



DEPARTMENT OF  
HOMELESSNESS AND  
SUPPORTIVE HOUSING

# FY2023-24 and FY2024-25 Budget Overview

Local Homeless Coordinating Board  
January 11, 2023



# City Fiscal Outlook

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The City is facing serious economic challenges and projects a General Fund deficit of **\$728 million** over two years

## Key Drivers:

- Revenue declines and loss of federal revenues
- Higher base wages for employees and growing benefit costs
- Increased pension costs due to recent market down-turn
- New and growing General Fund commitments that increase annually



# Current Year HSH Budget Issues

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- One-time funds for on-going programs and pending fiscal cliff
- Balancing revenue shortfalls in Prop C and General Fund
- Identifying Funds for Immediate Needs: Ongoing Operation of Non-Congregate Shelters (formerly SIP hotels)
- Filling key vacancies to ensure support for programmatic and administrative teams



# FY23-25 Mayor's Budget Priorities

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- **Recovery** of the local economy with focus on downtown and economic core
- **Improving** public safety and street conditions
- Reducing **homelessness** and transforming **mental health** service delivery
- **Accountability & equity** in services and spending



# Mayor's Budget Instructions

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- Mandatory departmental **reduction proposals** in FY23-24 of 5% adjusted General Fund support, with an additional 8% reduction proposal for FY24-25
- **Propose** remaining vacancies for budget savings
- **Maintain Mayoral initiatives** and recommend ways to fund more efficiently
- **Prepare** for outlook to worsen



# Upcoming Budget Meetings

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- **Public HSH budget meetings hosted by LHCB**

- January 9, 2023
- February 6, 2023

- **Meetings with Stakeholders including**

- Meetings with Provider Networks (HESPA, SHPN, HSN)
- Strategic Framework Advisory Committee



# 2023 Budget Timeline

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- **December-February:** HSH budget **development** & meetings with **stakeholders**
- **February 21:** Proposed HSH budget **submitted** to Mayor's Office
- **March-May:** Mayor's Office budget development
- **June 1:** Mayor releases **proposed** FY23-25 Budget
- **June:** Board of Supervisors **budget hearings** and revisions
- **July:** Board of Supervisors **adopts** final FY2023-25 Budget