FY2022-23 (FY23) & FY2023-24 (FY24)
Proposed Budget

San Francisco Local Homeless Coordinating Board
February 7, 2022
FY23 & FY24 Budget Development

- **January 3rd LHCB Presentation**
  - Two-Year Citywide Budget Projections and Mayor’s Budget Instructions

- **Stakeholder Input Sessions on HSH Budget Priorities**
  - Quarterly Meeting with Provider Leadership: Dec. 17th
  - HSH Strategic Framework Advisory Committee (SFAC): Jan 21st
  - Meetings with Provider Networks (HESPA, SHPN, HSN, SFAC, BIPOC reps): Feb. 4th

- **February 7th LHCB Presentation**
  - Overview of Department’s Proposed Two-Year Budget
  - Changes in FY23 & FY24 Budget
  - Proposed and Ongoing Initiatives
## Proposed Budget Overview

Proposed Budget as of 2/7/2022 and not reflective of final balancing

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<tbody>
<tr>
<td>Total Budget</td>
<td>667.8</td>
<td>575.9</td>
<td>(91.9)</td>
<td>585.9</td>
<td>10.0</td>
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<td>Revenue</td>
<td>399.4</td>
<td>325.3</td>
<td>(74.1)</td>
<td>335.3</td>
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<td>General Fund Support</td>
<td>268.4</td>
<td>250.6</td>
<td>(17.8)</td>
<td>250.6</td>
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Proposed Budget by Service Area
FY23 ($575.9 M)

- Housing, $356.2, 64%
- Temporary Shelter, $113.1, 21%
- Prevention, $51.8, 9%
- Outreach, $11.6, 2%
- Administration, $13.1, 2%
- Program Delivery, $9.7, 2%

http://hsh.sfgov.org
### Position Summary

<table>
<thead>
<tr>
<th>Full-Time Equivalent (FTE) Positions</th>
<th>FY22 Adopted Budget</th>
<th>FY23 Base Budget</th>
<th>Change from FY22</th>
<th>FY24 Base Budget</th>
<th>Change from FY23</th>
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<tr>
<td>245.6</td>
<td>211</td>
<td>(34.6)</td>
<td>211</td>
<td>(0)</td>
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- Change reflects loss of temporary salaries supporting COVID-19 response
- HSH still determining proposals to increase staffing level
  - Gaps identified across department
Current Budget Gaps

- Sunset of One-Time Funds
  - Whole Person Care for adult access points, housing stabilization, navigation services
  - State grant funds for scattered site rental assistance
  - Philanthropic commitments ending for ongoing housing programs
  - Continued funding for FY22 pilot programs for street outreach/ambassadors

- Limited funds for some legacy programs across portfolio

- New non-congregate emergency shelters opening in 2022

- HSH staffing levels and HRS technology systems

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FY23 & FY24 Priorities

Core Services
- Close structural budget and funding gaps in core program services & operations

Racial Equity
- Implement racial equity action plan and develop Homelessness Response System racial equity plan in collaboration with people experiencing homelessness and community stakeholders

Sustainability
- Make targeted investments to address Homelessness Response System nonprofit sustainability and advocate for Citywide solutions

Recovery Plan
- Make MYR Homelessness Recovery Plan investments to expand permanent supportive housing, continue Safe Sleep sites and fund new shelter models (non-congregate & cabins)

Tech Solutions
- Enhance ONE system including shelter bed management functionality
- Implement a new contracting management system

Staffing
- Close HSH staffing gaps for more efficient and effective operations

http://hsh.sfgov.org
HSH Requests

Targeted Investments for Nonprofit Sustainability:
- Propose standardizing PSH case manager pay rates to $28/hour: $2.3 M annually
  - HSH’s FY23 budget can fund increase to $25/hour
- Propose earmarking funds to implement recommendations to raise property mgt. wages
- Propose reprogramming any year-end savings for capital, IT, and one-time investments
- Mental health support for front-line staff
- Training for Homelessness Response System workforce on best practices

Enhancing PSH Case Management Services
- Cost to achieve greater funding parity across Adult/TAY PSH portfolio: ~ $12 M
- $4 M needed to increase providers with lowest reimbursement rates and highest case management to client ratios

Equity investments in Homelessness Response System
- Office of Racial Equity funds will reach $900,000 next fiscal year in HSH’s budget ($300,000 ongoing); HSH Chief Equity Officer working with BIPOC providers on plan for funds
- HSH pursuing partnerships with philanthropy to leverage additional investments

http://hsh.sfgov.org
Investments in Shelter Operations:
- Making two (2) meals per day standard at adult emergency shelters
- Continuing up to two (2) Safe Sleeping sites and cabins pilot program at 33 Gough site
- Funding two new non-congregate shelters
- Work ahead: Evaluating costs, capacity and tradeoffs of adult shelter models

Investments in Outreach:
- Proposal for community ambassador programs around HSH shelter & housing sites
- Reallocate internal resources to provide street outreach transportation and dispatch services
- Continue pilot program for street wellness team (HSH partnership with Fire Department’s EMS6)
- Ongoing support for Tenderloin Emergency Initiative
FY23 & FY24 Capital Requests

Capital Planning Committee Budget Requests:

• Hamilton Family Shelter/260 Golden Gate Seismic Retrofit – $535,023
  • The project will provide programming design services and design development plans for structurally upgrading the shelter to increase the seismic performance.

• Next Door Adult Shelter/1001 Polk Planning Study – $566,577
  • The project will provide programming design services, seismic retrofit conceptual plans, and a cost-estimate for increasing the seismic performance.

• MSC South Adult Shelter/525 5th St Planning Study - $990,961
  • The project will provide programming design services, conceptual plans, and cost-estimates for renovation options.
Our City, Our Home (OCOH) Budget

**Process (February-April 2022)**
- HSH’s February Budget Submission to Mayor will not include recommendations or new proposals for FY23 & FY24 OCOH funding
- Feb- March: Meetings with committee liaisons and HSH
- March: Updated revenue projections and Department Proposals presented
- March-April: OCOH Committee to hold community engagement meetings

**HSH Priorities:**
- Ensuring OCOH budget align with actual program costs
- Addressing any mismatch between ongoing program requests & use of one-time funds
- Mitigating impact of fund’s revenue weakness (~$40 M projected in FY23)
2022 Budget Timeline

- **February 22**: Submit Proposed Budget to Mayor’s Office
- **March-May**: Mayor’s Office develops City’s balanced budget proposal
- **March 24**: Departmental budget proposals to OCOH Committee
- **April**: OCOH Committee makes recommendations to Mayor
- **June 1**: Mayor releases proposed FY 2022-23 and FY 2023-24 Budget
- **June**: Board of Supervisors hold budget hearings
- **July**: Board of Supervisors adopts final FY 2022-23 and FY 2023-24 Budget