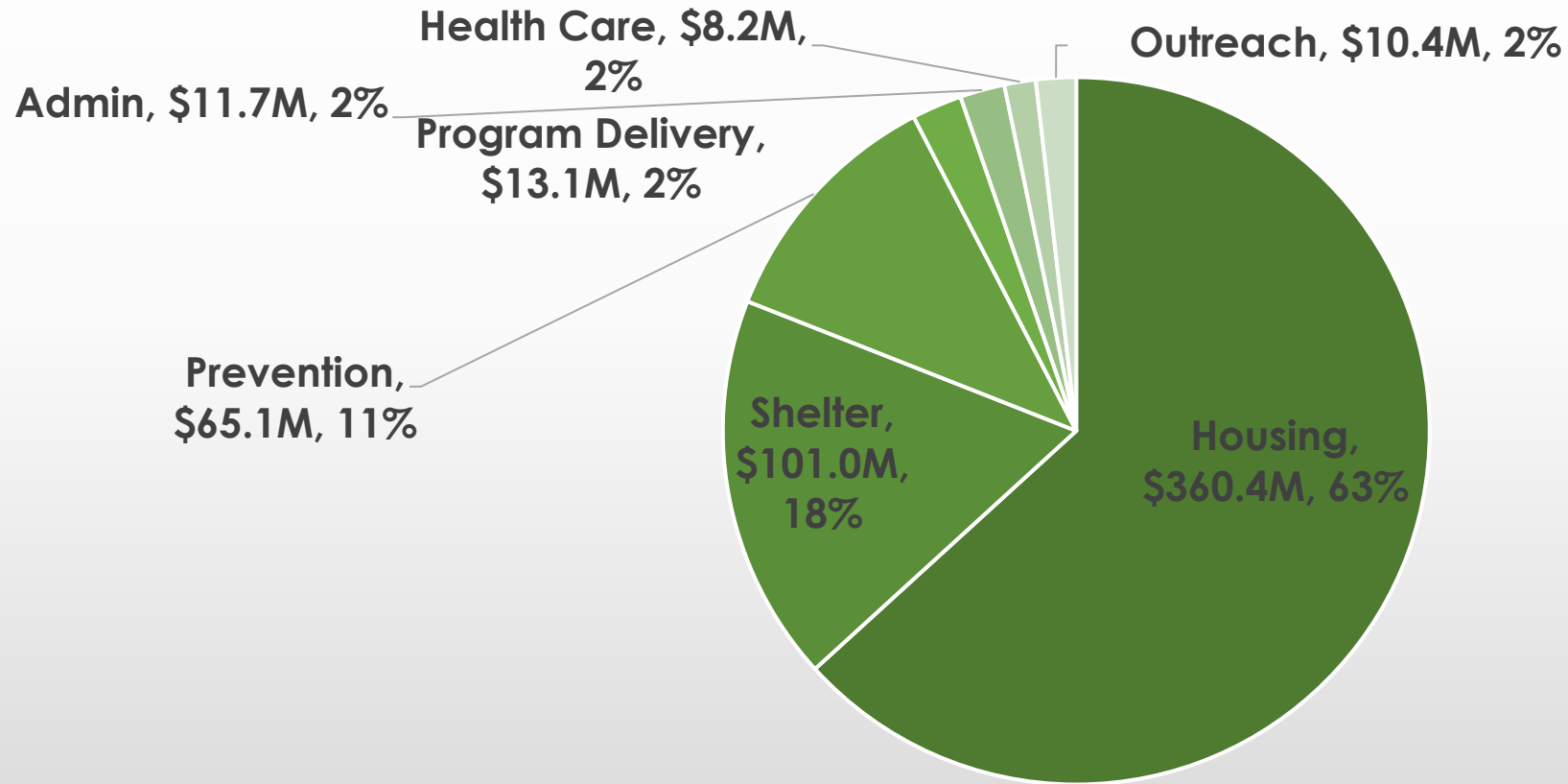
Year-Over-Year Revenue Changes

FY20-21 Budgeted Revenue Source	FY21-22 Increase/ (Decrease)
FEMA	\$ (141,545,928)
State Homekey	\$ (45,000,000)
Prop C Homelessness Gross Receipts Tax Revenue	\$ (39,415,125)
Whole Person Care (MediCal Waiver) <i>(Estimated)</i>	\$ (20,600,431)
State HHAP Round 2 <i>(Estimated)</i>	\$ (21,000,000)
State HHAP Round 1 <i>(Prior Year True-Up)</i>	\$ (2,963,638)
Human Services Agency Care Funds and Interdepartmental Work Order Recoveries	\$ 321,666
Total Year-over-Year Change	\$ (270,203,456)



Proposed Budget by Service Area FY21-22 (\$568.9 M)

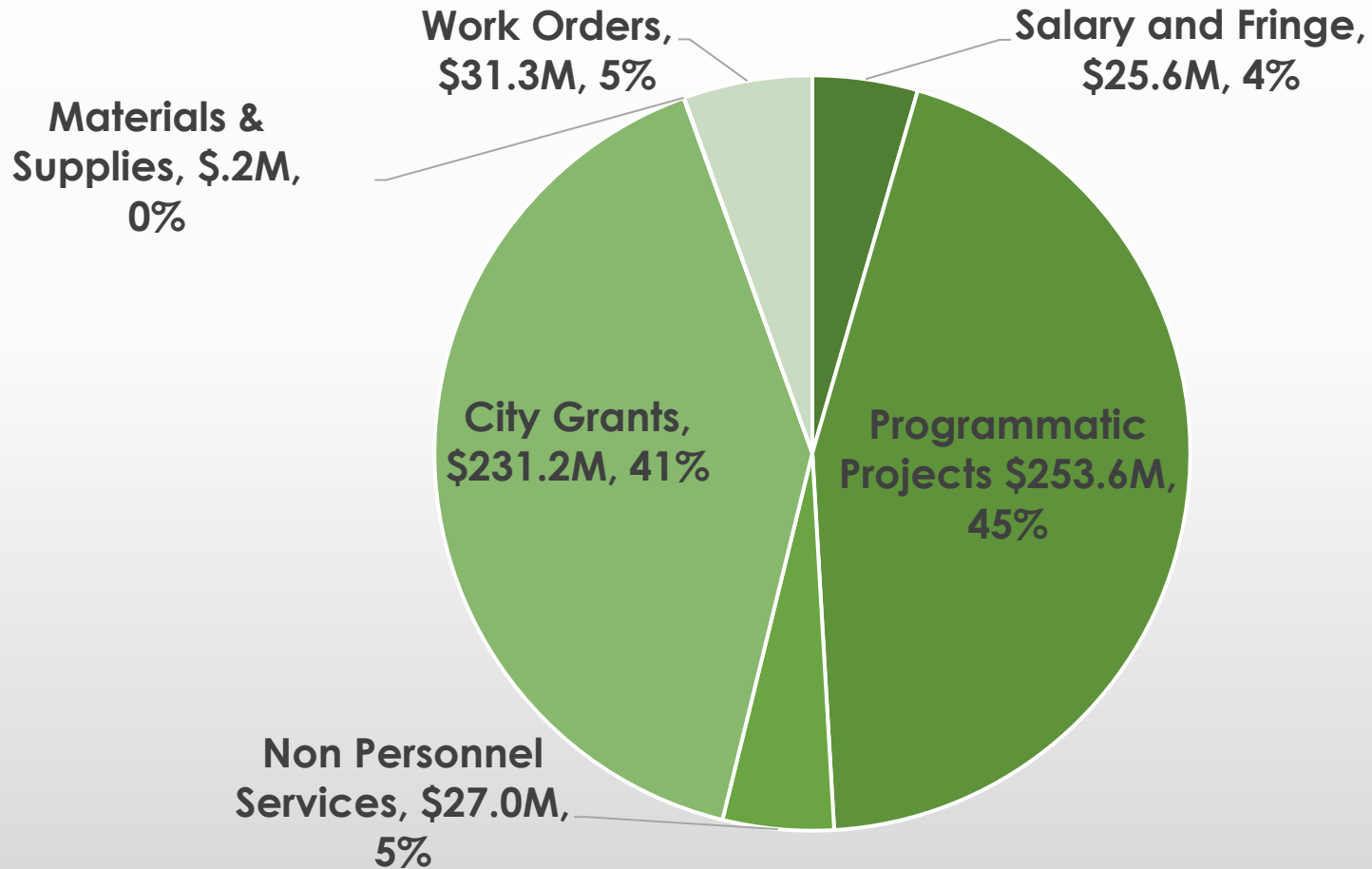
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Proposed Budget by Expenditure Type FY21-22 (\$568.9 M)

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FY21-23 General Fund Investments

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• **Maintains Current Service Levels and Expansions Funded in FY20-22**

• **810 Units of New Permanent Supportive Housing Units**

- 145-unit building for chronically homeless adults
- 665 units of MOHCD supported supportive housing for adults and older adults, TAY and families

• **Emergency Shelter and Shelter Investments**

- Ongoing funding for Buena Vista Horace Mann Family Shelter (\$800k)
- Funding for a new Safe Parking site (\$1.0 m)
- Funding to replace the First Friendship Family Shelter program
- Support for increased LGBTQ adult shelter capacity (\$400k)
- DPH shelter health services to support shelter expansion systemwide (\$1.0 m)

• **Flexible Pool Housing Subsidies Increases**

- \$2.3 million for housing subsidies for families and TAY (\$425k increase for families in FY21-22)



FY21-23 Capital and COIT Budget Requests

Capital Planning Committee Budget Requests:

- Shelter Seismic Retrofit Study (\$330k)
- Funding to find a Family Shelter Replacement site (\$100k)

Committee on Information Technology Requests:

- Approval for Grants Management System to replace CARBON system

\$ in millions

Project Name	\$
MSC South Adult Shelter, 525 5 th Street	6.5
Next Door Adult Shelter, 1001 Polk Street	4.2
Hamilton Family Shelter, 260 Golden Gate Avenue	9.8
Total	+20.5M
Funded by 2016 PHS Bond (Phase 1)	(7.0)M
Remaining Need (Phase 2)	+13.5M



FY21-23 Budget Requests

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- \$3.5 million gap for Safe Parking program: \$1.5 m shortfall to operate site 40-50 space site and \$2 m shortfall to construct site
- \$6 million annual gap to cap PSH rent payments at more than 30% of tenant income (one-time \$1.2 m addback expires FY23)
- Nonprofit pay equity – ongoing funding: (\$10.1 million one-time COVID-19 equity bonus pay funded by one-time Prop C funds)
- 3% Cost Of Doing Business increase unfunded in FY21-22 (\$4.2 million annually) and Minimum Compensation Ordinance increases
- Funding to support additional HSH staffing needs (TBD)
- \$5.5 million of enhancements for shelter, housing and service programs



FY21-23 Position Summary & Staffing Gaps

	Adopted FY20-21 Budget	Base FY21-22 Budget	Change from FY20-21	Base FY21-22 Budget
Full-Time Equivalents (FTE)	164.2	167.8	3.6	167.8

HSH has critical staffing shortage since doubling its annual budget

Staffing needs total ~ 40 FTE and include:

- Housing and Housing Subsidy program support (historic expansion in portfolio)
- Safe Sleeping and Vehicle Triage program staff
- Prevention & Coordinated Entry program coordinators
- Budget, accounting and contract analysts and managers
- Data analytics and mandated reporting staff
- Public information request coordinator
- Project management for new housing acquisition and expansion



FY21-23 Revenue Proposal: DPH Partnership for Whole Person Care and CalAIM Funding

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- State extended Whole Person Care (MediCal waiver pilot) funding through December 2021 (\$11 m)
- CalAIM builds upon existing MediCal waiver programs with focus on managed health care plan
- Significant work remains for the state, counties and MediCal managed care plans on the details of the CalAIM proposal and funding levels:
 - CalAIM's In Lieu of Services
 - Continuing HSH's housing navigation, tenant stabilization, coordinated entry and care coordination funding



Proposed Balancing Plan

	FY21-22	FY22-23	Two-Year Total
Budget Instructions			
7.5% General Fund Reduction	\$ (15,200,395)	\$ (15,200,395)	\$ (30,400,790)
2.5% Contingency	\$ (5,660,789)	\$ (5,660,789)	\$ (11,321,578)
HSH Proposal to Meet Reduction Target			
Revenue (estimated)	\$ 11,000,000	\$ 6,300,000	\$ 17,300,000
State and Federal Grants (estimated)	\$ 25,000,000	\$ -	\$ 25,000,000
ERAF Savings	\$ 1,780,000	\$ 1,780,000	\$ 3,560,000
Net Lease Increases	\$ (2,751,117)	\$ (1,068,831)	\$ (3,819,948)
Net Balancing - Above/(Below) Target	\$ 14,167,699	\$ (13,850,015)	\$ 317,684



Budget Development for COVID-19 Budget & Strategic Initiatives: March-May 2021

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- **Next Fiscal Year's COVID-19 Budget:** Shelter-in-Place Hotels, Safe Sleeping sites, PPE, and emergency command staffing
 - Pending Controller's analysis of change to FEMA's reimbursement policy & evolving needs of pandemic response
- **Our City, Our Home (OCOH) Budget Investments:** Housing, Shelter & Hygiene, Prevention, Mental Health Services (Pending OCOH Committee recommendations)
 - Planning with DPH and housing service providers on PSH clinical services models
- **Ongoing Planning for Citywide Strategic Investments**
 - Implementation of HSH's \$147 million share of 2020 Health & Recovery G.O. bond
 - CalAIM planning with DPH and San Francisco Health Plan
 - Lessons from Gov.'s 100-day Challenge: Rapid Rehousing & Shallow Subsidies
 - All Home's Regional Homelessness Prevention Workgroup and development coordinated homelessness prevention strategies



Our City, Our Home Fund Overview

(\$ in Millions)

	<u>FY20-21 Adopted Budget</u>	<u>FY 21-22 Base Budget</u>	<u>FY 22-23 Base Budget</u>
Housing			
General	108.3	93.7	93.7
Families	49.2	42.6	42.6
Under 30	<u>39.4</u>	<u>34.1</u>	<u>34.1</u>
	\$196.8	\$170.4	\$170.4
Prevention	\$59.0	\$51.2	\$51.2
Shelter	<u>\$39.4</u>	<u>\$34.1</u>	<u>\$34.1</u>
Total	\$295.2	\$255.7	\$255.7



Prop C Funds Released from Reserve in Current Fiscal Year

Projects (\$ in Millions)

Housing	FY20-21	
General	18.0	PSH Service and Operating - \$1.6M, Housing Subsidies - \$3.5M Flex Pool - \$5.8M, Work Force Assistance - \$1.2M, COVID Bonus Pay- \$5.8M
Families	0.8	Flex Pool - \$0.4M, Bonus Pay - \$0.5M
Under 30	<u>1.2</u>	Rapid Rehousing - \$0.7M, Flex Pool - \$0.4M, COVID Bonus Pay - \$0.2M
	20.0	
Prevention	3.4	Problem Solving - \$2.1M, COVID Bonus Pay - \$1.3M
Shelter	25.9	COVID Emergency Shelter - \$5.9M, COVID Safe Sleep - \$5.0M, COVID SIP Hotel - \$12.7M, COVID Bonus Pay - \$2.3M
	<hr/> 49.3	



Cost of COVID-19 Emergency Shelter and Alternative Housing

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• Shelter-in-Place hotels (Alternative Shelter Program)

- 2,472 rooms in the portfolio: Average Nightly Cost Per Room: \$272
- **Monthly Cost: \$21 million**

• Safe Sleeping Program

- 6 Safe Sleeping Sites open with total space for 265 tents
- \$190 average cost per tent/per night
- **Annual cost: \$18 million**

• RV Shelter-in-Place Site

- 120 trailers
- **Monthly Cost: \$620,000**

• Emergency Congregate Shelter

- 200 Congregate Shelter Beds
- **Monthly Cost: \$1.25 million**



FY21-23 Budget Process Timeline

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- Feb. 22: HSH Submits Budget to Mayor & Controller
- Mid-April: Board of Supervisors holds hearings on budget priorities
- June 1: Mayor Releases Proposed Two-Year Budget
- June: Board's Budget & Finance Committee holds budget hearings
- July: Full Board of Supervisors considers the budget
- August: Balanced Budget Adopted