

File No. 260764

Committee Item No. 16

Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee Date July 15, 2026

Board of Supervisors Meeting Date _____

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Completed by: Brent Jalipa Date July 9, 2026

Completed by: Brent Jalipa Date _____

Item 16
File 26-0764

Department:
Homelessness & Supportive Housing (HSH)

EXECUTIVE SUMMARY

Legislative Objectives

- The proposed hearing would release \$4,431,400 of the \$6,861,866 reserved funds.

Key Points

- In June 2025, the Board of Supervisors placed \$6,861,866 in HSH's FY 2025-26 General Fund budget on Budget & Finance Committee reserve. The funds were budgeted for an interim housing expansion, however at the time there was no spending plan available for review.
- HSH is requesting the release of \$4,431,400 of reserved funding to: (a) provide a team of community ambassadors to patrol the SOMA West area above existing service levels; (b) continue community ambassador services at a shelter in Mid-Market; and (c) continue site activation at Hyde & Turk St under a new model.

Fiscal Impact

- The proposed release of \$4,431,400 would fund SOMA West and Mid-Market ambassador services through FY 2027-28 and the Hyde & Turk St. activation in FY 2026-27 only. The SOMA West and Mid-Market programs would cost \$1,632,700 and \$208,000 per year respectively, while the Hyde & Turk activation would cost \$750,000 in FY 2026-27.
- The proposed \$1.6 million in annual funding for the SOMA West area is in addition to existing annual funding of \$734,827 for ambassador services in SOMA West.

Policy Consideration

- While funding for the ambassadors is in subcontracts under HSH's Grant Agreements for the SOMA TAY PSH and Hope House, the agreements do not include service or outcome objectives related to the ambassador services. In addition, entering into direct contracts with these providers could increase HSH's insight and control into the services provided. The City should consider consolidating oversight, contracting, and funding of ambassador services.

Recommendations

- Request that HSH use the reserved funds to enter into direct contracts with providers rather than having grantees sub-contract out these services.
- Request HSH add service and outcome objectives to all grants that fund ambassador services. These objectives should closely mirror the citywide ambassador service objectives listed in the Human Services Agency's 2025 Request for Proposals 1191.
- Approve the proposed release of reserved funds.

MANDATE STATEMENT

City Administrative Code Section 3.3(j) states that the Budget and Finance Committee of the Board of Supervisors has jurisdiction over the City's budget and may reserve proposed expenditures to be released at a later date subject to Board of Supervisors approval. The practice of the Board of Supervisors is for the Budget and Finance Committee to approve release of funds placed on reserve by the Committee, without further Board of Supervisors approval.

BACKGROUND

At our recommendation, in June 2025, the Board of Supervisors placed \$6,861,866 in the Department of Homelessness and Supportive Housing's (HSH) FY 2025-26 General Fund budget on Budget & Finance Committee reserve. The funds were budgeted for the Mayor's interim housing expansion, however there was no spending plan available for our review of the June 2025 budget.

HSH has requested the release of \$2,430,466 of the reserved funds to fund community ambassador services at two locations that otherwise would have been sunset (File 26-0677). HSH has requested the release of the remaining balance of approximately \$4.43 million currently held in reserve to fund community ambassador services in the South of Market and activation in the Tenderloin neighborhood.

DETAILS OF PROPOSED LEGISLATION

The proposed hearing would release \$4,431,400 of reserved funding to the Department of Homelessness and Supportive Housing to fund community ambassador programs in the SOMA West, Mid-Market, and activation of the site at Turk & Hyde Street.

HSH no longer plans to use these funds for shelter expansion. Instead, the Department intends to use the funding to continue and expand community ambassador services that support implementation of the Good Neighbor Policy at existing shelters and supportive housing, and support City activation of the site at Turk & Hyde St. in the Tenderloin that will support both existing shelters and supportive housing sites and the larger community. The community ambassador programs and site activations were implemented at these service-intensive corridors in response to community concerns, with ambassadors working to enhance neighborhood safety, deter loitering, and connect individuals with appropriate services. They also work to advance the goals of the Good Neighbor Policy, which aims to minimize negative impacts to surrounding communities and improve street conditions where shelters and supportive housing are located. The proposed use of funds for each location is described below.

SOMA West

HSH has a Grant Agreement with Abode Property Management (Abode) to operate the SOMA Transitional Aged Youth Permanent Supportive Housing (SOMA TAY PSH) building, which

provides housing and wraparound services to youth who are experiencing homelessness and are at risk of not making a successful transition to adulthood.

Abode has a subcontract with SOMA West Community Benefit District (SWCBD) for a team of Public Safety Ambassadors to patrol the area around SOMA TAY PSH. SOMA West CBD have further subcontracted this work out to ASPIS Solutions. The original subcontract with SWCBD for \$734,827 annually included ambassador staffing of 256 hours per week to provide assistance to the public, conduct wellness outreach to unhoused individuals, and coordinate with local law enforcement agencies as necessary. According to the subcontract, between four and six ambassadors would be provided each day during the week and two or three would be provided each weekend day. In FY 2025-26 HSH approved \$296,000 in additional one-time funding to expand the patrol area, but the subcontract did not specify the new staffing levels. According to HSH, since July 2025 the ambassadors in this program have conducted 2,127 welfare checks, responded to 2,448 instances of loitering, and made 483 encampment contacts. HSH will continue to fund ambassador services through the Abode agreement in FY 2026-27 with \$734,827 in existing funding.

If the requested reserved funds were released, HSH would use \$3,265,400 of total over two years to expand the Public Safety Ambassador program to better respond to community needs and concerns, although exact increases to service levels would be negotiated following the potential release of reserved funds. Given the proposed increased funding level, HSH would explore shifting to direct contracting options with SOMA West CBD, which has provided community ambassador services in the broader area for the past several years.

Mid-Market

HSH has a Grant Agreement with Salvation Army to operate Hope House in the Mid-Market service area, which is an abstinence-based, recovery-focused shelter for adults experiencing homelessness and struggling with addiction.

Salvation Army has a subcontract with Mid-Market CBD (MMCBD) to provide community ambassador services in the area surrounding Hope House site for a six-month term through July 31, 2026. A Safety Ambassador is on shift seven nights a week from 7:00 pm – 5:00 am to support Hope House participants, staff, and neighbors by resolving public health and safety issues and escalating them to City agencies as necessary. The Safety Ambassador also works in tandem with the wider community ambassador program operated by MMCBD to provide trauma-informed support to individuals in crisis in the area and connect them to services. According to HSH, in the four months since the program began, ambassadors have conducted 1,871 location checks and 395 welfare checks, as well as disrupted 256 instances of public sidewalks being blocked and 360 instances of loitering. The cost of these services under the existing six-month contract is \$104,000 or \$208,000 annually.

If the requested reserved funds were released, HSH would use \$416,000 to maintain the community ambassador staffing coverage of the area surrounding Hope House for two years, assuming no increases above current costs.

Tenderloin (Turk & Hyde St.)

The Department of Emergency Management (DEM) previously managed a Grant Agreement with the nonprofit Urban Alchemy to provide services at the Neighborhood Respite Site at the corner of Turk & Hyde Street. Originally opened in 2022, the "Oasis" lot aimed to interrupt a historical drug market by positively activating this corner lot in the Tenderloin. Over the past 4 years, a variety of city grants and contracts have funded various activations at the site, most recently culminating in a new six-month grant with the nonprofit Urban Alchemy. The Oasis aimed to serve as a safe, supportive space offering a drug-free, trauma-informed environment for rest, hydration, and connection to services. Additionally, the site provided water and coffee to guests, outdoor games, and a dog play area to serve both housed and unhoused neighbors.

Urban Alchemy supported the Oasis site from 2022 to June 30, 2026 (when the contract expired) by staffing at least two ambassadors onsite from 7:00 am – 7:00pm daily. These ambassadors helped to deter drug activity, maintain a clean site, and conduct de-escalation interventions in and around the site. The cost of the most recent contract was \$537,500 over its six-month duration, or \$1,075,000 annualized. Over the first five months of 2026, the site received an average of 2,270 visitors per month and saw a general trend of increasing visitors month-over-month, with a high point in May when 2,707 people used the provided space and services.

According to HSH staff, the City is exploring leasing the site at Turk & Hyde and would work with the appropriate City department to contract with a nonprofit to provide engagement and site activation services. According to HSH, the reactivation of the Turk & Hyde site would support at least eight supportive housing and two interim housing sites in the vicinity¹.

To reactivate the Oasis lot, the appropriate City department would likely contract with a community-based organization or non-profit provider with site activation and community engagement experience. However, it is unlikely that the same level of service could be provided throughout FY 2026-27, as the requested \$750,000 is only 70 percent of the annualized cost of the program run at this site by Urban Alchemy.

FISCAL IMPACT

Exhibit 1 below shows the planned use of the requested \$4,431,400 across the three identified service areas for FY 2026-27 and FY 2027-28. This requested release of reserve funding, together with the previously mentioned release of reserve funding request would exhaust all remaining HSH funds that had been placed on reserve.

¹ See Appendix 1 for full list of sites.

Exhibit 1: Community Ambassador Budget

Site	FY 2025-26 Budget	FY 2025-26 Budget Annualized	FY 2026-27 Proposed	FY 2027-28 Proposed	Total Proposed
SOMA West	\$1,030,827	\$734,827	\$1,632,700*	\$1,632,700*	\$3,265,400*
Tenderloin: Turk & Hyde St.	\$537,500	\$1,075,000	\$750,000	-	\$750,000
Mid-Market: Hope House	\$104,000	\$208,000	\$208,000	\$208,000	\$416,000
Total	\$1,672,327	\$2,609,827	\$2,590,700	\$1,840,700	\$4,431,400

Source: HSH

*Does not include \$734,827 in existing annual funding that will be maintained through the existing grant agreement for the SOMA TAY PSH site. Total annual funding for SOMA West would be \$2,367,527 including the proposed funds.

The proposed release of \$4,431,400 would be sufficient to fund the SOMA West and Mid-Market community ambassador programs through June 2028 and the Tenderloin site activation at Turk & Hyde St. through June 2027.

POLICY CONSIDERATION

Service and Outcome Objectives

While funding for the ambassadors is in subcontracts under HSH's Grant Agreements for the SOMA TAY PSH and Hope House, the agreements do not include service or outcome objectives related to the ambassador services. HSH should consider adding service and outcome objectives developed for the citywide ambassadors and included in the HSA's 2025 solicitation for those services (RFP 1191). The service and outcome objectives for citywide ambassadors are included in Appendix 2.

In addition, HSH should consider entering into direct contracts with providers rather than having shelter and permanent supportive housing operators sub-contract out these services. Having direct contracts with ambassador providers would provide HSH with more insight and control over the level and performance of ambassador services. For example, the HSH's grant with Abode includes a subcontract with SOMA West CBD, however the subcontract does not have service levels, performance metrics, or the City's standard contract compliance provisions.

Existing Ambassador Funding

In FY 2026-27, DEM is funding approximately \$24 million in street ambassador services, primarily in the same service areas (the Tenderloin and SOMA) that HSH is seeking \$6.8 million in release of reserved funding. However, existing SOMA ambassadors are not currently patrolling SOMA West. The City should consider consolidating oversight, contracting, and funding of ambassador services.

RECOMMENDATIONS

1. Request that HSH use the reserved funds to enter into direct contracts with providers rather than having grantees sub-contract out these services.
2. Request HSH add service and outcome objectives for ambassador services to all grants that fund ambassador services. The service and outcome objectives should closely mirror the objectives of the citywide ambassador service listed in the Human Services Agency's 2025 Request for Proposals 1191.
3. Approve the proposed release of reserved funds.

Appendix 1: List of Interim and Supportive Housing Sites Around Hyde & Turk Site

Supportive Housing Sites:

- Vincent Hotel (459 Turk)
- Turk and Eddy Apartments (270 Turk)
- Midori Hotel (240 Hyde)
- Mayfair Hotel (626 Polk)
- Abigail (246 McAllister)
- Essex Hotel (684 Ellis)
- Kelly Cullen Community (220 Golden Gate)
- Cadillac Hotel (385 Ellis).

Interim Housing Sites:

- 685 Ellis Semi-Congregate Shelter
- 260 Golden Gate Family Emergency Shelter and Transitional Housing (129 Hyde)

Appendix 2: Service and Outcome Objectives for Citywide Ambassador ServicesService Objectives

- A. Successfully execute all programmatic requirements 90 percent of the time.
- B. Maintain required staff levels 90 percent of the time.
- C. Attend 90 percent of recurring City meetings
- D. Participate in at least 80 percent of stakeholder meetings.
- E. Complete 90 percent of daily data reports.
- F. Submit monthly invoices and reports on time and complete 100 percent of the time.
- G. Provide a written strategic ramp-down plan within 30 days of the City's request 90 percent of the time.
- H. Track and report critical incidents to DEM within 24 hours using an agreed-upon form 90 percent of the time.
- I. Manage staff grievances, conflicts, and personnel issues to the City's satisfaction 90 percent of the time.

Outcome Objectives

- J. A 20 percent reduction in relevant 911 calls (e.g., disorderly conduct, public intoxication) in service areas over the initial term of the agreement.
- K. A 20 percent reduction in relevant 311 service requests and a 30 percent improvement in response times over the initial term of the agreement.
- L. 80 percent compliance with engagement protocols, staffing requirements, and public space cleanliness, verified by no-notice inspections by City staff.

M. A minimum of 70 percent of the staff employed have relevant lived experience.

In addition to the listed objectives, the providers must submit monthly reports to the City tracking staffing hours, blocks covered and their rates, daily deployment averages and totals, any unusual or significant incidents, and the number, nature, and outcomes of interventions, de-escalations, overdose reversals, needle disposals, and calls to 311 and 911.

Source: Human Services Agency's 2025 Request for Proposals 1191

The above service and outcome objectives for street ambassadors can serve as a model for HSH to develop its own performance metrics for the street ambassador services that it funds.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Release of Reserve Funds

Budget and Finance Committee | July 15, 2026



Release of Reserve Funds: Request 1

HSH requests release of \$4,431,400 from reserve to sustain and expand Community Ambassador services and activate the site at Turk & Hyde to support HSH interim and permanent housing sites as good neighbors.

- Supports SOMA, Tenderloin, 6th Street/Hope House, and Turk & Hyde

This funding compliments the second reserve request for Good Neighbor activations and ambassadors at the Embarcadero Navigation Center and 685 Ellis Street.

Program	FY26-27	FY27-28	Two-Year Budget
SOMA West CBD	\$1,632,700	\$1,632,700	\$3,265,400
Tenderloin (Turk and Hyde)	\$750,000		\$750,000
Mid-Market CBD	\$208,000	\$208,000	\$416,000
Total	\$2,590,700	\$1,840,700	\$4,431,400

Utilization of Reserve Funds

- **6th Street / Hope House:** Continue Mid-Market CBD Safety Ambassadors around 226 6th Street, 7 days/week, 7pm–5am
- **West SOMA:** Sustain and expand SOMA West CBD ambassador coverage near PSH sites, shelters, and surrounding blocks
- **Turk & Hyde:** Continue activation of the parcel as a positive community space



Release of Reserve Funds: Request 2

- **HSH requests release of \$2,430,466** to continue Five Keys Community Ambassador services at the Embarcadero Navigation Center and 685 Ellis Semi-Congregate Shelter
- These funds are part of the \$6,861,866 placed on reserve last year for interim housing and supports HSH's Good Neighbor Policy and community agreements.

Program	FY26-27	FY27-28	Two-Year Budget
Embarcadero	\$559,524	\$279,762	\$839,286
685 Ellis St	\$795,590	\$795,590	\$1,591,180
Total	\$1,355,114	\$1,075,352	\$2,430,466

Importance of Ambassadors

- Provide **visible, proactive presence** around high-impact corridors
- **Respond to neighborhood concerns** in real time
- Deter loitering, sidewalk blocking, unsafe activity, and public health/safety issues
- **Connect people** in crisis to services with trauma-informed support
- Help City agencies **respond more quickly** by assessing conditions first

Examples of Impact



- ✦ **SOMA West** services since July 2025 included responses to sidewalk blocking, welfare checks, loitering, encampment contact, and thousands of community call-line service calls
- ✦ **Turk & Hyde Oasis** welcomed more than 11,000 visits from January–May 2026 and provided coffee, water, activities, exercise equipment, and dog area activation
- ✦ **Ambassadors** support both housed neighbors and unhoused residents by creating safer, more managed public spaces near service interim and permanent housing sites

Ongoing Support for Interim Housing Good Neighbor Work

- **Five Keys ambassadors** help address street conditions around shelter sites by:
 - Providing immediate response
 - Picking up trash
 - Discouraging loitering
 - Connecting people to appropriate agencies or services
- Together, both reserve requests support HSH sites and surrounding neighborhoods through activation of public space and ambassadors.



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Thank you.



Shireen McSpadden, Executive Director

Daniel Lurie, Mayor

Wednesday, June 17, 2026

Angela Cavillo, Clerk of the Board of Supervisors
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
Sent Via Email: angela.calvillo@sfgov.org

Supervisor Connie Chan, Chair, Budget and Finance Committee
1 Dr. Carlton B. Goodlett Place, City Hall, Room 244
Sent Via Email: connie.chan@sfgov.org

Re: Release of \$4,431,400 reserve for the Department of Homelessness and Supportive Housing

Dear Madam Clerk and Chair Chan,

I request the release of \$4,431,400 in reserve from the Budget and Finance Committee to sustain and expand community ambassador services in the SOMA and Tenderloin neighborhoods. These services are essential to implementing the Good Neighbor Policy across multiple service sites and supporting areas experiencing significant impacts.

Per File No. 250589, the City and County of San Francisco placed \$6,861,866 of the Department's budget designated for the Mayor's Interim Housing Expansion on Budget & Finance Committee reserve. **At this time, the Department is no longer pursuing the originally proposed Interim Housing Expansion.** Instead, HSH requests the release of the remaining \$4.4M expand community services surrounding existing sites as part of the extended Good Neighbor Policy, rather than expanding into new interim housing sites. This funding release compliments previously requested reserve release for Good Neighbor activations and ambassadors and the Embarcadero Navigation Center and 685 Ellis shelter.

Currently, SOMA West CBD and Mid-Market CBD provide ambassador services that offer immediate response, enhance neighborhood security, deter loitering, and connect individuals to appropriate services. The Department of Emergency Management currently funds similar activations in the Tenderloin at Turk and Hyde Streets. These functions are foundational to sustaining the cleanliness, safety, and wellbeing of service-intensive corridors for all who live, work, or receive services there. The release of reserve funds will allow the Department to strengthen existing programming.

We respectfully request that the Committee release \$4,431,400 of funds held in reserve to support the City to uphold its commitments under the Good Neighbor Policy and support the continued maintenance of healthy and safe public spaces. We appreciate your consideration of this request and remain available to provide any additional information.

Sincerely,
Dylan Schneider
Interim Deputy Director of Administration and Finance