



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

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

**San Francisco Local Homeless Coordinating Board
February 7, 2022**



FY23 & FY24 Budget Development

2

➤ **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

<http://hsh.sfgov.org>



Proposed Budget Overview

3

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

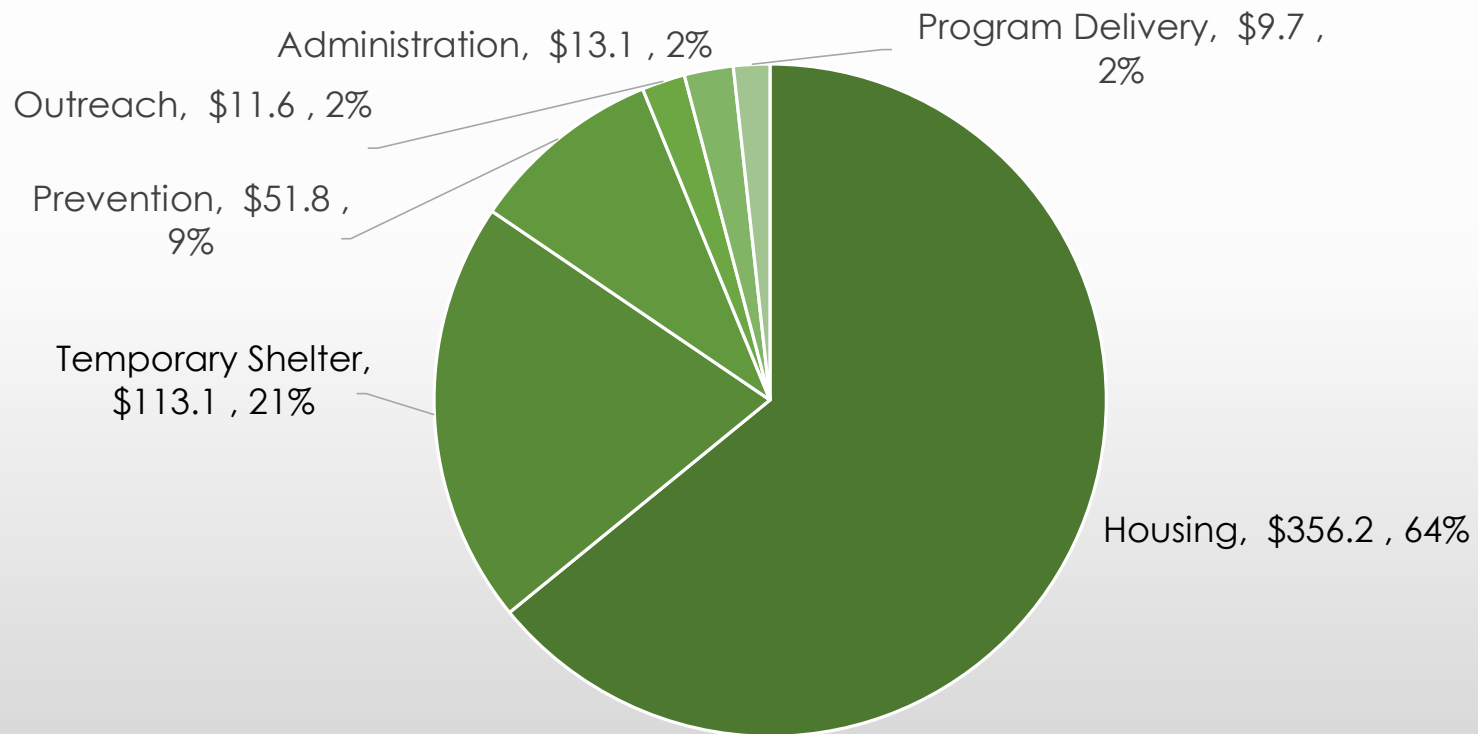
(\$ in millions)	Adopted FY2021-22 Budget	Proposed FY2022-23 Budget	Change From FY2021-22	Proposed FY2023-24 Budget	Change From FY2022-23
Total Budget	667.8	575.9	(91.9)	585.9	10.0
Revenue	399.4	325.3	(74.1)	335.3	10.0
General Fund Support	268.4	250.6	(17.8)	250.6	0.0

<http://hsh.sfgov.org>



Proposed Budget by Service Area FY23 (\$575.9 M)

5



<http://hsh.sfgov.org>



Position Summary

7

	FY22 Adopted Budget	FY23 Base Budget	<i>Change from FY22</i>	FY24 Base Budget	<i>Change from FY23</i>
Full-Time Equivalent (FTE) Positions	245.6	211	<i>(34.6)</i>	211	<i>(0)</i>

- Change reflects loss of temporary salaries supporting COVID-19 response
- HSH still determining proposals to increase staffing level
 - Gaps identified across department

<http://hsh.sfgov.org>



Current Budget Gaps

8

• 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

<http://hsh.sfgov.org>



FY23 & FY24 Priorities

9

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

10

• 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>



HSH Requests (cont.)

11

• **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

<http://hsh.sfgov.org>



FY23 & FY24 Capital Requests

12

• **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.

<http://hsh.sfgov.org>



Our City, Our Home (OCOH) Budget

13

• **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)

<http://hsh.sfgov.org>



2022 Budget Timeline

14

- **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

<http://hsh.sfgov.org>