FY 2024-25 & FY 2025-26

Mayor’s Proposed Budget

Budget and Appropriations Committee | June 13, 2024
State of Homelessness

- Homelessness and Housing Crisis
- 2024 PIT Count
- San Francisco Success
Homelessness & Housing Crisis

The Metropolitan San Francisco Bay Area has **196,475** extremely low-income renter households and **61,248** affordable and available rentals.

**Minimum wage in San Francisco (as of June 2024)**

- **$18.07**

**Average hourly rate needed to afford a 1 bedroom apartment**

- **$51.25**

**Average hourly rate needed to afford a 2 bedroom apartment**

- **$61.31**
“If we hadn’t had the additional funding..., we would have seen a 30% increase [in homelessness], instead were seeing a 4% increase…. When we decontextualize the data, it does not give us the answers that we need.”

Dr. Margot Kushel, UCSF
KQED Forum May 28, 2024
2024 Point in Time (PIT) Count

- Preliminary data from the 2024 Point in Time (PIT) Count in San Francisco shows a modest increase in homelessness since 2022, but continued improvement since 2019.
  - 8,323 total homelessness, 52% of which were unsheltered

- The PIT reflects that while interventions are working, the demand outpaces available resources.
  - Est. 22,000 people entered homelessness since the 2022 PIT Count.
  - For every 1 person that exits homelessness in San Francisco, we estimate another 3 enter.

2024 Preliminary PIT Highlights

- 16% Decrease
  - Unsheltered homelessness since 2019
  - 13% fewer people sleeping on the streets in tents than in 2022, lowest in 10 years.

- 39% Increase
  - Sheltered since 2019
  - Corresponds with a 28% increase in available shelter.

- 94% Increase
  - Families experiencing homelessness
  - 90% reside in vehicles
Changing the Narrative in San Francisco

- In FY 2022-2023, through HSH funded programs, **1,339** households were **prevented** from entering homelessness, and **3,653** households **exited homelessness**.

**Mission:** strive to make homelessness in San Francisco **rare, brief, and one-time**, through the provision of **coordinated, compassionate, and high-quality** services.

- **Adults**
  - 643 prevented from entering homelessness
  - 2,624 exited homelessness

- **Families**
  - 644 prevented from entering homelessness
  - 406 exited homelessness

- **Young Adults (18-24)**
  - 52 prevented from entering homelessness
  - 623 exited homelessness
Home by the Bay: Citywide Strategic Plan to Prevent and End Homelessness

- Mission and Objective
- Strategic Action Areas
- Performance Measures
Home by the Bay: Citywide Strategic Plan

Last year, HSH published the five-year citywide strategic plan "Home by the Bay", an equity driven-plan to prevent and end homelessness in San Francisco (2023-2028).

The Plan identifies 5 high-level goals:

- **GOAL #1**: Decreasing Homelessness: Reduce the number of people who are unsheltered by 50% and reduce the total number of people experiencing homelessness by 15%.
- **GOAL #2**: Reducing Racial Inequities and Other Disparities: Demonstrate measurable reductions in racial inequities and other disparities in the experience of homelessness and the outcomes of City programs for preventing and ending homelessness.
- **GOAL #3**: Increasing Number of People Exiting Homelessness: Actively support at least 30,000 people to move from homelessness into permanent housing.
- **GOAL #4**: Supporting People to Succeed in Housing: Ensure that at least 85% of people who exit homelessness do not experience it again.
- **GOAL #5**: Preventing Homelessness: Provide prevention services to at least 18,000 people at risk of losing their housing and becoming homeless.
To reach the goals of the Plan, the city must **expand the homelessness response system** and implement Core Initiatives.

<table>
<thead>
<tr>
<th>Racial Equity Metrics and Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Performance Measurement and Contracting</td>
</tr>
<tr>
<td>Equip HSH and Provider staff to provide a consistently high standard of care</td>
</tr>
<tr>
<td>Coordinated Entry Redesign</td>
</tr>
<tr>
<td>No Wrong Door</td>
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<tr>
<td>Vehicular Homelessness</td>
</tr>
<tr>
<td>Shelter Expansion and Improvement</td>
</tr>
<tr>
<td>Improvements to PSH</td>
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<tr>
<td>Housing Pipeline and Placements</td>
</tr>
<tr>
<td>Prevention Expansion</td>
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<tr>
<td>Workforce Services in the Homelessness Response System</td>
</tr>
<tr>
<td>Population Specific Strategies</td>
</tr>
</tbody>
</table>
Measuring Performance

*HSH is measuring performance and progress towards the **Strategic Plan's objectives** through the following ways:

  - **Annual Progress Report** (September 2024)
  - **Public Dashboard** (September 2024)
  - **Performance Measurement Plan (PMP)** (by December 31, 2024)

*HSH also measures performance of our funded services and programs through **contract** and **program monitoring**.

  - Updated Agreement Management Handbook and Provider Performance Management Policy (August 2024)
  - New Contract Management System (FY 2025-26)

*HSH's **Multi-Year Procurement Plan (2023-2029)** will **reprocure** services by program area, **standardize performance metrics** and **update service rates** by service area.
## Performance Measures

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>FY2022-23</th>
<th>FY2023-24</th>
<th>Goal</th>
<th>Actual</th>
<th>Projected</th>
<th>Target</th>
<th>Progress Towards Target (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Homelessness Prevention</strong></td>
<td></td>
<td></td>
<td>Number of households that secured or maintain housing due to homelessness prevention grant.</td>
<td>1,419</td>
<td>1,300</td>
<td>600</td>
<td>216%</td>
</tr>
<tr>
<td><strong>Problem Solving</strong></td>
<td></td>
<td></td>
<td>Number of households whose homelessness was resolved through problem solving interventions.</td>
<td>1,000</td>
<td>984</td>
<td>700</td>
<td>141%</td>
</tr>
<tr>
<td><strong>Temporary Shelter</strong></td>
<td></td>
<td></td>
<td>Percent of case-managed families in individual room shelters that exit to permanent or transitional housing, treatment facility, or reunite with family.</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Percent of all available year-round adult shelter beds used.</td>
<td>95%</td>
<td>95%</td>
<td>95%</td>
<td>100%</td>
</tr>
</tbody>
</table>
## Performance Measures (Cont.)

<table>
<thead>
<tr>
<th>FISCAL YEAR</th>
<th>FY 2021-21</th>
<th>FY 2022-23</th>
<th>Progress Towards Target (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td>Actual</td>
<td>Projected</td>
<td>Target</td>
</tr>
<tr>
<td>Permanent supportive housing (PSH)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of households in PSH that remained stably housed or exited to other permanent housing.</td>
<td>97%</td>
<td>97%</td>
<td>95%</td>
</tr>
<tr>
<td>Number of adults leaving homelessness due to placement in PSH.</td>
<td>2,007</td>
<td>1,816</td>
<td>1,323</td>
</tr>
<tr>
<td>Number of families leaving homelessness due to placement in PSH.</td>
<td>82</td>
<td>262</td>
<td>201</td>
</tr>
<tr>
<td>Rapid rehousing (RRH)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of adults leaving homelessness due to RRH rental subsidy.</td>
<td>351</td>
<td>380</td>
<td>164</td>
</tr>
<tr>
<td>Number of families leaving homelessness due to RRH rental subsidy.</td>
<td>213</td>
<td>186</td>
<td>96</td>
</tr>
<tr>
<td>Number of households leaving homelessness due to RRH rental subsidy.</td>
<td>564</td>
<td>566</td>
<td>260</td>
</tr>
</tbody>
</table>
Budget Overview

- Departmental Budget Summary
- General Fund Budget Reductions
- Highlighted Investments
- Our City, Our Home (OCOH) Fund Proposal
- One-Time Funds
# Overview: FY2024-25 & FY2025-26 Budget

<table>
<thead>
<tr>
<th></th>
<th>FY23-24 Adopted</th>
<th>FY24-25 Mayor's Budget</th>
<th>$ Change from FY24</th>
<th>% Change from FY24</th>
<th>FY25-26 Mayor's Budget</th>
<th>$ Change from FY25</th>
<th>% Change from FY25</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Budget</strong></td>
<td>$713.3</td>
<td>$846.8</td>
<td>$133.5</td>
<td>18.7%</td>
<td>$677.1</td>
<td>($169.7)</td>
<td>-20.0%</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td>$411.2</td>
<td>$530.5</td>
<td>$119.3</td>
<td>29.0%</td>
<td>$370.74</td>
<td>($159.8)</td>
<td>-30.1%</td>
</tr>
<tr>
<td><strong>General Fund</strong></td>
<td>$302.1</td>
<td>$316.2</td>
<td>$14.1</td>
<td>4.7%</td>
<td>$306.31</td>
<td>($9.9)</td>
<td>-3.1%</td>
</tr>
</tbody>
</table>
## HSH General Fund Budget Reductions

<table>
<thead>
<tr>
<th>Description</th>
<th>FY24-25</th>
<th>FY25-26</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Internal Reductions</strong>: Identification of General Fund savings.</td>
<td>($6.7)</td>
<td>($3.8)</td>
</tr>
<tr>
<td><strong>SF Homeless Outreach Team Contract</strong>: Reduction in General Fund dollars, equivalent to 18 FTE.</td>
<td>($1.0)</td>
<td>($2.5)</td>
</tr>
<tr>
<td><strong>Cost-of-Doing-Business Reduction</strong>: 0.5% reduction in FY24-25 and 3% in FY25-26.</td>
<td>($6.9)</td>
<td>($15.8)</td>
</tr>
<tr>
<td><strong>Reduction to Community-Based Org Funding</strong>: Department has not yet determined impact or implementation of this proposed reduction.</td>
<td>--</td>
<td>($2.3)</td>
</tr>
<tr>
<td><strong>Elimination of new positions and increased salary savings</strong>: Cut 4 positions approved for FY24-25 and identified additional salary savings.</td>
<td>($1.4)</td>
<td>($1.7)</td>
</tr>
</tbody>
</table>
Highlights: FY24-26 Investments in Families

$50.1 million investment over two years to shelter ~600 families and house more than 450 families through new resources and turnover in existing housing.

- $23.8 m • 130 rapid rehousing subsidies for families
- $9.9 m • 50 rapid rehousing subsidies for young adult headed families
- $4.8 m • 35 shallow rental subsidies for families
- $11.6 m • 115 emergency shelter hotel vouchers
Highlights: FY24-26 Investments in Young Adults

$32.5 million investment over two years to provide housing subsidies for ~285 young adult households.

- **$24.5 m**
  - 235 rapid rehousing subsidies
    - 60 for young adults exiting transitional housing
    - 15 for young adults affected by violence

- **$3 m**
  - 50 flexible housing subsidies for young adults

- **$5 m**
  - Acquire a new housing site for justice-involved young adults (part of the Just Home Project)
Our City, Our Home (OCOH) Fund Proposal

• The proposed two-year OCOH budget:
  • Continues all investment in current OCOH programs;
  • Reflects investments recommended by the OCOH Oversight Committee; and
  • Makes significant investments to expand resources for young adults and families.

• Invests $47.2 million in OCOH funding to expand shelter and housing for families as part of the **Safer Families** initiative.
  • Funding includes a one-time reallocation of accrued OCOH interest revenue, requiring legislative approval to:
    • Reallocate $13.7 million of OCOH fund interest revenue; and
    • Suspend **12% cap on short-term rental subsidies** for two budget cycles.

• Allocates $32.5 million of TAY Housing funds towards **expansion in housing for young adults**.
HSH’s Two-Year Budget Relies on One-Time Funds

State grant funding and one-time general fund support for shelter runs out by FY27-28 leaving a $63 million funding gap, representing 1,096 shelter slots.
Staffing

- HSH Staffing Overview
- Supplemental Documentation on File
HSH Organizational Chart: Overview

Total Proposed Funded FTE: 260.3

Communications and Legislative Affairs
- 9 FTE
- 2 vacant

Equity
- 3 FTE

Admin. and Finance
- 79.16 FTE
- 7 vacant
- 3.16 proposed

Planning, Performance, and Strategy
- 16 FTE
- 1 vacant

Programs
- 148.58 FTE
- 22 vacant
- 2.58 proposed

Executive Director & Commission and Advisory Body Staff
- 5 FTE

Homelessness Oversight Commission:
- 7 Members
Trailing Legislation

- HSH Fund
- OCOH Funding Reallocation (Slide 18)
HSH Fund Trailing Legislation

- Administrative Code Sec. 10-100.77(f) requires the department to submit an expenditure plan if the proposed appropriations from the HSH Fund exceed $11.8 million.

- The HSH fund support homeless and formerly homeless individuals that are clients of the Human Service Agency's County Adult Assistance Program (CAAP).
  - Since the program launched in May 2004, 5,843 CAAP clients have been placed in permanent supportive housing.

- Resolution approves the FY 2024-25 and FY2025-26 Expenditure Plan.
  - $23,105,488 in FY 2024-25
  - $23,783,780 in FY 2025-26
Questions?

Thank you!