

File No. 240181

Committee Item No. 2

Board Item No. \_\_\_\_\_

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: Government Audit and Oversight

Date: April 18, 2024

Board of Supervisors Meeting:

Date: \_\_\_\_\_

#### Cmte Board

- Motion
- Resolution
- Ordinance
- Legislative Digest
- Budget and Legislative Analyst Report
- Youth Commission Report
- Introduction Form
- Department/Agency Cover Letter and/or Report
- MOU - FY2022-2024 - Clean
- MOU - FY2022-2024 - Redline
- Grant Information Form
- Grant Budget
- Subcontract Budget
- Contract / DRAFT Mills Act Agreement
- Form 126 – Ethics Commission
- Award Letter
- Application
- Public Correspondence

#### OTHER

- FYI Referral 030124
- Comment Letter
- Presidential Action Memo 031724
- HSH Presentation 041824
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

Prepared by: Monique Crayton

Date: April 12, 2024

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

BOARD of SUPERVISORS



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San Francisco 94102-4689  
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TDD/TTY No. (415) 554-5227

## MEMORANDUM

TO: Shireen McSpadden, Executive Director, Department of Homelessness and Supportive Housing  
Tom Paulino, Liaison to the Board of Supervisors, Mayor's Office

FROM: Brent Jalipa, Assistant Clerk  
Budget and Finance Committee

DATE: March 1, 2024

SUBJECT: HEARING MATTER INTRODUCED

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The Board of Supervisors' Budget and Finance Committee has received the following hearing request, introduced by Supervisor Dean Preston:

**File No. 240181**

**Hearing on the ongoing delays in the disbursement of funds to fix elevators in Single Room Occupancy housing; and requesting the Department of Homelessness and Supportive Housing and Mayor's Office to report.**

Pursuant to the hearing request, you or a representative will be expected to attend and present on the subject when this matter is agendaized.

If you have any comments or reports to be included with the file, please forward them to me by email to: [brent.jalipa@sfgov.org](mailto:brent.jalipa@sfgov.org).

c: Dylan Schneider, Department of Homelessness and Supportive Housing  
Emily Cohen, Department of Homelessness and Supportive Housing  
Bridget Badasow, Department of Homelessness and Supportive Housing  
Andres Power, Mayor's Office

President, District 3  
BOARD of SUPERVISORS



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TDD/TTY No. 544-6546

Aaron Peskin

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**PRESIDENTIAL ACTION**

Date: 3/27/24

To: Angela Calvillo, Clerk of the Board of Supervisors

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Madam Clerk,  
Pursuant to Board Rules, I am hereby:

Waiving 30-Day Rule (Board Rule No. 3.23)

File No. \_\_\_\_\_  
(Primary Sponsor)

Title.

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Transferring (Board Rule No 3.3)

File No. 240181 Preston  
(Primary Sponsor)

Title. Hearing - Delays in Disbursement of Funds to Fix Elevators in Single  
Room Occupany Housing

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From: Budget & Finance \_\_\_\_\_ Committee

To: Government Audit & Oversight \_\_\_\_\_ Committee

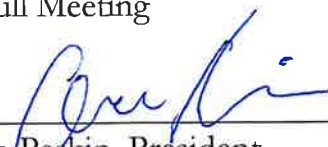
Assigning Temporary Committee Appointment (Board Rule No. 3.1)

Supervisor: \_\_\_\_\_ Replacing Supervisor: \_\_\_\_\_

For: \_\_\_\_\_ Meeting  
(Date) (Committee)

Start Time: \_\_\_\_\_ End Time: \_\_\_\_\_

Temporary Assignment:  Partial  Full Meeting

  
\_\_\_\_\_  
Aaron Peskin, President  
Board of Supervisors

**From:** [Teresa Palmer](#)  
**To:** [Preston, Dean \(BOS\)](#); [Stefani, Catherine \(BOS\)](#); [Chan, Connie \(BOS\)](#); [Peskin, Aaron \(BOS\)](#); [Melgar, Myrna \(BOS\)](#); [PrestonStaff \(BOS\)](#); [PeskinStaff \(BOS\)](#); [ChanStaff \(BOS\)](#); [StefaniStaff \(BOS\)](#); [MelgarStaff \(BOS\)](#)  
**Cc:** [Crayton, Monique \(BOS\)](#); [Carroll, John \(BOS\)](#)  
**Subject:** Support of Elevators Fund Hearing (File No. 240181) AND Supervisor Melgar's Legislation (File No. 231224)  
**Date:** Sunday, March 24, 2024 8:11:55 PM

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This message is from outside the City email system. Do not open links or attachments from untrusted sources.

CC: [Monique.Crayton@sfgov.org](mailto:Monique.Crayton@sfgov.org)  
[john.carroll@sfgov.org](mailto:john.carroll@sfgov.org)

Date: March 24, 2024

**Subject: Support of Elevators Fund Hearing (File No. 240181) AND Supervisor Melgar's Renters Rights Legislation (File No. 231224)**

Dear Supervisors Preston, Stefani, and Chan on GAO Committee and Supervisors Preston, Peskin and Melgar on Land Use Committee

I am writing to express my support for the hearing on the ongoing delays in the disbursement of funds to fix elevators in Single Room Occupancy housing (SROs). This is a much needed action to hold the Mayor's office accountable for releasing the funds already allocated in the budget to address this ongoing problem.

However, this is not enough to address numerous other hazardous and life-threatening issues faced by our poor, elderly, and disabled tenants who have to contend with substandard housing due to their negligent and greedy slumlords. Our lawmakers should hold such landlords, including non-profit owners and operators who ignore tenants rights and keep the most vulnerable among us in squalid, hazardous, and unsafe tenements accountable.

That is exactly what Supervisor Melgar's legislation, Tenant Enforcement of Habitability Requirements (File No. 231224) intends to do. **Why has no hearing been scheduled?**

We need a systemic reform to empower tenants to force these bad actors, be it private or non-profit, to provide basic services for which they collect rent such as water, sewer, heat, stoves, refrigerators, and safe habitats.

Resistance from slumlords or certain non-profits who want to carve out exemptions from this legislation is par for the course but we expect more from our lawmakers. I urge you to do the right thing and lend your full support to Supervisor Melgar's legislation to hold negligent landlords of all stripes accountable.

Sincerely,

Teresa Palmer M.D. district 5

1845 Hayes St.

SF Calif 94117. 415-260-8446. [teresapalmer2014@gmail.com](mailto:teresapalmer2014@gmail.com)



DEPARTMENT OF  
HOMELESSNESS AND  
SUPPORTIVE HOUSING

# Elevator Modernization and Capital Improvements in PSH

**Government Audit and Oversight Committee | April 18, 2024**

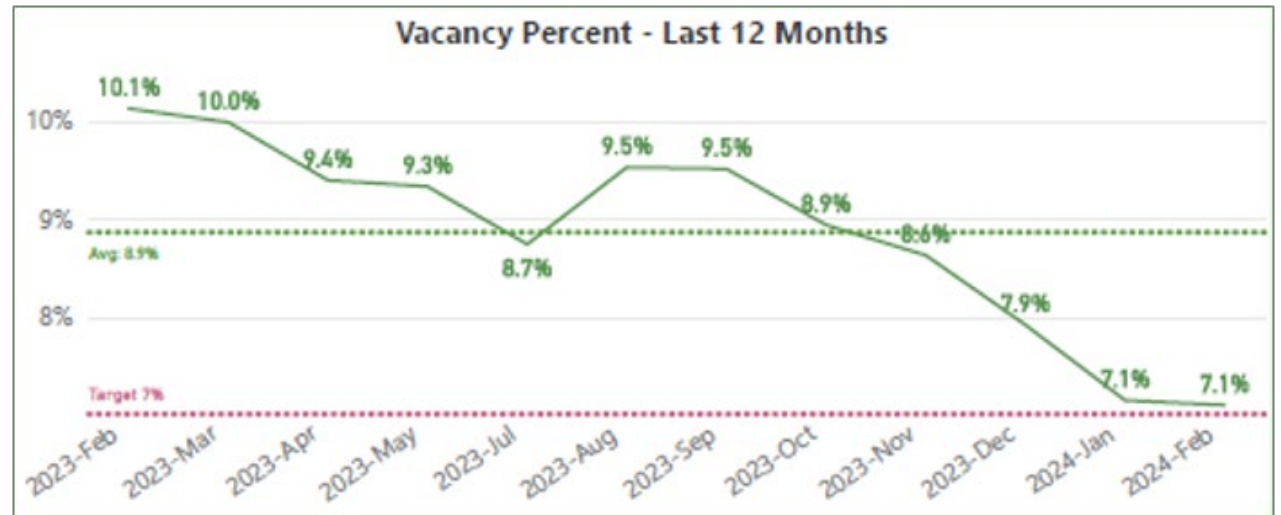


# Overview

- The FY 2022-23 budget included funding to **improve quality** of permanent supportive housing including:
  - **\$10 million** for Elevator Modernization
  - **\$5 million** for Capital Improvements
  - **\$62.4 million** for standardized case management ratios and front line staff wage floors over two years.
- While other measures were implemented quickly, the Elevator Modernization NOFA was a **complex process** that required significant **due diligence** to ensure the program met the **funding requirements**.
- FY 2023-24 budget included an additional **\$10 million** in Capital Improvement funding.
  - Funding opportunity released in January, anticipated notification of tentative project awards in April 2024.

# Supportive Housing Portfolio

- As of April 2024, HSH has **13,310 supportive housing slots** with **16,720 beds**.
  - **69%** are site-based PSH
  - **16%** are scattered site PSH
  - **13%** are rapid rehousing
  - **3%** are housing ladder
- As of February 2024, HSH has a **7.1% vacancy rate** in site-based PSH.
- **11 PSH** buildings with **~758 units** are expected to open in the next 2 years.



For more information, please visit [HSH's Housing Inventory public dashboard](#).

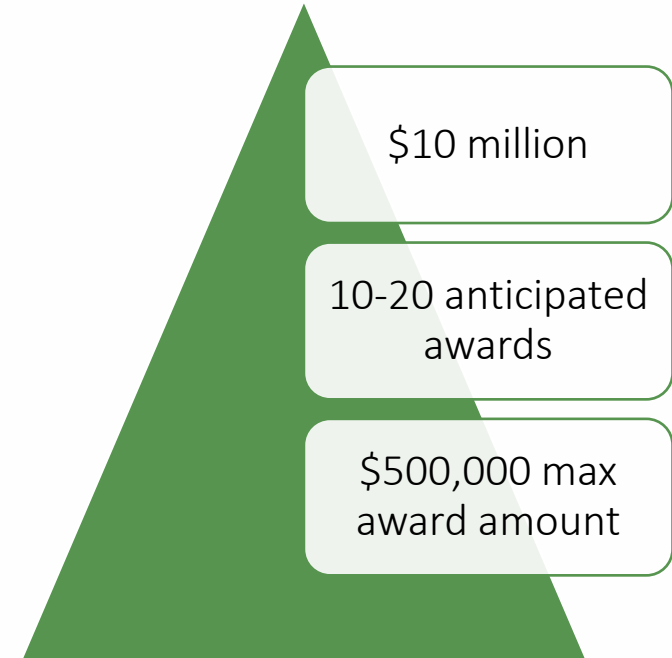


# Site-Based Supportive Housing Portfolio

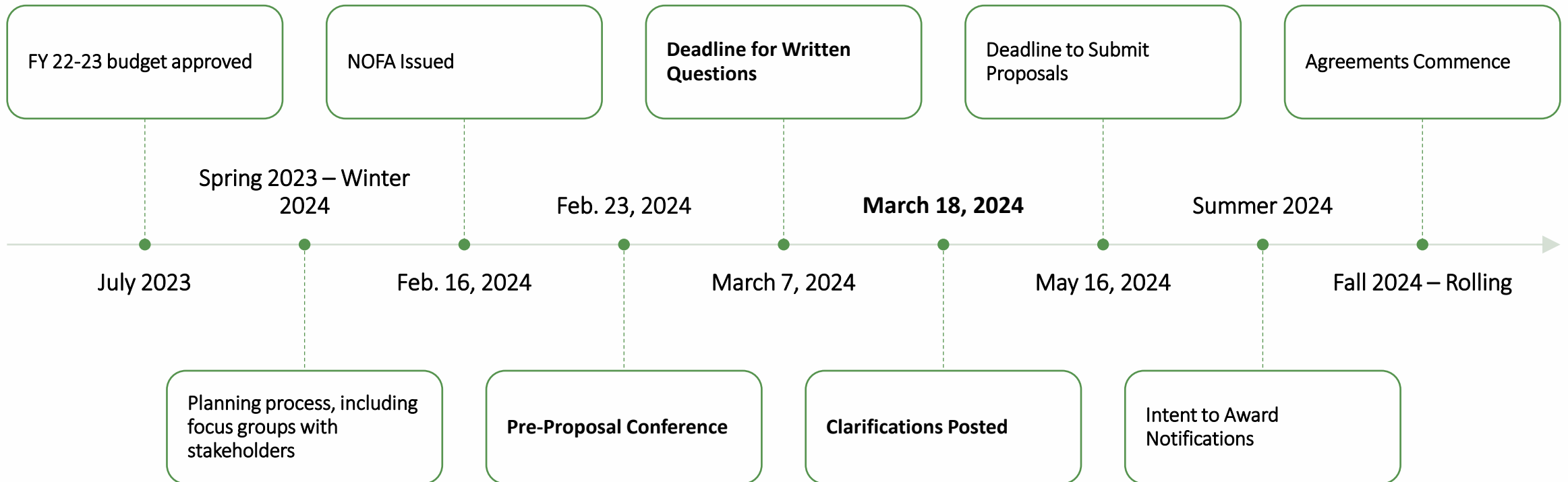
- As of March 2024, HSH has **9,203** units across **151 buildings**.
  - **66%** are non-profit owned buildings
  - **30%** are master-leased buildings
  - **4%** are city-owned buildings
- **68** of the 151 PSH buildings are Single Room Occupancy (SRO) buildings
- Of the 68 SRO buildings operating as PSH, **38 are eligible** for this funding opportunity.
  - Eligible projects are privately owned buildings leased to a non-profit provider.

# Elevator Modernization Program NOFA

- On February 16, 2024, HSH issued a **Notice of Funding Availability (NOFA)** to address unreliable and antiquated elevators in privately owned, City-funded PSH buildings.
- Eligibility Requirements:
  - Existing city-funded **nonprofit master lease PSH** buildings with private for-profit owners;
  - Private owner must **contribute 50%** to cost of repairs/modernization;
  - Minimum **5 years remaining on master lease** term (or) parties to master lease must **agree to extend** to a minimum of 5 years.
- Prioritization
  - Have the **longest term** remaining on their lease;
  - Where owner is in **good standing** with mortgage lienholder;
  - Building is in **good physical condition** and in good repair;
  - Where the repair or modernization will **result in improved health, safety, and accessibility of their residents.**



# NOFA Timeline



# Other Considerations

- The complexity in developing the NOFA was because of the **policy priority** we are trying to achieve and nature of **funding source**.
- HSH worked with city partners and external stakeholders to **create a structure** in which:
  - Landlord/private owner either **shares in cost upfront** or commits to **partial rent abatement**
  - Supports sites that have **at least 5 years remaining on the Master Lease**, or parties must agree to extend lease to **amortize the cost of the city's investment**.
- Additional considerations:
  - Severe **lack of staffing** on HSH's real estate, contracts and housing teams;
  - All-hands on deck to acquire and open **10 new PSH buildings** and leverage state Homekey funds;
  - Implement **wage equity** and **PSH service enhancements**, Housing Quality Standards **inspection program for locally subsidized PSH units**, and appropriate other **capital improvement funding** to PSH sites;

# Recently Acquired PSH

- By **leveraging state and local funding**, the city successfully acquired **10 new PSH sites** since 2020.
- We are working to **expand** our supportive housing portfolio in a way that **aligns with feedback from tenants**. By focusing on acquiring newer buildings we are able to prioritize building quality, diversity building locations, and ensure quality amenities for tenants.

## Recent PSH Acquisitions

PSH Acquisitions	Populations served
<ul style="list-style-type: none"><li>• 10 sites</li><li>• 1,053 units</li><li>• 1,551 bedrooms</li></ul>	<ul style="list-style-type: none"><li>• 670 adult units</li><li>• 143 young adult units</li><li>• 240 family units</li></ul>



DEPARTMENT OF  
HOMELESSNESS AND  
SUPPORTIVE HOUSING

# Questions?

Thank you.

## Introduction Form

*(by a Member of the Board of Supervisors or the Mayor)*



I hereby submit the following item for introduction (select only one):

- 1. For reference to Committee (Ordinance, Resolution, Motion or Charter Amendment)
- 2. Request for next printed agenda (For Adoption Without Committee Reference)  
*(Routine, non-controversial and/or commendatory matters only)*
- 3. Request for Hearing on a subject matter at Committee
- 4. Request for Letter beginning with "Supervisor  inquires..."
- 5. City Attorney Request
- 6. Call File No.  from Committee.
- 7. Budget and Legislative Analyst Request (attached written Motion)
- 8. Substitute Legislation File No.
- 9. Reactivate File No.
- 10. Topic submitted for Mayoral Appearance before the Board on

The proposed legislation should be forwarded to the following (please check all appropriate boxes):

- Small Business Commission       Youth Commission       Ethics Commission
- Planning Commission       Building Inspection Commission       Human Resources Department

General Plan Referral sent to the Planning Department (proposed legislation subject to Charter 4.105 & Admin 2A.53):

- Yes                       No

*(Note: For Imperative Agenda items (a Resolution not on the printed agenda), use the Imperative Agenda Form.)*

Sponsor(s):

Subject:

Long Title or text listed:

Signature of Sponsoring Supervisor: