

Item 1 File 23-0869	Department: Homelessness and Supportive Housing (HSH)
EXECUTIVE SUMMARY	
<p style="text-align: center;">Legislative Objectives</p> <ul style="list-style-type: none"> • The proposed resolution would approve the third amendment to the grant between HSH and Homeless Prenatal Program, extending the term from September 2023 through June 2027 and increasing the not-to-exceed amount by \$13,561,035 for a total amount of \$23,461,035. <p style="text-align: center;">Key Points</p> <ul style="list-style-type: none"> • The Homeless Prenatal Program is a non-profit in San Francisco that provides services to low-income and homeless families. HSH entered into an agreement with Homeless Prenatal Program to provide homelessness prevention services under a request for proposals that was issued on April 11, 2018. • Under the contract, Homeless Prenatal Program provides financial assistance, problem solving conversations, and housing-focused case management to families who meet the program’s criteria and are at imminent risk of homelessness. The FY 2021-22 performance monitoring report for Homeless Prenatal Program indicates that the program met or exceeded all of its service and outcome objectives in FY 2021-22, and while FY 2022-23 performance monitoring is ongoing, HSH staff reported that the program continued to exceed the minimum number of clients served that fiscal year. • The homelessness prevention assistance to be provided by Homeless Prenatal Program is part of the SF Emergency Rental Assistance Program (SF ERAP), which HSH administers alongside the Mayor’s Office of Housing and Community Development. In FY 2023-24, HSH expects to serve 1,283 households and MOHCD expects to serve 4,000 households. <p style="text-align: center;">Fiscal Impact</p> <ul style="list-style-type: none"> • The annual spending in the proposed agreement is \$2,977,771. Costs are funded by a combination of the General Fund and Homelessness Gross Receipt Tax revenues. <p style="text-align: center;">Recommendation</p> <ul style="list-style-type: none"> • Approve the proposed resolution. 	

MANDATE STATEMENT

City Charter Section 9.118(b) states that any contract entered into by a department, board or commission that (1) has a term of more than ten years, (2) requires expenditures of \$10 million or more, or (3) requires a modification of more than \$500,000 is subject to Board of Supervisors approval.

BACKGROUND

Procurement Process

On April 11, 2018, the Department of Homelessness and Supportive Housing (HSH) issued Request for Proposal (RFP) #111 for homeless prevention programs and rapid rehousing programs. Five organizations submitted proposals for homelessness prevention programs, including Homeless Prenatal Program.¹ A panel of three² reviewed the proposals based on organizational capacity (25 points), programming (50 points), and budget and cost (25 points) and gave Homeless Prenatal Program an overall average score of 93.33 out of 100 possible points, the second highest score of the five proposals. All five proposers were awarded contracts.

Homeless Prenatal Program

The Homeless Prenatal Program is a non-profit in San Francisco that provides services to low-income and homeless families.

Original Agreement and Amendments

Following RFP #111, HSH entered into an agreement with Homeless Prenatal Program on July 1, 2018 with a term of July 1, 2018 – June 30, 2021 and a not-to-exceed amount of \$2,644,910. HSH executed the first amendment to the agreement to extend the term to June 30, 2023 and increase the not-to-exceed amount to \$9,900,000. HSH executed the second amendment to the agreement to extend the term to September 30, 2023. There was no change to the not-to-exceed amount in the second amendment. None of these agreements required Board of Supervisors approval because they were less than \$10 million and shorter than 10 years.

DETAILS OF PROPOSED LEGISLATION

The proposed resolution would approve the third amendment to the grant between HSH and Homeless Prenatal Program, extending the term from September 2023 through June 2027 and increasing the not-to-exceed amount by \$13,561,035 for a total amount of \$23,461,035. The third amendment also includes an option for the City to renew the agreement for one additional

¹ The other four organizations were Catholic Charities, Compass Family Services, Eviction Defense Collaborative, and Hamilton Families.

² The three panelists included a Grants Manager at the Mayor's Office of Housing and Community Development, a Permanent Supportive Housing Manager at HSH, and a Department of Aging and Adult Services Manager at Human Services Agency.

year through June 2028, though any increase above \$500,000 to the proposed not to exceed amount would be subject to Board of Supervisors' approval.

Services

The scope of services to be provided by Homeless Prenatal Program includes financial assistance³ to families at imminent risk of homelessness, problem solving conversations, and housing focused case management. The scope also includes the use of a web-based Homelessness Prevention Platform to screen for households at high risk of homelessness. Homeless Prenatal Program is expected to serve at least 212 households annually through this grant, an increase from the minimum of 180 clients served under the current agreement.

Emergency Rental Assistance Program

The Homelessness Prevention Assistance to be provided by Homeless Prenatal Program is part of the SF Emergency Rental Assistance Program (SF ERAP), which HSH administers alongside the Mayor's Office of Housing and Community Development. To be eligible for SF ERAP assistance, households must have an income at or below 50 percent AMI; be at high risk of experiencing homelessness or housing instability; and have experienced a financial hardship in the last six months that resulted in unpaid rent or be unable to afford move-in costs to a unit they are planning to lease. The total number of households served by HSH under ERAP in FY 2022-23 was 1,440, and the total funds distributed by HSH under ERAP in FY 2022-23 was \$9,885,919.

Homeless Prenatal Program is one of seven total organizations that provides homelessness prevention services under ERAP.⁴ In FY 2023-24, HSH expects to serve 1,283 households and MOHCD expects to serve 4,000 households.

Performance Monitoring

The FY 2021-22 performance monitoring report for Homeless Prenatal Program indicates that the program met or exceeded all of its service and outcome objectives in FY 2021-22, which are listed below.

Service Objectives:

- Complete a vulnerability assessment with at least 230 households.
- Provide homelessness prevention assistance to at least 180 households.
- Administer all financial assistance within five business days from application date.
- Refer all non-eligible households to other type(s) of assistance.
- Refer and connect all households in need of mediation, legal services, and/or advocacy to relevant services.

³ Financial assistance includes payments for unpaid rent to prevent homelessness, move-in assistance, beds and home goods, and emergency funds for basic needs.

⁴ The HSH funded organizations are Catholic Charities, Compass Family Services, Eviction Defense Collaborative RADCo, Hamilton Families, Homeless Prenatal Program, Mission Neighborhood Centers, and Young Community Developers.

- Distribute all direct client assistance expenditures in accordance with HSH policies.

Outcome Objectives:

- At least 75 percent of households who received targeted Homelessness Prevention Assistance did not access services from the Homeless Response System six months after the assistance ended.

Additionally, Homeless Prenatal Program spent down all of its annual budget, and HSH noted in the performance report that they were the only homelessness prevention provider to do so in FY 2021-22.

While HSH found that overall, the Homeless Prenatal Program had high quality data, the performance report did include some areas for Homeless Prenatal Program to improve, including tracking staff participation in HSH trainings, improving Online Navigation and Entry (ONE) system client data accuracy, improving SF ERAP data accuracy, and adding a service-specific client feedback survey. Homeless Prenatal Program provided information to HSH on changes they implemented to address these needed improvements, and HSH determined these changes were satisfactory to close the FY 2021-22 program monitoring.

FY 2022-23 program monitoring is ongoing, however HSH provided summary data that indicates the Homeless Prenatal Program continued to exceed the minimum number of households served that fiscal year.

Fiscal Monitoring

There were no findings in the FY 2022-23 fiscal monitoring report for Homeless Prenatal Program.

FISCAL IMPACT

The annual spending in the proposed agreement is \$2,977,771 and would be broken down as shown in Exhibit 1 below.

Exhibit 1: FY 2023-24 Projected Grant Agreement Expenditures

Item	Amount
Salaries & Benefits	\$966,630
Operating Expenses	33,348
<i>Subtotal</i>	<i>999,978</i>
Indirect Percentage (15%)	149,997
Client Assistance	1,771,531
Cost Of Doing Business Increase	56,265
Total	\$2,977,771

Source: Proposed amendment and HSH

Actual and budgeted expenditures by year are shown below in Exhibit 2.

Exhibit 2: Actual and Budgeted Expenditures

Year	Amount
FY 2018-19 (Actual)	\$801,488
FY 2019-20 (Actual)	825,533
FY 2020-21 (Actual)	850,399
FY 2021-22 (Actual)	2,875,808
<i>Subtotal, Actuals</i>	<i>5,353,228</i>
FY 2022-23 (Budgeted)	3,814,506
FY 2023-24 (Proposed)	2,977,771
FY 2024-25 (Proposed)	2,977,771
FY 2025-26 (Proposed)	2,977,771
FY 2026-27 (Proposed)	2,977,771
<i>Subtotal, Projected</i>	<i>15,725,590</i>
Contingency (20%)	2,382,217
Total	\$23,461,035

Source: Proposed amendment

Budgeted expenditures for client assistance are \$840,000 higher in FY 2022-23 than in the extension years because the Homeless Prenatal Program provided financial assistance to 280 households but was budgeted to serve 180 that year. The proposed resolution's not to exceed amount included a 20 percent contingency on proposed expenditures that could be used to fund higher levels of service in the extension period.

Funding Source

The proposed extension is funded by combination of Proposition C Homelessness Gross Receipts Tax (\$7.6 million) and the General Fund (\$3.6 million).

RECOMMENDATION

Approve the proposed resolution.