



DEPARTMENT OF  
HOMELESSNESS AND  
SUPPORTIVE HOUSING

# Nonprofit Sustainability & Equity Investments

Quarterly HSH Provider Leadership Meeting  
March 18, 2022

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## Equity Investments: Funded

2

- \$2.2M of \$3M in one-time funds for PSH improvements allocated or in process; targeted older sites with investments such as health/safety upgrades, building wi-fi, common space upgrades
  - Identifying possible year-end savings to apply to this investment
- Starting in FY22-23, PSH providers will benefit from funding to increase case manager salaries to \$25/hour; TH providers will also be included
- \$300k/year ongoing for BIPOC CBO capacity building; \$900k accumulated by FY22-23 to make initial investment and leverage additional philanthropic funds

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## Equity Investments: Proposed

3

- \$12 M+ to implement 1:25 case management ratios and higher PUPM floor across adult/TAY PSH portfolio
  - \$4 M needed to address PSH sites with highest caseloads/lowest PUPM rates
- \$1.5 M placeholder to complete PSH property management equity analysis and implement findings
- Funding to provide mental health support/supervisor training for front-line workers
- Funding neutral: proposal to rebaseline shelter contracts to implement standard enhanced staffing model and increase pay for lower-wage workers

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## The Citywide Conversation

4

- Controller's Office has re-established a policy group comprised of the City departments that hold significant contracts with nonprofits
- Controller's Office is also hosting a joint CBO/City table that is meeting periodically and attended by HSN, SHPN and HESPA co-chairs, among others
- Goal to have recommendations by late April to inform the Mayor's Budget FY22-24 Proposal and upcoming Board process

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## Focus of the Citywide Conversation

5

- Options to **reduce administrative burden** related to the contracting process for both departments and CBOs
  - E.g., multi-year contracts with built-in CPI escalators, reforms to the IDT cybersecurity review process
- Options to address **inflationary cost pressures**
  - Automatic escalators in lieu of annual determined CODBs
  - Separate CODBs for wage and non-wage cost inflation
- Options to address **wage equity**
  - MCO as a tool spreads large sums so broadly that impact can be difficult to discern
  - Targeted investments in areas that will be most impactful (by job types, sector, etc.)
  - Funding for departments with low-wage contracted providers to allocate with discretion based on assessment of need/potential for impact

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## General Feedback and Tradeoffs Discussion

6

- Is it better to err on the side investing in high-quality, sustainable services, even if that means funding fewer units of housing/shelter/services within the HRS? E.g.,
  - Reduce number of Prop C funded units in favor of investing in a higher PUPM rate in PSH
  - Create a more welcoming environment by maintaining shelters at reduced capacity but lose hundreds of beds as a result
  - Allow flexibility within personnel budgets to restructure compensation (e.g. hire fewer FTE but pay higher salaries or offer incentive pay)

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## General Feedback and Tradeoffs Discussion

7

- As a general principle, should we be addressing existing funding inequities across program/providers before enhancing funding levels for new services?
- Would it be desirable to have funding standards for similar types of contracts while allowing flexibility for providers to program funds as they see fit within that funding standard?
- Within the list of HSH “proposed but not funded” investments, are certain items on this list higher priority to address first and if so why?

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8

**Thank You**

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