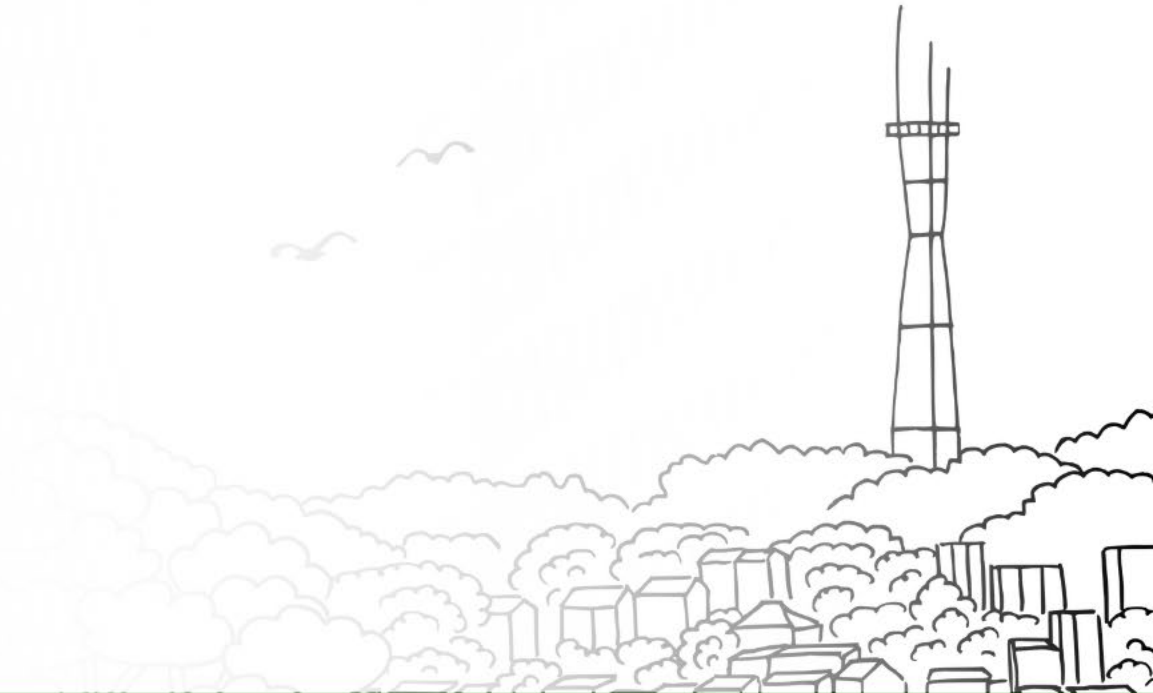




DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2023-24 & FY2024-25 Budget Update

Homelessness Oversight Commission | July 6, 2023





DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Budget Highlights:

- Departmental Budget Overview
- Board of Supervisors' Budget & Appropriations Committee Reductions
- Board of Supervisors' Budget & Appropriation Committee Changes

HSH Budget Overview: FY23-FY25

\$ in millions	FY22-23 Adopted	FY23-24 Mayor's Proposal	FY23-24 Budget Committee	\$ Change from Mayor's Proposal	FY24-25 Mayor's Proposal	FY24-25 Budget Committee	\$ Change from Mayor's Proposal
Total Budget	\$672.0	\$690.3	\$713.3	+ \$23.0	\$660.6	\$646.4	- \$14.2
<i>Revenue</i>	<i>\$387.0</i>	<i>\$387.1</i>	<i>\$411.2</i>	<i>+ \$24.1</i>	<i>\$365.3</i>	<i>\$351.7</i>	<i>- \$13.6</i>
<i>General Fund</i>	<i>\$285.0</i>	<i>\$303.2</i>	<i>\$302.1</i>	<i>- \$1.1</i>	<i>\$295.3</i>	<i>\$294.7</i>	<i>- \$0.6</i>

Summary of HSH Budget Sources

Revenue Category (\$ in millions)	FY 22-23	FY 23-24	% of FY4 Budget	FY 24-25	% of FY25 Budget
	Adopted	Budget Committee		Budget Committee	
General Fund	\$248.2	\$261.3	37%	\$267.9	41%
General Fund - Workorders	\$6.3	\$6.5	1%	\$6.3	1%
Continuing Project Fund	\$36.9	\$40.8	6%	\$26.8	4%
CalAIM Revenue	-	\$6.7	1%	\$9.0	1%
CalAIM PATH Revenue	\$8.4	\$20.7	3%	-	-
MacArthur Foundation Grant	\$0.8	-	<1%	-	-
HSH Fund (Care Not Cash)	\$18.8	\$22.4	3%	\$23.1	4%
Work Order Fund	\$5.6	\$4.8	1%	\$6.3	1%
Our City, Our Home Fund	\$233.4	\$234.6	33%	\$244.3	38%
Community Health Grants (State)	\$0.6	\$0.6	<1%	\$0.6	<1%
State Grants	\$47.4	\$52.8	7%	-	-
Federal HUD Grants	\$65.9	\$62.2	9%	\$62.2	10%
Grand Total	\$672.0	\$713.3	100%	\$646.4	100%

Summary of Expenditures

(\$ in millions)	FY 22-23 Adopted	FY 23-24 Budget Committee	% of FY24 Budget	FY 24-25 Budget Committee	% of FY25 Budget
Housing	\$395.0	\$400.5	56%	\$390.5	60%
Shelter and Crisis Interventions	\$153.5	\$181.8	25%	\$126.7	20%
Homelessness Prevention	\$51.8	\$57.4	8%	\$58.0	9%
Outreach	\$14.3	\$13.3	2%	\$12.5	2%
Coordinated Entry	\$4.7	\$5.0	1%	\$4.8	1%
Non-Personnel Costs	\$11.4	\$10.2	1%	\$5.1	1%
Salary and Fringe Benefits	\$41.3	\$45.1	6%	\$48.8	8%
Total	\$672.0	\$713.3	100%	\$646.4	100%

Budget Committee Recommendations

- Decrease in CBO contracting funding including:
 - Ongoing \$287,000 for hygiene services at VTC sites
 - One-time \$438,000 for outreach funded instead with one-time state Encampment Resolution Grant funds
 - One-time \$2.0 million reduction in shelter budget funding
- Increased HSH's salary savings target by an additional \$945,000
- Denied increase of 4 new positions totaling \$1.45 million including:
 - Cross Program Initiative Manager, Training Officer and two Housing Program Analysts.

Budget & Appropriations Committee Changes

- Increase of \$3.14M in FY23-24 in one-time funding and \$500K in ongoing funding in FY24-25 for Board Addbacks including:
 - One-time \$1 million for quality-of-life improvements in PSH sites
 - One-time \$200,000 increase for TAY food security
 - One-time \$350,000 for Urban Rest and Sleep Program in Tenderloin
 - One-time \$1 million for capital expansion at Lower Polk TAY Navigation Center
 - \$585,000 in FY24 for new Safe Parking site for Westside district; \$500,000 in FY25
- Appropriated \$6.5 million for new state Encampment Resolution Grant focused on Mission District, includes funding for Mission cabins site and outreach workers
- Adds \$1.5 million in FY23-24 and \$3 million in FY24-25 for Sober Living permanent supportive housing site, funded by Department of Public Health
- Revised Expenditure Plan and Legislation for Our City, Our Home



DEPARTMENT OF
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Our City, Our Home Fund Revisions

- Revised Our City, Our Home Fund Expenditures
- Revised Sources
- Budget Investments to Meet Strategic Goals

Board's Revisions to Our City, Our Home Fund Proposal

- Denied reallocation of TAY and Family Housing revenue and fund balance
- Appropriated \$34.4 million in new revenue, identified by the Controller, in accrued interest earnings on the Fund's total balance over a three-year period
- Leveraged new state grant award for Mission cabins program
- Reduced two-year investments from \$60 million to \$44 million
- Amended legislation to appropriate portion of interest earnings for shelter and prevention
- Suspends 12% cap on rapid rehousing investments (increased to 14% in FY23-24, reverts to 11% in FY24-25)

Revised Strategic Plan Proposal: Expenditures

Revised Proposal Uses - \$44M	FY23-24	FY24-25	Two-Year Total
General Housing	3,464,000	6,007,000	9,471,000
Fund 235 Slots of Adult Rapid Rehousing	3,464,000	6,007,000	9,471,000
Prevention	9,082,000	9,121,000	18,203,000
750 Addtl Slots Homelessness Prevention/Diversion	8,122,000	8,161,000	16,283,000
75 Problem Solving Slots for Latine Youth	960,000	960,000	1,920,000
Shelter	8,900,000	7,666,000	16,566,000
D10 60 Cabin Site Operations	3,000,000	7,066,000	10,066,000
Vehicular Assistance Program (Pilot Only)	100,000	-	100,000
Expand Hours at Buena Vista Horace Mann Family Shelter	600,000	600,000	1,200,000
Fund Operations 60 Mission Cabins for 21 Months	5,200,000	-	5,200,000
TOTAL	21,446,000	22,794,000	44,240,000

Revised Proposal: Sources

REVISED PROPOSAL: SOURCES

Description	FY23-24	FY24-25	Two- Year Total
Our City, Our Home (OCOH) Fund Interest Earnings	\$ 15,096,000	\$ 19,344,000	\$ 34,440,000
Restore FY22 OCOH Prevention Funds moved to TAY and Family Housing	\$ 1,050,000	\$ 3,450,000	\$ 4,500,000
TOTAL OCOH SOURCES	\$ 16,146,000	\$ 22,794,000	\$ 38,940,000
State Grant Funding for Mission Cabins	\$ 5,200,000	\$ -	\$ 5,200,000
Workorder Funding: Vehicular Assistance Pilot Program	\$ 100,000	\$ -	\$ 100,000
TOTAL OTHER SOURCES	\$ 6,350,000	\$ 3,450,000	\$ 9,800,000
TOTAL SOURCES FOR REVISED PROPOSAL	\$ 21,446,000	\$ 22,794,000	\$ 44,240,000




Note: Interest earnings were not assumed in the Mayor's Proposed Budget. This will be an overall increase to the OCOH Fund budget.

Revised Proposal: Resources Not Funded

Not Funded in Revised Proposal (\$44M)	FY23-24	FY24-25	Two-Year Total
General Housing	-	8,780,000	8,780,000
115 slots of Adult Rapid Rehousing	-	4,530,000	4,530,000
75 units of Adult Permanent Supportive Hsg	-	4,250,000	4,250,000
Prevention	-	1,963,000	1,963,000
Sustains Prevention Portfolio Funding Level (sets up cliff in BY+2 but funds all immediate needs)	-	1,963,000	1,963,000
Shelter	270,000	370,000	640,000
Expand Hours at Hospitality House Adult Shelter	220,000	220,000	440,000
Vehicular Assistance Program	50,000	150,000	200,000
Not Funded Total	270,000	11,113,000	11,383,000

Strategic Investments w/ Revised Proposal

To achieve the Plan’s goals, the City must make investments in 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
Current Inventory		
13,000 households over 5 years	3,062 shelter beds	13,183 housing slots
Proposed Budget: Progress towards Five-Year Strategic Plan Goals		
+ 1,650 households (prevention & problem solving) 34%	+ 594 shelter beds 55%	+ 355 housing slots 11%