



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2024-25 & FY2025-26 Mayor's Proposed Budget

Homelessness Oversight Commission – June 6, 2024





DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Budget Overview

- Departmental Budget Summary
- Spending by Service Area and Expenditure Type
- Sources and Structural Funding Gap

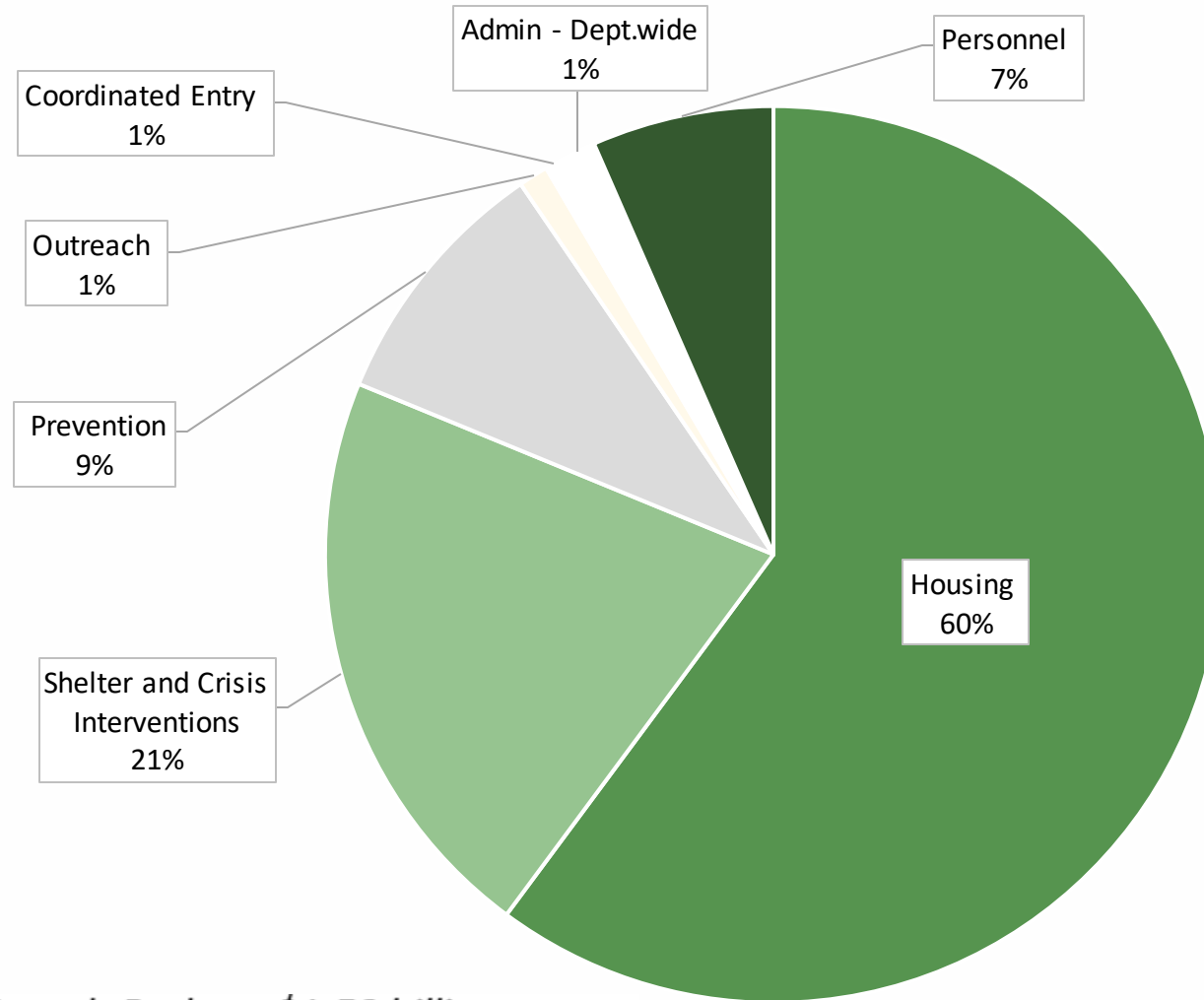
Overview: FY2024-25 & FY2025-26 Budget

\$ in millions	FY23-24 Adopted	FY24-25 Mayor's Budget	\$ Change from FY24	% Change from FY24	FY25-26 Mayor's Budget	\$ Change from FY25	% Change from FY25
Total Budget	\$713.3	\$846.8	\$133.5	18.7%	\$677.1	(\$169.7)	-20.0%
<i>Revenue</i>	<i>\$411.2</i>	<i>\$530.5</i>	<i>\$119.3</i>	<i>29.0%</i>	<i>\$370.74</i>	<i>(\$159.8)</i>	<i>-30.1%</i>
<i>General Fund</i>	<i>\$302.1</i>	<i>\$316.2</i>	<i>\$14.1</i>	<i>4.7%</i>	<i>\$306.31</i>	<i>(\$9.9)</i>	<i>-3.1%</i>

Mayor's Proposed Budget – Expenditure Categories – All Funds

\$ in millions	FY23-24 Adopted	FY24-25 Mayor	\$ Change from FY24	FY25-26 Mayor	\$ Change from FY25
Salaries and Benefits	\$45.3	\$48.9	\$3.6	\$51.0	\$2.0
Grants to Community-Based Org	\$586.5	\$716.6	\$130.2	\$539.5	(\$177.1)
Professional Services	\$31.2	\$27.8	(\$3.4)	\$25.9	(\$1.9)
Materials and Supplies	\$0.2	\$0.2	-	\$0.2	-
Interdepartmental Services	\$50.1	\$53.2	\$3.1	\$60.6	\$7.4
TOTAL	\$713.3	\$846.7	\$133.5	\$677.0	(\$169.7)

FY24-26 Mayor's Budget by Service Area



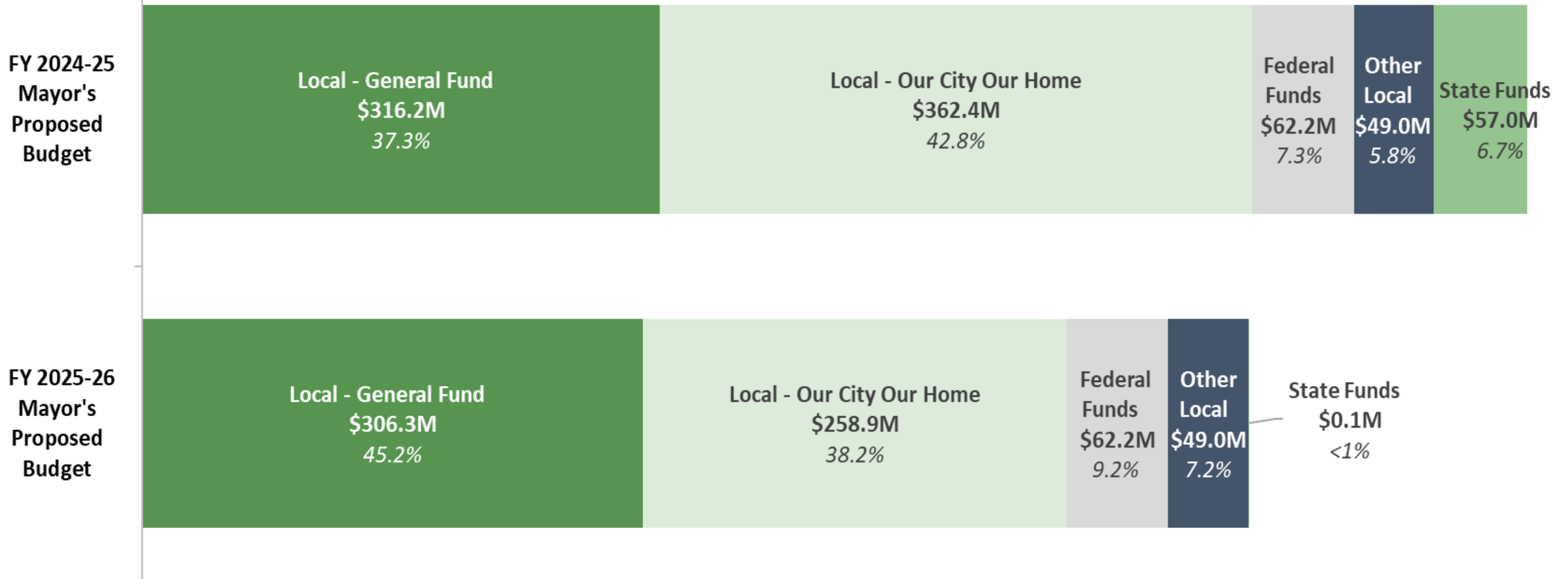
Total Two-Year Mayor's Budget: \$1.52 billion

General Fund Operating Budget Expenditures – Changes from Dept Proposal

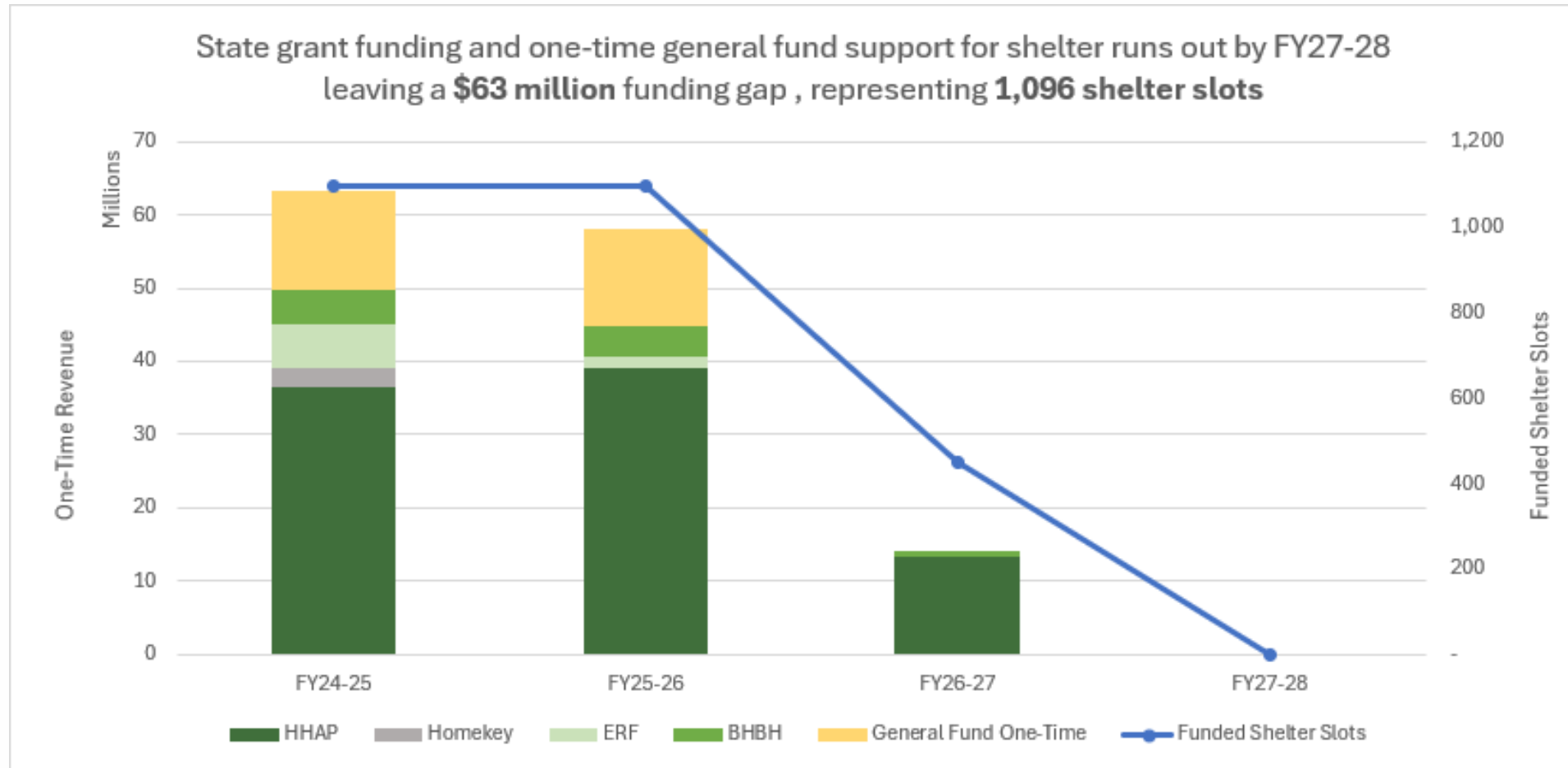
\$ in millions	FY23-24 Adopted	FY24-25 Dept	FY24-25 Mayor	\$ Change Dept-Myr FY25	FY25-26 Dept	FY25-26 Mayor	\$ Change Dept-Myr FY26
Salaries and Benefits	\$25.8	\$28.7	\$27.6	(\$1.1)	\$30.0	\$28.6	(\$1.3)
Grants to Community- Based Organizations	\$168.7	\$173.6	\$171.4	(\$2.2)	\$184.0	\$172.0	(\$12.1)
Professional Services	\$27.3	\$28.5	\$25.7	(\$2.7)	\$29.0	\$24.2	(\$4.8)
Materials and Supplies	\$0.2	\$0.2	\$0.2	-	\$0.2	\$0.2	-
Interdepartmental Services	\$44.6	\$48.3	\$48.2	(\$0.1)	\$56.1	\$55.9	(\$0.1)
TOTAL	\$266.6	\$279.2	\$273.0	(\$6.2)	\$299.2	\$280.9	(\$18.3)

Multiple Funding Sources Support HSH's Budget

Comparative Revenue Overview: FY 24-25 and FY 25-26 Mayor's Budget



HSH's Two-Year Budget Relies on One-Time Funds





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Budget Details

- General Fund Budget Reductions
- Temporary Shelter Funding
- Our City, Our Home Spending Plan Overview
- New Investments in Youth and Families Services
- Leveraging Revenue

HSH General Fund Budget Reductions

\$ in Millions	FY24-25	FY25-26
HSH Department Phase Reductions <i>In order to meet the Mayor's budget instructions the department identified General Fund savings, and pro-rated contracting costs for programmatic implementation timelines.</i>	(\$5.7)	(\$2.8)
SF Homeless Outreach Team Contract <i>Approximately 60% reduction in GF funding over two years proposed in Mayor's Budget. Cut is equivalent to 18 FTE, comparable to elimination of district-based outreach teams.</i>	(\$2.0)	(\$3.5)
Cost-of-Doing-Business Reduction <i>The Mayor's proposed budget reduces CODB increase across grant and professional services accounts by 0.5% in FY24-25 and 3% in FY25-26. Additional reductions account for cutting funding budgeted for the FY23-24 4.75% CODB in HSH's budget.</i>	(\$6.9)	(\$15.8)
Reduction to Community-Based Org Funding: <i>Additional reduction to HSH grants line item. The Department has not yet determined the impact of this reduction or implementation plan.</i>		(\$2.3)
Elimination of 4 new positions and increased salary savings <i>- Four positions approved by the Board last year to begin in FY2024-25 were cut from the Mayor's proposed budget and salary savings was increased compared to department's proposed budget.</i>	(\$1.4)	(\$1.7)

Highlights: FY24-26 Investments in Shelter

Program	Details	Funding Source	Investment Level
Westside Vehicle Triage Center	<ul style="list-style-type: none"> One-time General Fund support the construct and launch operations of a new Vehicle Triage Center in the Westside. 	General Fund	\$5 million
Non-Congregate Shelter	<ul style="list-style-type: none"> One-time General Fund and HHAP 5 grant support to continue operations at 3 non-congregate shelter sites, the Cova, Monarch and Adante totaling 288 beds maintained. 	General Fund and HHAP 5	\$32.9 million
Jerrold Commons (Cabins and Safe Parking)	<ul style="list-style-type: none"> HSH applied for round 3 State Encampment Resolution Fund grant for capital and operational support for the Jerrold cabins project in the Bayview. Grant application is currently under review with state. 	Encampment Resolution Fund (if awarded)	\$7.9 million
Family Emergency Shelter	<ul style="list-style-type: none"> 115 urgent accommodation vouchers (hotel vouchers) for families, expected to serve more than 600 families over 18 months. 	General Fund and OCOH Fund	\$11.6 million
Buena Vista Horace Mann Family Shelter expansion	<ul style="list-style-type: none"> Adds additional 11 beds to the shelter on a one-time basis for total of 80 beds. 	General Fund	\$0.3 million

Proposal: Our City, Our Home Fund Two-Year Spending Plan & Trailing Legislation

- Invests **\$47.2 million** in OCOH funding towards Mayor's **Safer Families** proposal
 - Funding includes a one-time reallocation of accrued OCOH Fund interest revenue, requiring legislative approval:
 - **Appropriates \$17.6 million** in OCOH Fund interest revenue for housing and emergency shelter for families with children. (\$13.67 million reallocation requires legislative approval)
 - Suspends **12% cap on short-term rental subsidies** for two budget cycles.
- Allocates **\$32.5 million** in OCOH TAY Housing funding towards expansion in rapid rehousing, flex pool housing, and a new site for justice-involved young adults.
- Continues investment in all current OCOH programs.
- **Supports investments** recommended by the OCOH Oversight Committee.

Highlights: FY24-26 Investments in Families

Program	Details	Investment Level
Rapid Re-housing Subsidies	<ul style="list-style-type: none"> 130 rapid rehousing subsidies for families (two to five years) 	\$23.8 million
Rapid Re-housing Subsidies for TAY-headed families	<ul style="list-style-type: none"> 50 Rapid Rehousing Subsidies for TAY-headed families (two to five years) 	\$9.9 million
Shallow Rental Subsidies	<ul style="list-style-type: none"> 35 shallow rental subsidies for families (two to five years) 	\$4.8 million
New Urgent Accommodation Vouchers	<ul style="list-style-type: none"> 115 urgent accommodation vouchers (hotel vouchers) for families, expected to serve more than 600 families over 18 months 	\$11.6 million

Highlights: FY24-26 Investments in Youth

Program	Details	Investment Level
Rapid Re-housing Subsidies	<ul style="list-style-type: none"> • 160 two-to three-year subsidies for young adults • 60 three-year subsidies for young adults exiting transitional housing • 15 three-year subsidies for young adults impacted by violence 	\$24.5 million
Flex Pool/Housing Ladder Subsidies	<ul style="list-style-type: none"> • 50 new Flex Pool/Housing Ladder subsidies for young adults 	\$3 million
New Acquisition	<ul style="list-style-type: none"> • Acquisition of a new site for justice-involved young adults (Just Home Initiative) 	\$5 million

New Revenue

Program	Details	Investment Level
<p>State Grant -HHAP 5</p>	<ul style="list-style-type: none"> State Homeless Housing, Assistance and Prevention (HHAP) Program grant round 5. Funds partial funding of capacity for 288 beds of non-congregate shelters over two years; sustains investments for the Baldwin Hotel and 711 Post emergency shelter sites; TAY services set aside funds TAY Navigation Center at 888 Post; and administrative and data management costs. 	<p>\$43.5 million</p>
<p>State Funding -HHIP 2</p>	<ul style="list-style-type: none"> Housing and Homeless Incentive Program Round 2. Partnership with managed care plans (SF Health Plan and Anthem). Funding will continue support: 1) the enhanced care program including skilled nursing at Kelly Cullen permanent supportive housing site serving residents with acute health needs; 2) Improvements to Permanent Supportive Housing (PSH) properties to ensure accessibility for residents with disabilities or functional impairments; and 3) the redesign of the Coordinated Entry screening assessment tool to ensure clients are being assessed more holistically. 	<p>\$4.3 million</p>
<p>CalAIM/ Global Payment Program (MediCal Waiver Funding)</p>	<ul style="list-style-type: none"> The proposed budget includes \$0.6M in state funds to support the development of CalAIM infrastructure and billing as the department continues implementation of this new revenue generating program. CalAIM is expected to result in ongoing revenue for housing community supports (housing navigation, housing deposits, and housing stabilization services) for MediCal recipients exiting homelessness. \$5M in Global Payment Program (GPP) revenue for housing community supports (housing navigation, housing deposits and supportive services) provided for the uninsured. Department of Public Health's GPP serves patients with limited access to primary and preventive care services and aims to shift their care from the emergency department to more appropriate care in outpatient settings. GPP is the first payment effort of its kind to use Medicaid to encourage increased access to preventive care for the uninsured. This is HSH's first year participating in this program. 	<p>\$5.6 million</p>



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Staffing

- HSH Staffing Overview
- Position Changes

HSH Staffing Overview

	FY2023-24 Adopted	FY2024-25 Mayor's	Change from FY24 Increase/ (Decrease)	FY2025-26 Mayor's	Change from FY25 Increase/ (Decrease)	Two Year Budget Change
Total Full-Time Equivalent (FTE)*	247.13	260.3	13.17	261.22	0.92	14.09
<i>Permanent FTE</i>	<i>241.05</i>	<i>254.08</i>	<i>13.03</i>	<i>255.33</i>	<i>1.25</i>	<i>14.28</i>
<i>Temp FTE</i>	<i>6.08</i>	<i>6.22</i>	<i>0.14</i>	<i>5.89</i>	<i>(0.33)</i>	<i>(0.19)</i>

FY25 FTE increase detail:

- *5.74 net FTE increase for seven new non General Fund positions*
- *Change in year-over-year attrition level equivalent to 4 FTE*
- *2 FTEs for commissioner positions moved from off-budget to on-budget*
- *1.4 FTE to annualize new positions added as partial positions last fiscal year*

**Position summary does not include "off-budget" positions funded outside of the annual budget.*

Position Changes

- Proposed FY2024-26 Budget reduces four new General Fund positions set to be filled in October 2024, but adds new staffing funded by non-General Fund sources to implement budgeted family and TAY housing expansions.
- Four positions approved by the Board of Supervisors last year to begin in FY2024-25 were cut from the Mayor's proposed budget, including:
 - 1824 Principal Administrative Analyst
 - 2 - 1823 Senior Administrative Analysts
 - 2917 Program Analyst
- 7 new positions were added to the budget in Prop C to support the Safer Families and TAY OCOH funded initiatives:
 - 4 - 1823 Senior Administrative Analysts
 - 3 - 2917 Program Analysts

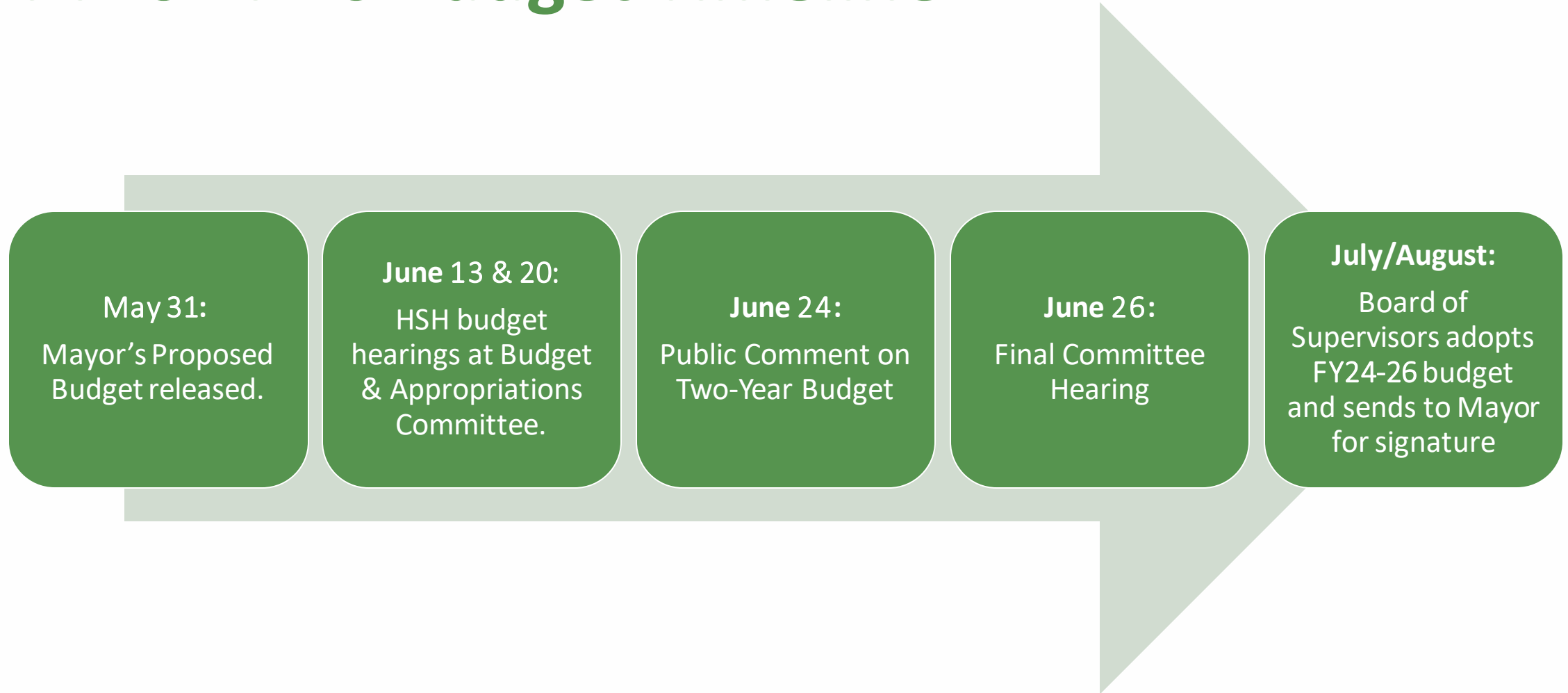


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Next Steps

- Budget Timeline
- Upcoming Board of Supervisors' Hearings

FY2024-26 Budget Timeline





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Questions?

Thank you!

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