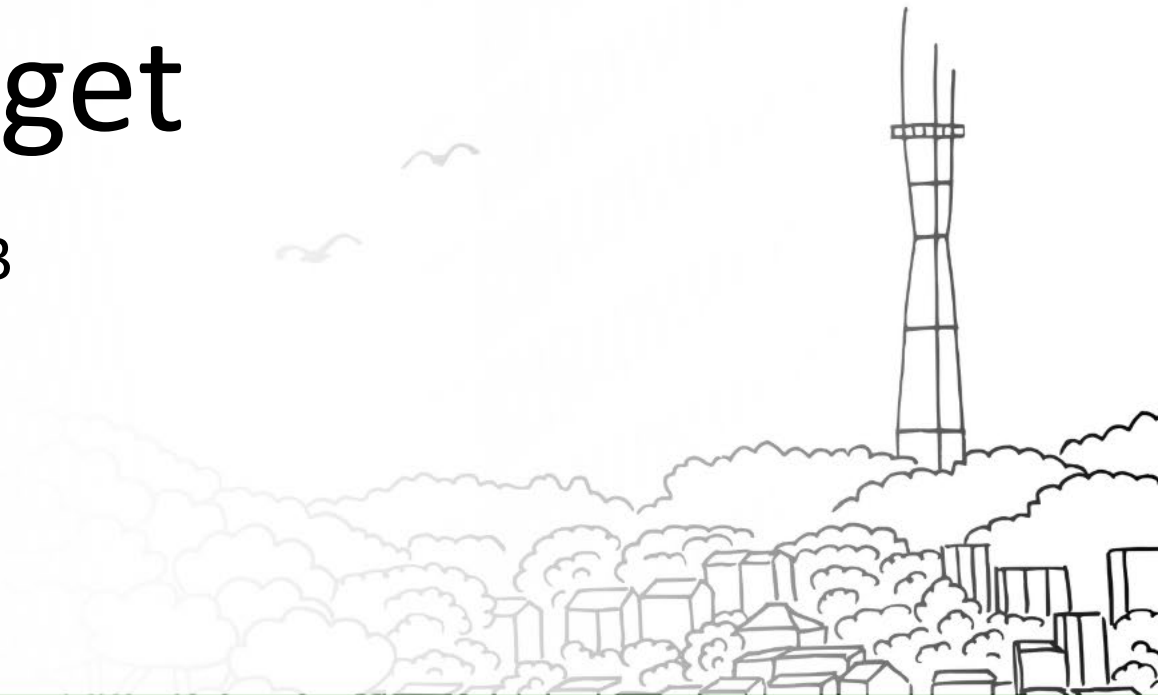




DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2023-24 & FY2024-25 Mayor's Proposed Budget

Homelessness Oversight Commission | June 1, 2023



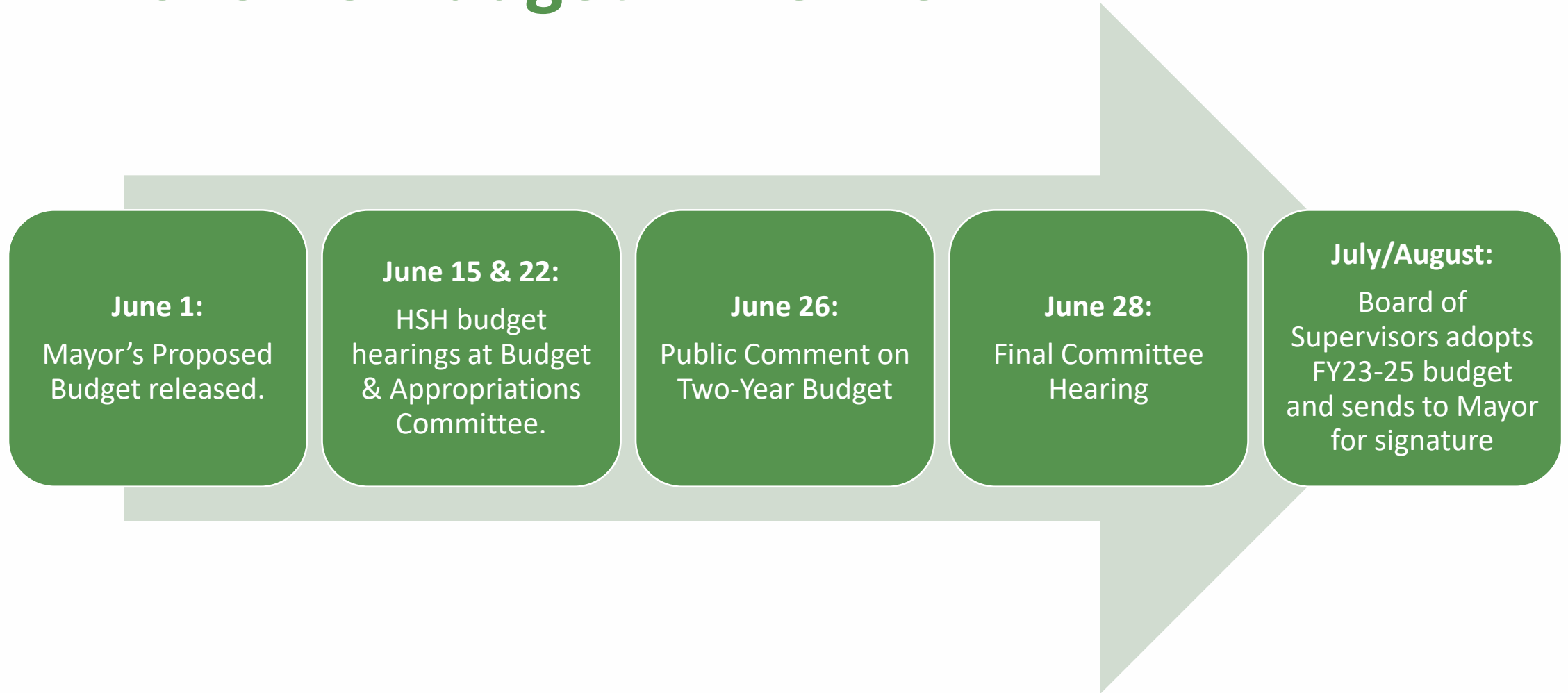


DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Budget Overview

- Budget Approval Timeline
- Departmental Budget Summary
- Funding Sources
- Spending by Service Area

FY2023-25 Budget Timeline



Overview: FY 2023-24 & FY 2024-25 Budget

\$ in millions	FY22-23 Adopted	FY23-24 Proposed	\$ Change from FY23	% Change from FY23	FY24-25 Proposed	\$ Change from FY24	% Change from FY24
Total Budget	\$672.02	\$690.30	+ \$18.28	+ 2.7%	\$660.61	- \$29.69	- 4.3%
<i>Revenue</i>	<i>\$386.98</i>	<i>\$387.07</i>	<i>+ \$.09</i>	<i>0.0%</i>	<i>\$365.28</i>	<i>- \$21.79</i>	<i>- 5.6%</i>
<i>General Fund</i>	<i>\$285.04</i>	<i>\$303.23</i>	<i>+ \$18.19</i>	<i>+ 6.4%</i>	<i>\$295.33</i>	<i>- \$7.9</i>	<i>- 2.6%</i>

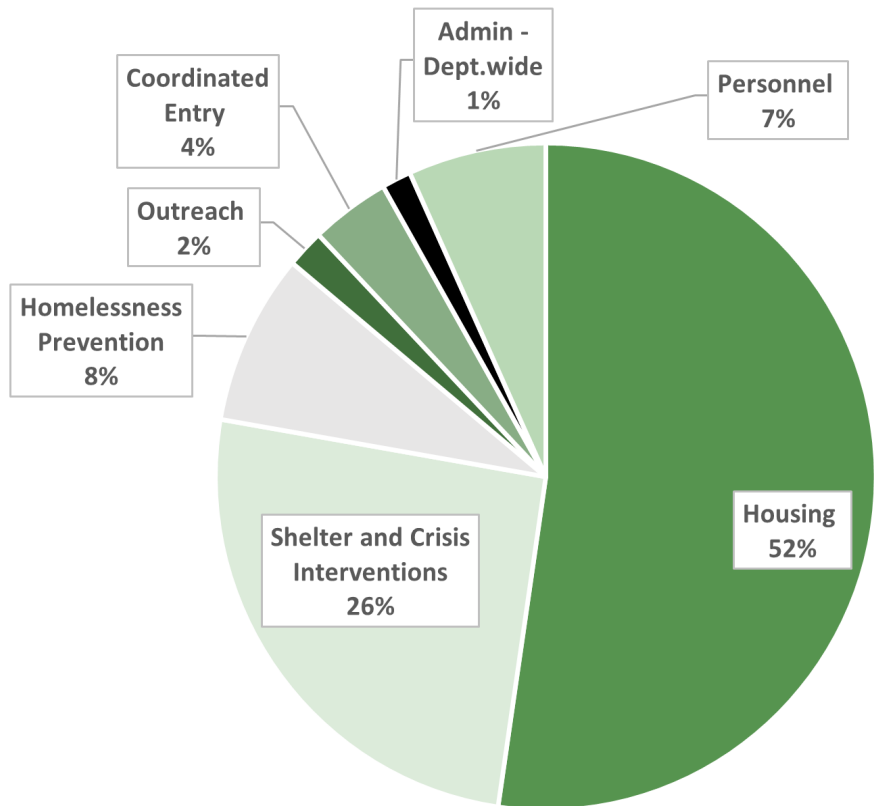
Multiple Funding Sources Support HSH's \$690 Million FY 2023-24 Proposed Budget

Revenue Overview: FY2023-24 Proposed Budget



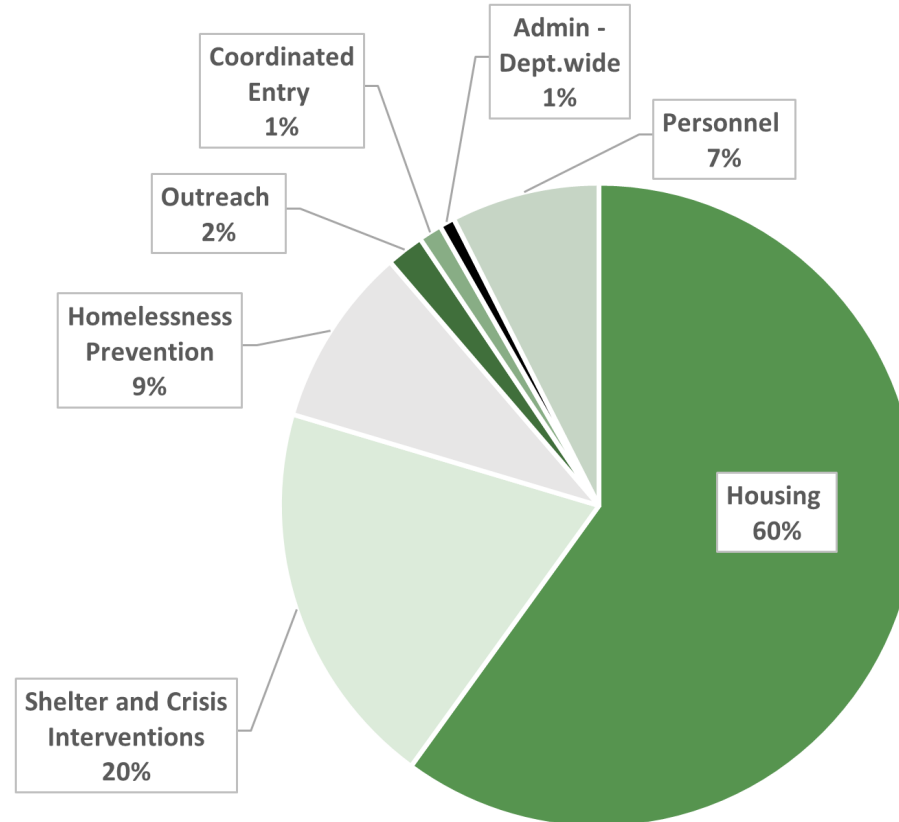
Proposed Two-Year Budget by Service Area

FY 2023-24 Proposed Budget by Service Area



FY2023-24 Proposed Budget: \$690.3 million

FY 2024-25 Proposed Budget by Service Area



FY2023-24 Proposed Budget: \$660.6 million



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Budget Highlights




- 5-Year Strategic Goals
- Housing Investments
- Shelter Investments
- Prevention Investments
- Investments in Youth and Families
- Investments for Equitable Service Delivery and High-Quality Services

5-Year Strategic Plan Goals: July 2023 - June 2028

<u>GOAL #1:</u> Decrease Homelessness	Reduce the number of people who are unsheltered by 50% and reduce the total number of people experiencing homelessness by 15% .
<u>GOAL #2</u> Reduce Inequities	Demonstrate measurable reductions in racial inequities and other disparities in both: <ul style="list-style-type: none">• the experience of homelessness and• the outcomes of City programs intended to prevent and end homelessness.
<u>GOAL #3</u> Increase Exits from Homelessness	Actively support at least 30,000 people to move from homelessness into permanent housing.
<u>GOAL #4</u> Support Housing Success	Ensure that at least 85% of people who exit homelessness do not experience it again .
<u>GOAL #5</u> Prevent Homelessness	Provide prevention services to at least 18,000 people at-risk of losing their housing and becoming homeless.

Strategic Investments in the City's Homelessness Response System

To achieve the Plan's Goals, the City must make investments in among prevention, shelter and housing between July 2023 and June 2028.

 Prevention Services	 Shelter Beds	 Permanent Housing
Prevention services for 4,300 additional households	1,075 new shelter beds	3,250 new units of permanent housing

Budget Supports New Housing to Exit Homelessness

- **545 new housing slots** beyond the MOHCD pipeline to reach strategic goals.
 - **120 shallow subsidy slots** for adults and families:
 - 60 slots of adult shallow subsidies (\$1.1 million/year ongoing)
 - 60 slots of family shallow subsidies (\$1.5 million/year ongoing)
 - **350 rapid re-housing slots** for adults:
 - \$14 million in one-time funds (\$3.4 million in FY23-24, \$10.6 million in FY24-25)
 - **75 PSH units** for chronically homeless adults in FY24-25
- Supports operations and services of **258 newly constructed units** through MOHCD's affordable housing pipeline.
 - Housing will serve formerly homeless adults, veterans, families, and youth.

Proposed Investments to Enhance Housing Quality & Housing Choice

\$10.5 million
one-time
funding

Building upgrades & ADA improvements at legacy PSH buildings.

\$4 million
over two
years:

Expansion of money management program for PSH tenants.

\$8 million
over two
years:

Acquisition of youth “bridge housing” site and funds to operate new program model.

\$2 million
one-time in
FY24:

Pilots state-funded model to provide enhanced behavioral health and skilled nursing services at a PSH site.

\$25 million in
one-time
carryforward:

Capital to complete seismic and waterpipe renovations of PSH site at 1000 Sutter Street.

Proposed Shelter Expansion Toward Strategic Goals

Increases HSH's shelter system to **3,656 beds** over two years (~594 new beds compared to current capacity).

New projects includes:

- **New cabins program** at Mission District site:
 - \$4.2 m in FY24 | \$5.5 m in FY25
- **New District 10 site** for cabins/vehicles (capacity TBD)
 - \$8 m for capital and lease in FY24 | \$7 m in FY25
- Additional **hotel vouchers** for families.
- **Expand capacity** at largest adult shelters: **395 beds**
- Funds 63 beds through **state Bridge Housing grant** in partnership with Public Health.

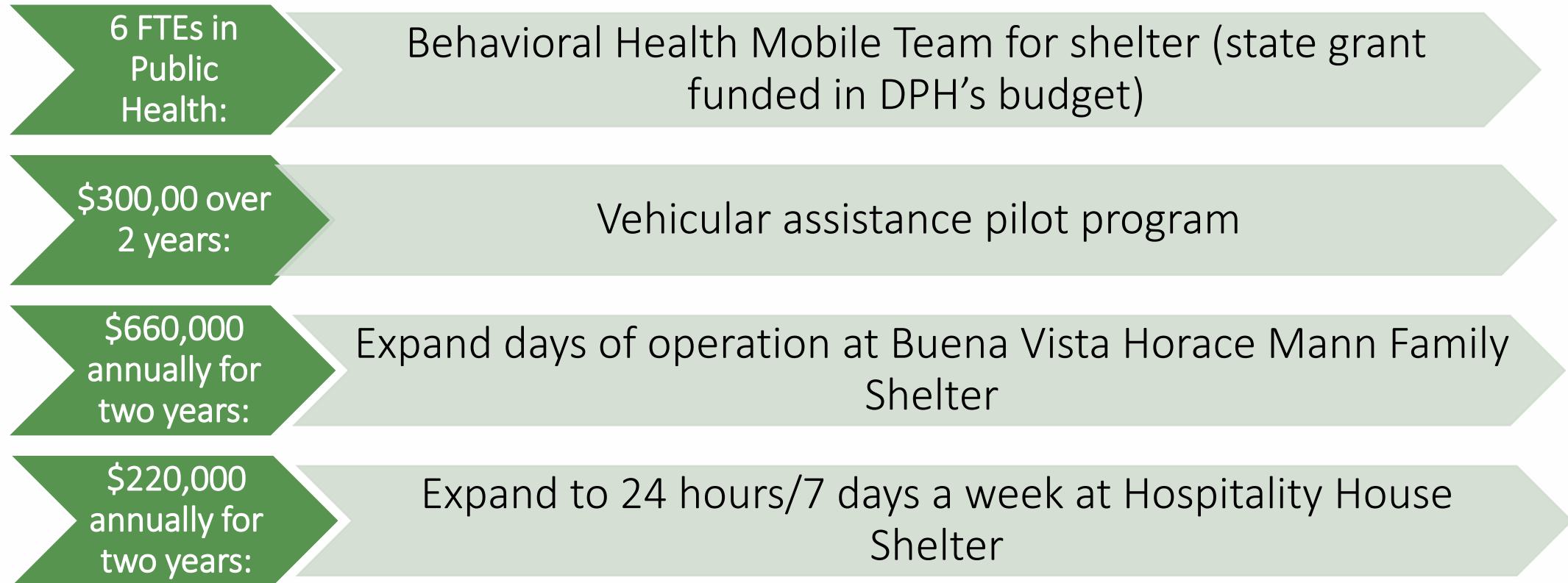


Non-congregate cabin program at 33 Gough.

Proposed Budget Maintains Shelter Beds

Program	Details	Investment Level
Safe parking	<ul style="list-style-type: none"> Funds Candlestick site to serve 81 vehicles (32 more vehicles than current capacity). 	
Cabins program	<ul style="list-style-type: none"> Maintains 70 cabins at 33 Gough through FY25 	<ul style="list-style-type: none"> \$5.5M over two years, leverages state grant funds in FY24
Non-Congregate and Semi-Congregate Shelters	<ul style="list-style-type: none"> Extends one-year of operations at three hotel-based shelters providing 288 beds. Extends 114 beds at Ellis Street temporary shelter for two years. Site slated to become PSH. Extends operations at 711 Post and Baldwin Hotel shelters. 	<ul style="list-style-type: none"> FY2024: \$27M: Reallocates \$23.5 m in prior year appropriations and leverages state grant \$7M a year in state grant funds \$16M a year in state grant funds

Proposed Investments to Enhance Shelter Quality and Services



Proposed Budget Expands Homelessness Prevention

825 new slots of homelessness prevention and housing problem solving to reach strategic goals.

Expands prevention to serve **750 additional households** with emergency rental assistance.

FY24: \$8.1M

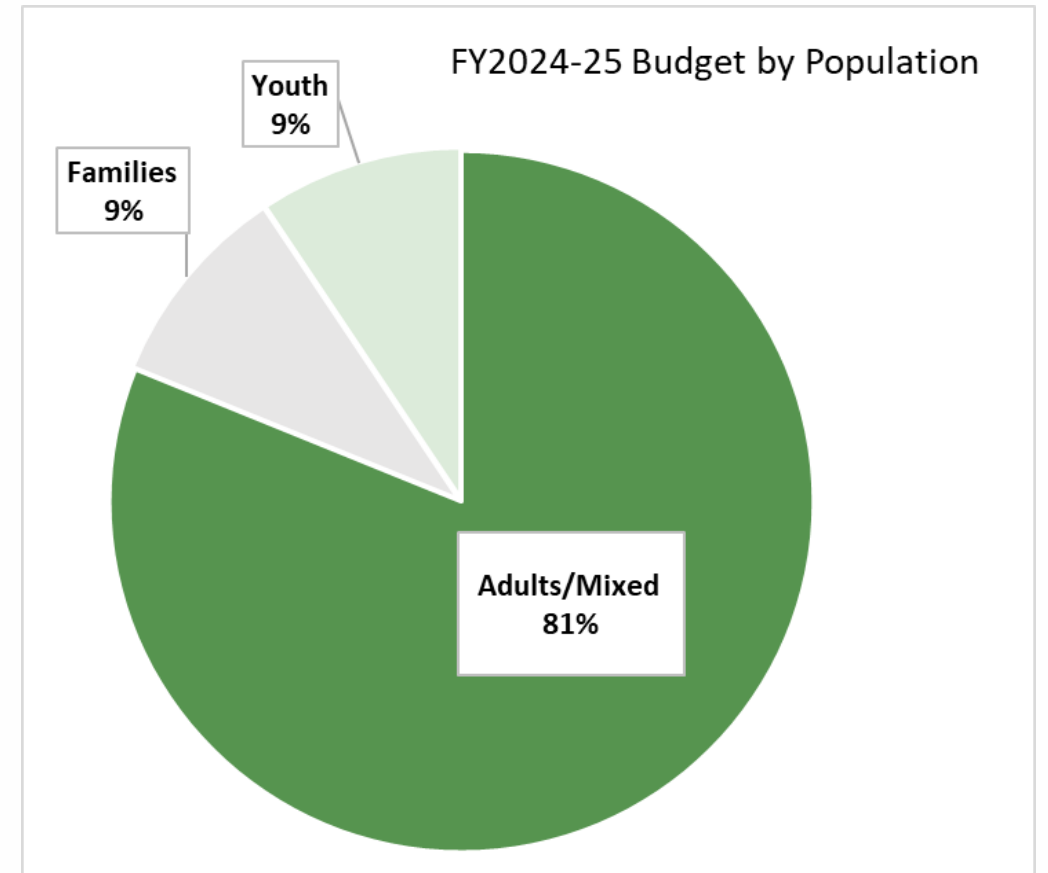
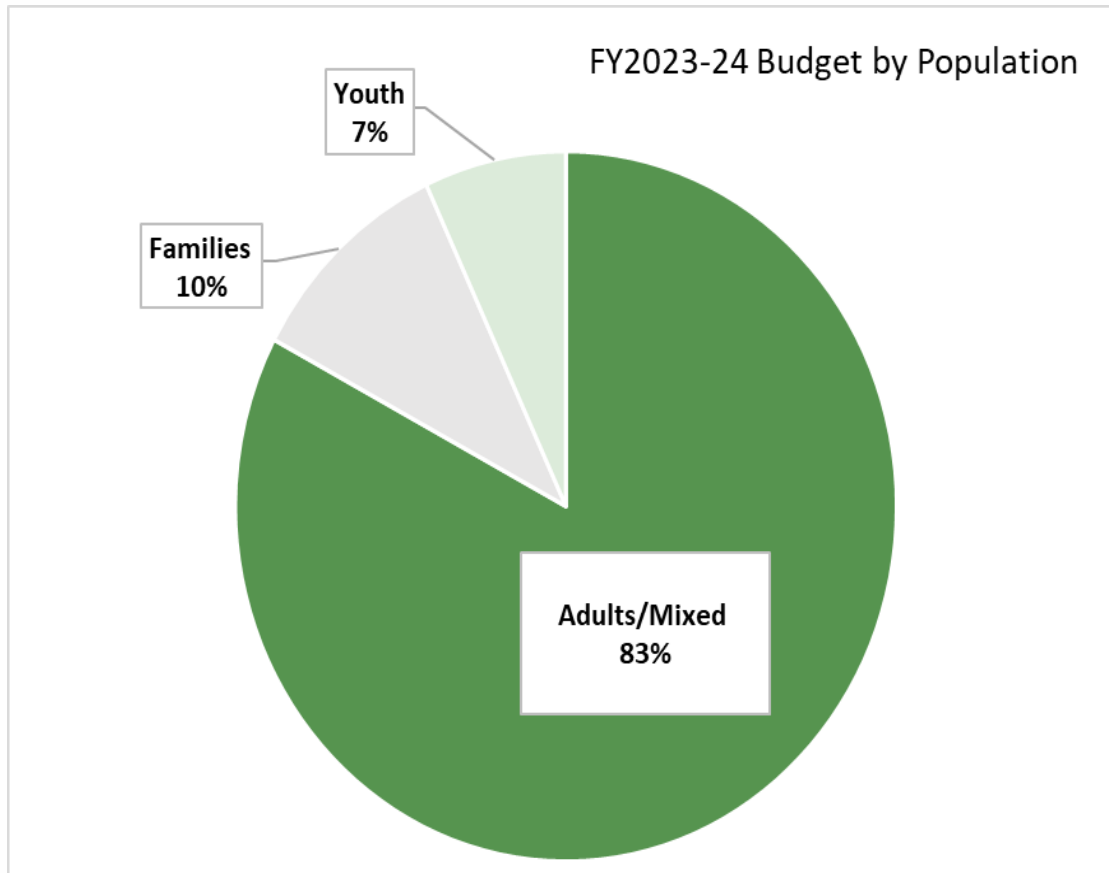
FY25: \$8.1M

Funds **problem solving for 75 Latine youth** and supports **staffing for Mission Access Point**.

FY24: \$960K

FY25: \$960K

Proposed Budget By Population



Highlights: FY23-25 Investments in Youth & Families

Youth

- \$10.3M for the continuation of operations and services at recently acquired and opened **~77 units** of supportive housing for youth.
- \$5.4M funds operating costs for **three new youth housing sites**:
 - Proposed 42-unit 1174-78 Folsom youth housing site;
 - Additional youth permanent housing site; and
 - TAY Bridge Housing site.
- \$1.8M for Access Point services and 75 Problem Solving slots for **Latine youth**.
- **\$6M for 24/7 youth drop-in center** funded by State HHAP grant funds, included in FY23-24 budget.
- \$1M in Continued support for Youth placed in **Emergency Housing Vouchers**.

Families

- \$6.4M for the continuation of operations and services at recently acquired and opened **~240 units** of family supportive housing.
- \$3M for 60 new **Family shallow subsidies** for housing.
- Long-term commitment to continue operations of the **Oasis Family Shelter**.
- **\$1.2M for the expansion of hours** at Buena Vista Horace Mann Family Shelter.
- \$1M in continued support for **191 Families** placed in **Emergency Housing Vouchers**.

Proposal: OCOH Two-Year Spending Plan & Trailing Legislation

- Proposed **one-time reallocation** of unspent or unprogrammed OCOH revenue to address the **most urgent** and **unmet** needs in challenging budget cycle.
- FY2023-24:
 - **Reallocates \$20.6 m** in OCOH revenue to serve **general** housing, prevention and shelter services for all populations, rather than exclusively youth and family housing programs.
 - Suspends **12% cap on short-term rental subsidies** for two budget cycles.
- FY2024-25:
 - **Adheres to statutory percentages** for youth and family housing.
 - **Re-appropriates \$39.4 million** in prior year unspent fund balance to general housing, prevention and shelter programs.

Proposal: OCOH Two-Year Spending Plan & Trailing Legislation

- Allows current OCOH programs to **continue on pace**.
- **Supports all investments** recommended by the OCOH Oversight Committee.
- Funds **55% of the City's five-year shelter goals** and **34% of the prevention goals** to achieve reduction of unsheltered homelessness overall.
- Remains **closely aligned with original OCOH allocations**, while providing **flexibility** needed to address unmet community needs, including youth and family shelter and prevention priorities.
- **Maintains** existing programs and services.
- Continues to **expand programming and housing** for youth and families.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Staffing

- HSH Staffing Budget and FTE Changes
- Filling Critical Gaps
- Ramp Up Funding

HSH Staffing Overview

	FY2022-23 Adopted	FY2023-24 Proposed	Change from FY23 Increase/ (Decrease)	FY2024-25 Proposed	Change from FY24 Increase/ (Decrease)	Two Year Budget Change
Total Full-Time Equivalent (FTE)	228.69	255.34	26.65	263.83	8.49	35.14
<i>Permanent FTE</i>	<i>222.37</i>	<i>249.26</i>	<i>26.89</i>	<i>257.72</i>	<i>8.46</i>	<i>35.35</i>
<i>Temp FTE</i>	<i>6.32</i>	<i>6.08</i>	<i>(0.24)</i>	<i>6.11</i>	<i>0.03</i>	<i>(0.21)</i>

FY24 FTE increase accounts for 7.59 net new FTE with partial funding; 19.2 FTE growth in FY24 to annualize new positions added at partial funding last fiscal year.

Lack of Staffing Resources Has Led to High Staffing Turnover

- Proposed FY2023-25 Budget continues to right-size **HSH staffing levels** and **enhance departmental effectiveness and ensure accountability.**
- Exit interviews cited *unsustainable workload* as primary reason for leaving HSH.
- Since FY2016-17, on average 23% staffing turnover rate each year
 - Staff departures compound overwork issues.
 - Challenge to fill new positions, while backfilling vacant roles.
 - Impact on department's ability to deliver timely and effective services.



Proposed FY2023-25 Staffing Investments

HSH Personnel as a % of Total Budget

Total Personnel Cost: 7%

Direct Service Staff Cost:
1%

All other staff costs: 6%

- Provides new HSH position authority **department-wide** over the next two years. General Fund FY23-24 cost limited to \$600k and funds partial cost in FY24-25.
 - Keeps pace with **multi-million-dollar** expansion of services across the Homelessness Response System.
- Requires HSH to **absorb cost** of new positions in FY23-24 through attrition savings in recognition of existing vacancies, but allows for flexibility to achieve full staffing.
- Address **unsustainable workloads** by investing in **department infrastructure**.
 - Reduce workloads of existing staff by filling critical staffing gaps.



DEPARTMENT OF
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Questions?

Thank you!