



To: Honorable Members of the Homelessness Oversight Commission

From: Shireen McSpadden, Executive Director

Date: May 4, 2023

Re: Recommendation Regarding Homelessness Oversight Commission Review and Approval of Department Contract and Grant Agreements

The City Charter-mandated roles and responsibilities of the Homelessness Oversight Commission (HOC) do not require the Commission to review and approve the Department of Homelessness and Supportive Housing's (HSH) contract and grant agreements. This authority resides with the department head. However, many other City departments that have commissions do present some or all contractual agreements to their respective commissions in the interest of bringing greater transparency to the operations and spending of the department.

For that same reason, I would like to recommend that the HOC review and approve agreements meeting the following criteria:

1. Agreements with an annual amount over \$500,000, not including contingency;
2. Modifications to agreements not reviewed and approved under (1) that result in an annual amount of more than \$500,000, not including contingency;
3. Agreements that require approval by the Board of Supervisors; and
4. Agreements for an entirely new program or service that have an annual amount of over \$100,000.

Agreements would be presented as action items on the monthly Homelessness Oversight Commission agenda, accompanied by a copy of the contracted scope of work, the budget and a summary memo.

HSH currently administers approximately 270 contract and grant agreements with 85 unique vendors. My staff reviewed data on all of our contracted provider agreements from the last three fiscal years. If the HOC chooses to accept the recommendation to review and approve a subset of the Department's agreements that meet the criteria outlined above, our best estimate of the number of agreements that would come to the Commission each year is 119, or approximately 44% of all HSH-administered agreements. This represents an average of 10 agreements to be reviewed and acted on per month, although in practice, the actual number will be more in some months and fewer in others. Consideration of the time and workload required to review and approve agreements – which will be only one matter of business before the Commission – was one factor that informed the criteria above.

Federal regulations in the form of the Continuum of Care (CoC) Interim Rule charge the local CoC governing body, which is the Local Homeless Coordinating Board (LHCB) in San Francisco, with preparing and approving the annual consolidated application to HUD for CoC program funds. Therefore, the LHCB will continue to oversee, approve and advise your Commission on federal Continuum of Care grant agreements.

Approval of all other agreements that do not fall under the above criteria will be delegated to me, as Executive Director of HSH.

Furthermore, because the Commission meets only once a month, I will retain the authority to approve grants and contracts in an urgent or emergency situation that cannot wait until the next meeting, without prior Commission review and approval. I will include an update on any agreements approved under these circumstances in the Director's Report at the subsequent Commission meeting.

I will be happy to work with the Chair of the Commission to bring the agreement review criteria and approval process back to you at a future date for evaluation and possible revision, if so desired.

