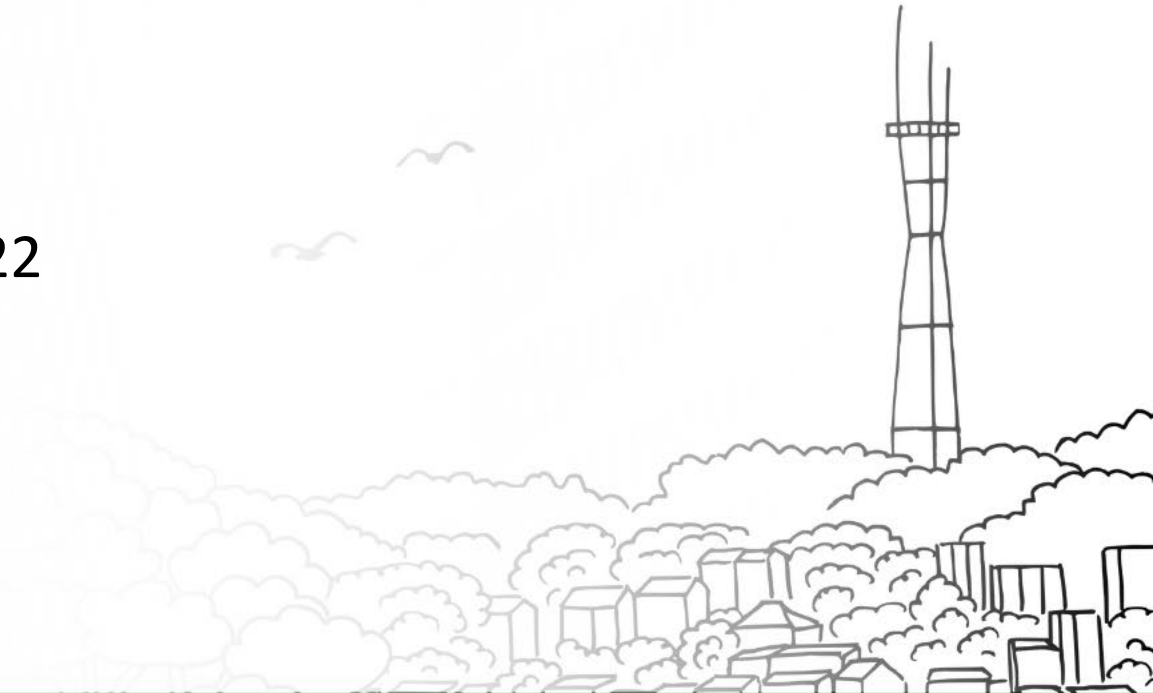




DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

FY2022-23 & FY2023-24 Proposed Budget

Budget & Appropriations Committee | June 16, 2022





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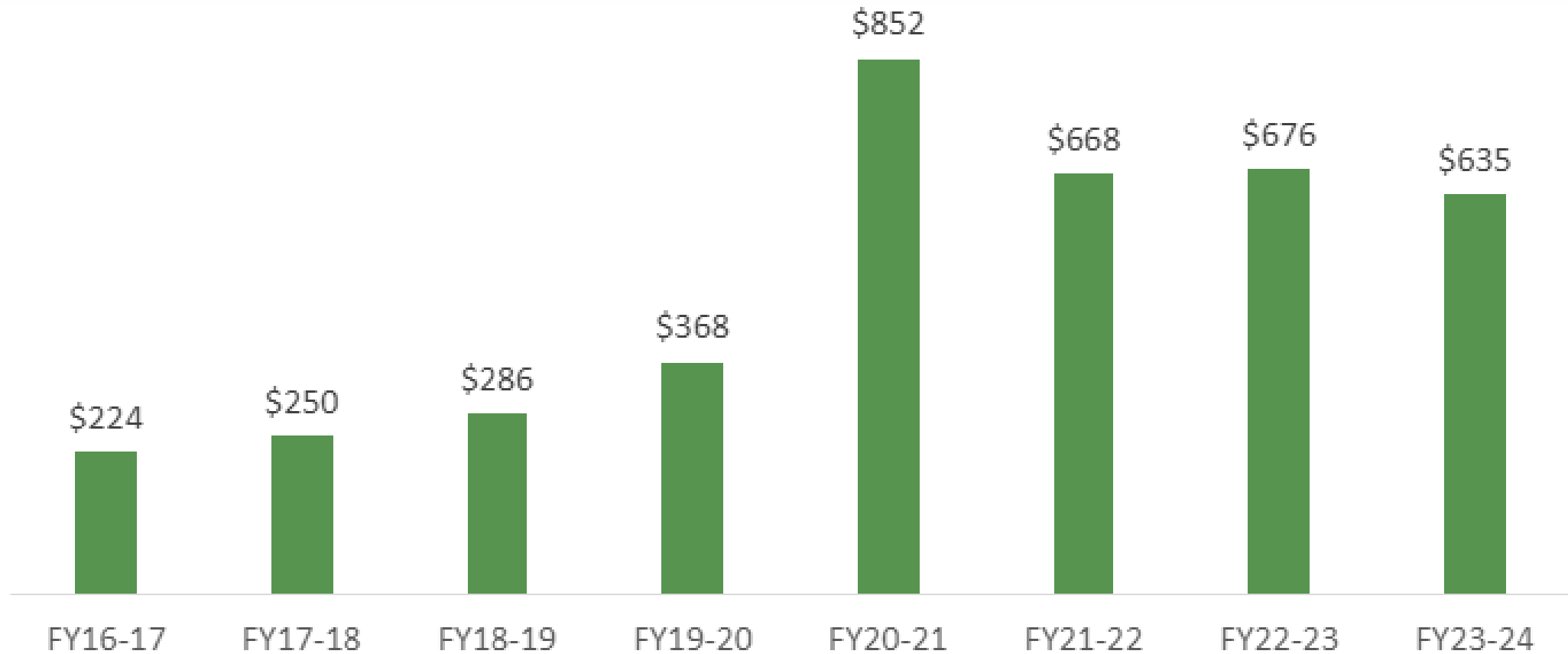
Proposed Budget Overview

- Overview of Total Budget
- Key Initiatives and Investments
- Staffing

Overview: FY2022-23 & FY2023-24 Budget

<i>Dollars in millions</i>	FY2021-22 Adopted	FY2022-23 Proposed	<i>Change from FY22 Increase/ (Decrease)</i>	<i>% Change from FY22 Increase/ (Decrease)</i>	FY2023-24 Proposed	<i>Change from FY23 Increase/ (Decrease)</i>	<i>% Change from FY23 Increase/ (Decrease)</i>
Total Budget	\$667.8	\$676.0	\$8.2	1.2%	\$635.4	(\$40.6)	-6.0%
<i>Revenue</i>	\$399.4	\$387.0	(\$12.5)	-3.1%	\$351.9	(\$35.1)	-9.1%
<i>General Fund</i>	\$268.4	\$289.0	\$20.6	7.7%	\$283.5	(\$5.5)	-1.9%

HSH's Budget Growth Since Inception





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Budget Highlights

- Equity Investments in PSH
- Additional Housing Investments
- Shelter Investments
- Ending Transgender Homelessness
- New Systemwide Investments

Proposed Investments in PSH Equity

• **\$67.4 million** over two years in HSH's existing PSH portfolio.

Wage Equity Investments: **\$30 million**

\$3 m annually: \$28/hour wage floor for case managers

\$12 m annually: frontline property management staff.

Case Management: **\$32.4 million**

\$16.2 m annually: increase case management staffing

Achieves 1:20 ratio for family & youth; moves closer to 1:25 for adults.

Capital Improvements: **\$5 million**

One-time funding for repairs and improvements.

Wi-Fi and other upgrades.

Additional Supportive Housing Investments

- Maintain portfolio of ~11,000 supportive housing units, including:
 - Open and operate **six new supportive housing sites** acquired in FY21-22.
 - Implement **1,784 scattered-site supportive housing subsidies** (Flexible Housing Subsidy Pool) over the next two years.
 - Leverage federal funds to **expand goal by ~289 slots** for adults and youth.
- Expansion of housing programs by **~725 units**, including:
 - **~70 step-up housing** units for families who no longer need PSH.
 - **40 units** of PSH for families in new MOHCD development.
 - **616 new PSH units** over two years through **LOSP** program to serve adults, seniors, families, and parenting youth.
 - Continue to acquire buildings for permanent housing for youth exiting homelessness.

Proposed Investments: End Transgender Homelessness

- **150 scattered-site permanent housing subsidies** to be allocated for Transgender and Gender Non-Conforming (TGNC) households.
- Acquire and operate **50 to 80 units** of PSH for **TGNC youth**.
- **\$6 million** over two years (\$3 million annually):
 - Build capacity among TGNC-serving providers.
 - Fund short-term/shallow subsidies and/or provide flexible financial assistance.

New Proposed Shelter Investments

- New **cabin program** in the Mission:
 - **\$2 million enhancement** in FY2022-23.
 - Leverages another **\$5 million** to build new non-congregate cabin site for up to 70 guests.
- Operate new **semi-** and **non-congregate shelter** programs:
 - **\$25 m** in anticipated new state funding over two years.
 - Operate **~410 beds** of non- & semi-congregate shelter at **711 Post & Baldwin Hotel**.



Existing non-congregate cabin program at 33 Gough.

Continuing Key Shelter Investments

Program	Details	Investment Level
Vehicle Triage Centers	<ul style="list-style-type: none"> Continue Bayview VTC. Capital and operating funds for a second VTC intended to serve west side of the City. 	<ul style="list-style-type: none"> \$18 million over two years.
Safe Sleep & Cabins	<ul style="list-style-type: none"> Maintains cabin program at 33 Gough and tent spaces of Safe Sleep in the Mission and Bayview in FY2022-23. Continue Safe Sleep and cabin programs in FY2023-24 with prior year appropriations. 	<ul style="list-style-type: none"> FY2022-23: \$4 million for 33 Gough & \$4.1 million for Safe Sleep sites.
Non-Congregate Shelter	<ul style="list-style-type: none"> Extend one year of operations at three hotel-based emergency shelters providing ~300 units. 	<ul style="list-style-type: none"> \$24 million in state and federal grants funds previously appropriated for SIP operations.



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Staffing

- Filling Critical Gaps
- Vacancies
- Organizational Chart

HSH Proposed Staffing Overview

	FY21-22 Adopted	FY22-23 Mayor's Proposed Budget	Change from FY21-22	FY23-24 Mayor's Proposed Budget	Change from FY22-23	Two-Year Budget Total
Total FTE	217.21	236.62	19.41	246.25	9.62	29.03
<i>Permanent FTE</i>	<i>179.60</i>	<i>230.30</i>	<i>50.70</i>	<i>239.95</i>	<i>9.64</i>	<i>60.34</i>
<i>Temp FTE</i>	<i>37.61</i>	<i>6.32</i>	<i>(31.29)</i>	<i>6.30</i>	<i>(0.02)</i>	<i>(31.31)</i>

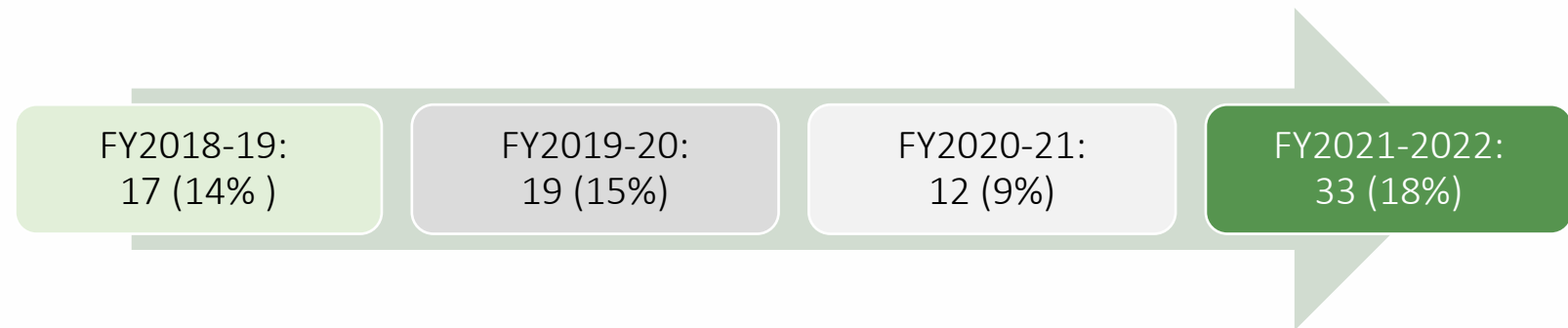
🔑 **HSH completed a record 94 hires this fiscal year.**

- In addition, HSH completed 65 promotions (internal and from other City depts)
- However, 48 employees left HSH – 44% left for a promotion at another City dept.
- HSH’s turnover rate this year was 24.6%, comparable to the 5-year average turnover
- 33 permanent budgeted positions are vacant as of May 2022; average time vacant 6 months.

Lack of Staffing Resources Leads to High Staff Turnover

- Proposed FY2022-24 Budget seeks to **right-size HSH staffing levels** and **enhance effectiveness**.
- Exit interviews cite **unsustainable workload** as primary reason for leaving.
- Since FY2016-17, on average **23% staffing turnover** rate each year
 - Departures compound overwork issues.
 - Challenge to fill new positions while backfilling.
 - Impact on department's ability to deliver timely and effective services.

Permanent FTE Vacancies over Time:



Proposed FY2022-24 Staffing Investments

Staffing as a % of Total Proposed Budget

Total Staff:
under 7%

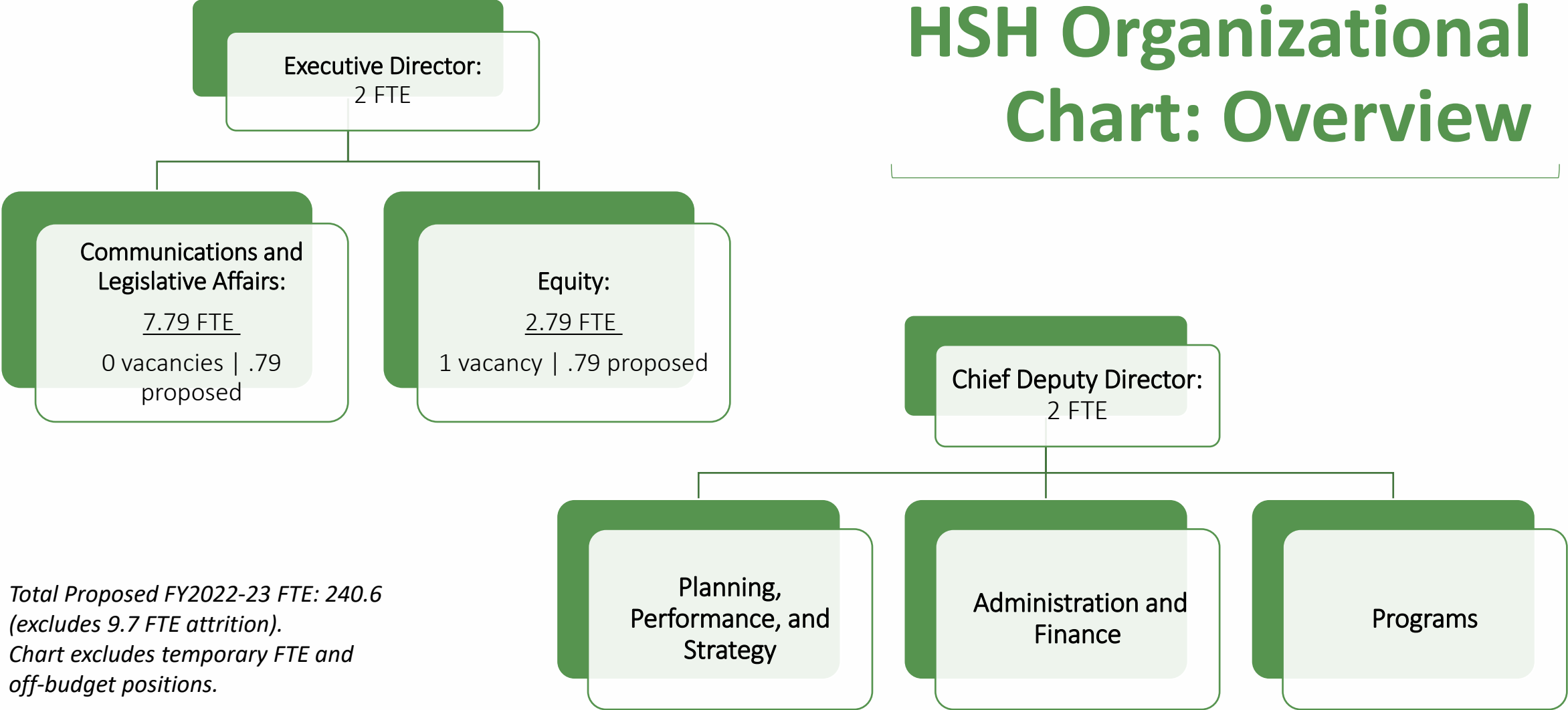
Admin Staff:
under 3%

- **60** new HSH positions requested **department-wide** over the next two years.
 - Keep pace with **multi-million-dollar** expansion of services across the Homelessness Response System.
- Address **unsustainable workloads** by investing in **department infrastructure**.
 - Reduce workloads of existing staff by filling critical staffing gaps: ADA compliance, emergency preparedness, contracting, community engagement, program monitoring, planning, and more.

Proposed HSH Staffing Investments

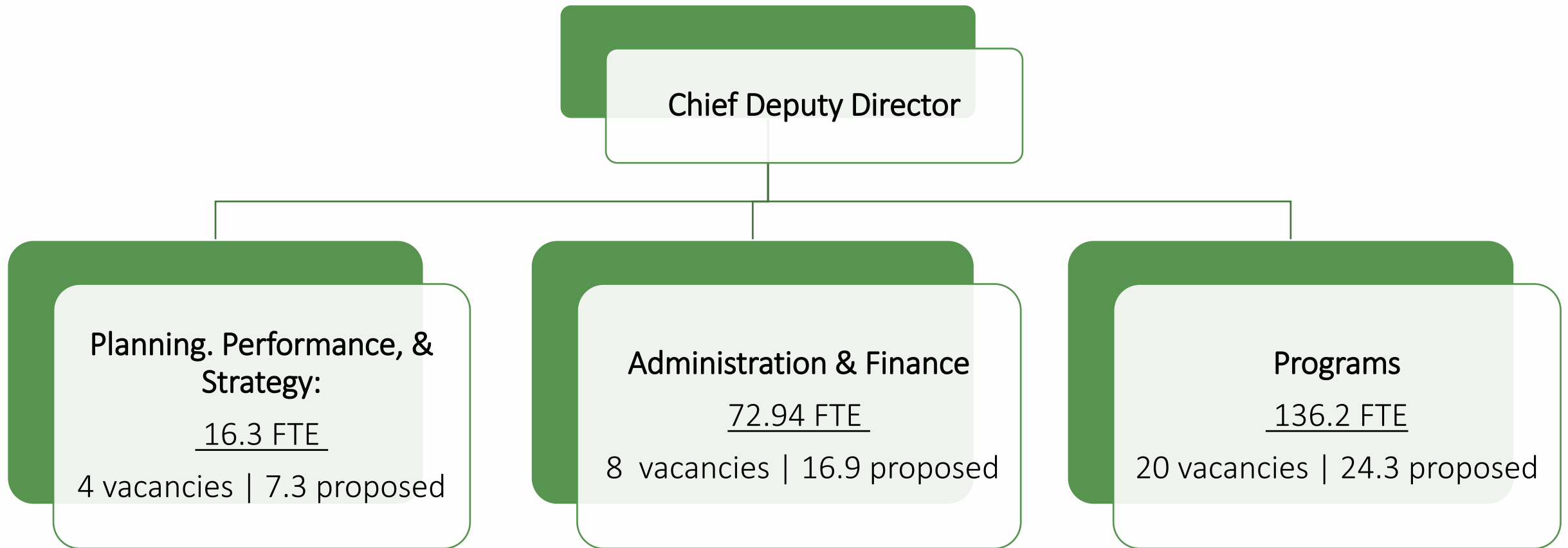
- **Shelter:** Improve management and monitoring - including **dedicated ADA coordinator** to oversee 20+ sites.
- **Outreach:** new positions to coordinate assessments & placements, contracts, and expand clinical supervision.
- **Prevention:** Expansion to implement new Prop C programs.
- **Housing:**
 - Creation of **HSH housing placement team** that will match Housing Referral Status people and help reduce vacancies.
 - Expansion of housing team to implement new programs (2,500 new PSH units since July 2020)
- Community engagement lead.
- **Disaster planning** and preparedness lead.
- Additional contract analysts to support swift procurement and contract implementation.
- **Planning and data positions** to design new programs, implement strategic planning, provide analytical/project management support & mandatory reporting.
- Dedicated **HSH equity analyst** to implement Racial Equity Action Plan & equity initiatives.
- Additional HR and IT support to support rapidly expanding department

HSH Organizational Chart: Overview



- *Total Proposed FY2022-23 FTE: 240.6 (excludes 9.7 FTE attrition).*
- *Chart excludes temporary FTE and off-budget positions.*

HSH Organizational Chart: Overview



HSH Organizational Chart: Admin & Finance

Deputy Director: Administration and Finance

Contracts: 19.37 FTE	HR & Operations: 12.04 FTE	Facilities & Real Estate: 13 FTE	Fiscal: 16.2 FTE	IT: 10.37 FTE
2 vacancies	0 vacancies	4 vacancies	1 vacancy	0 vacancies
7.37 proposed	3.04 proposed	0 proposed	3.2 proposed	3.37 proposed

HSH Organizational Chart: Programs

Deputy Director: Programs

Outreach and Disaster Planning: 21 FTE	Shelter: 8 FTE	Housing: 38.9 FTE	Housing Services: 33.4 FTE	<u>New</u> Housing Placements: 8 FTE	Coordinated Entry & Problem Solving: 16.6 FTE
7 vacancies	0 vacancies	4 vacancies	4 vacancies	1 vacancy	2 vacancies
4.2 proposed	3.2 proposed	4.95 proposed	2.37 proposed	7 proposed	2.58 proposed



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Thank you.

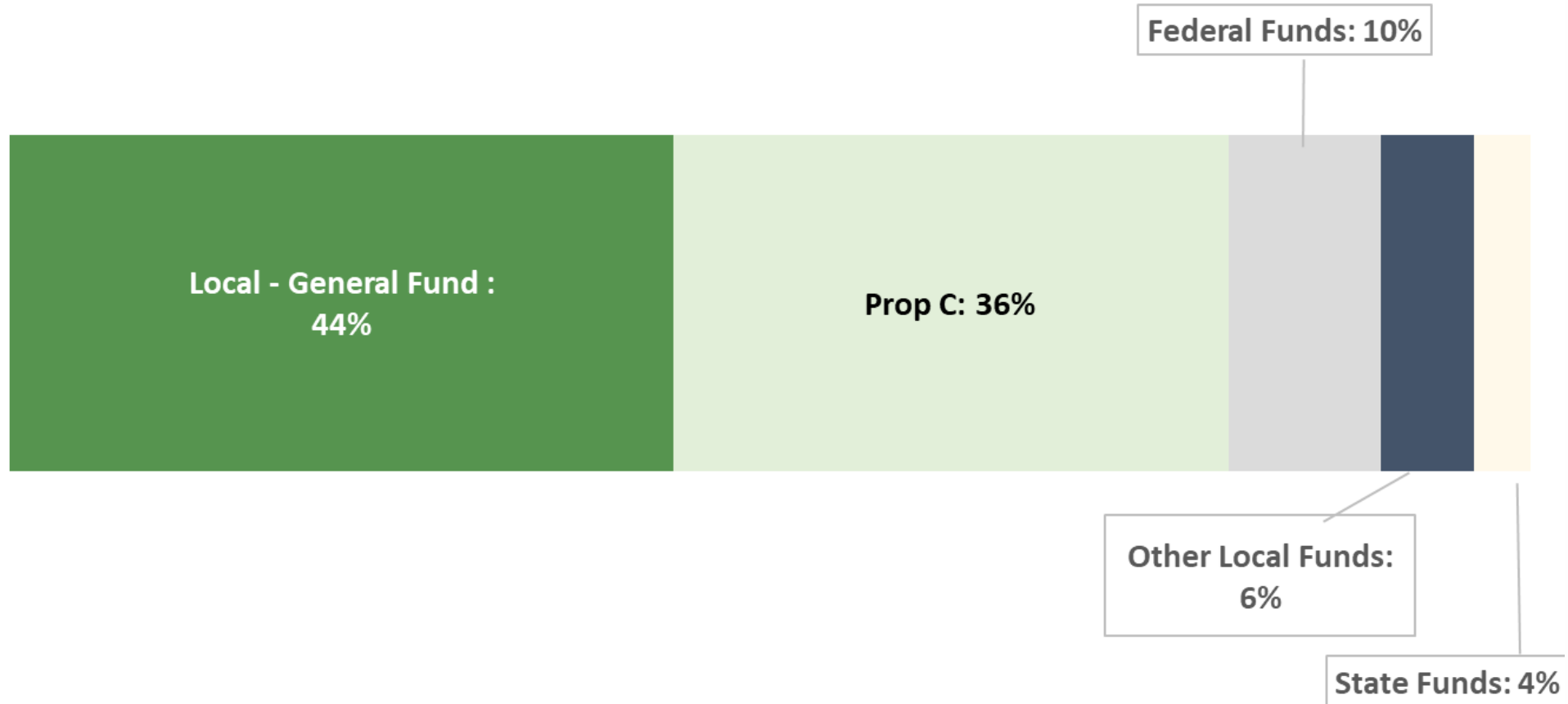
Questions?



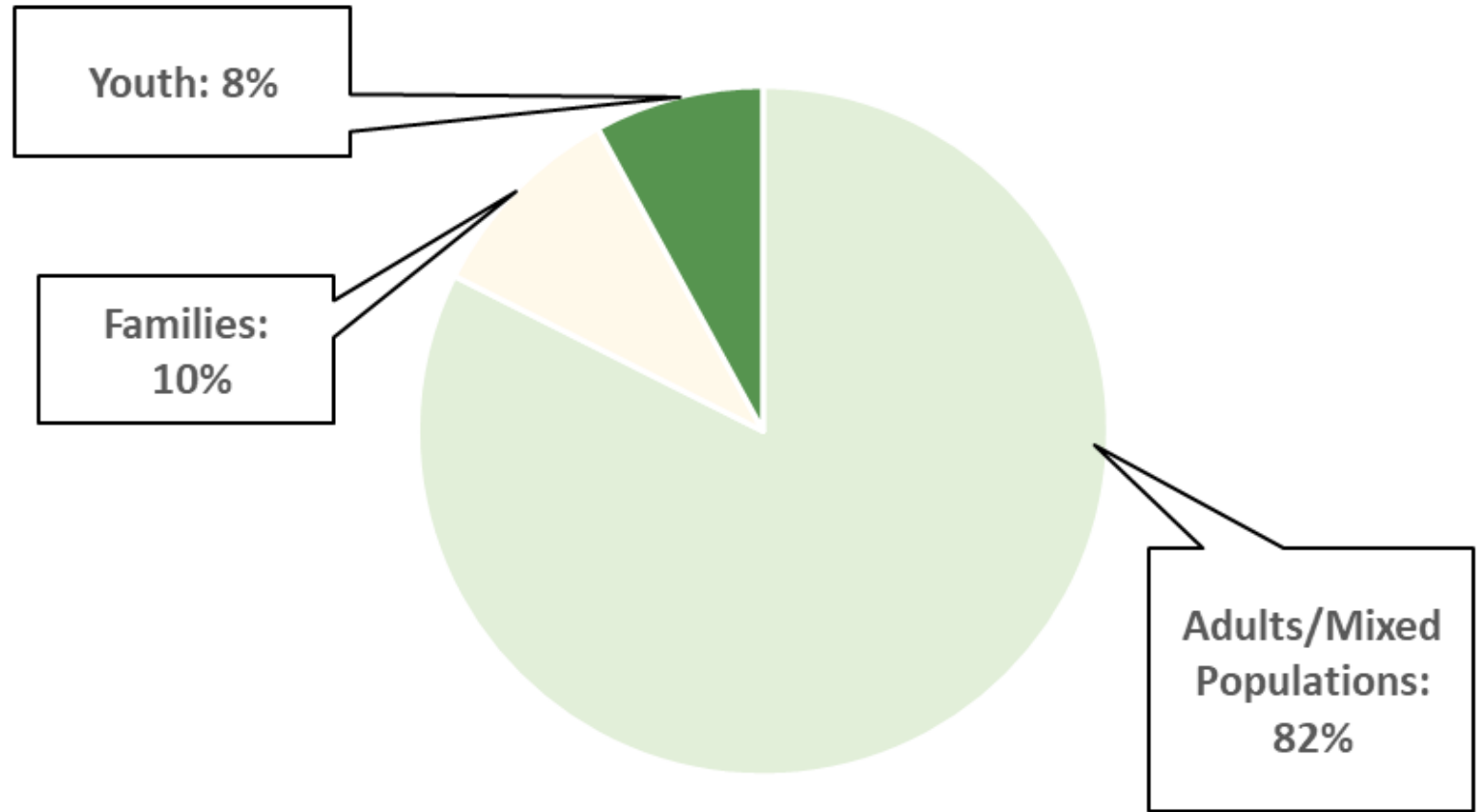
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Appendix Slides

FY2022-23 & FY2023-24: Funding Sources

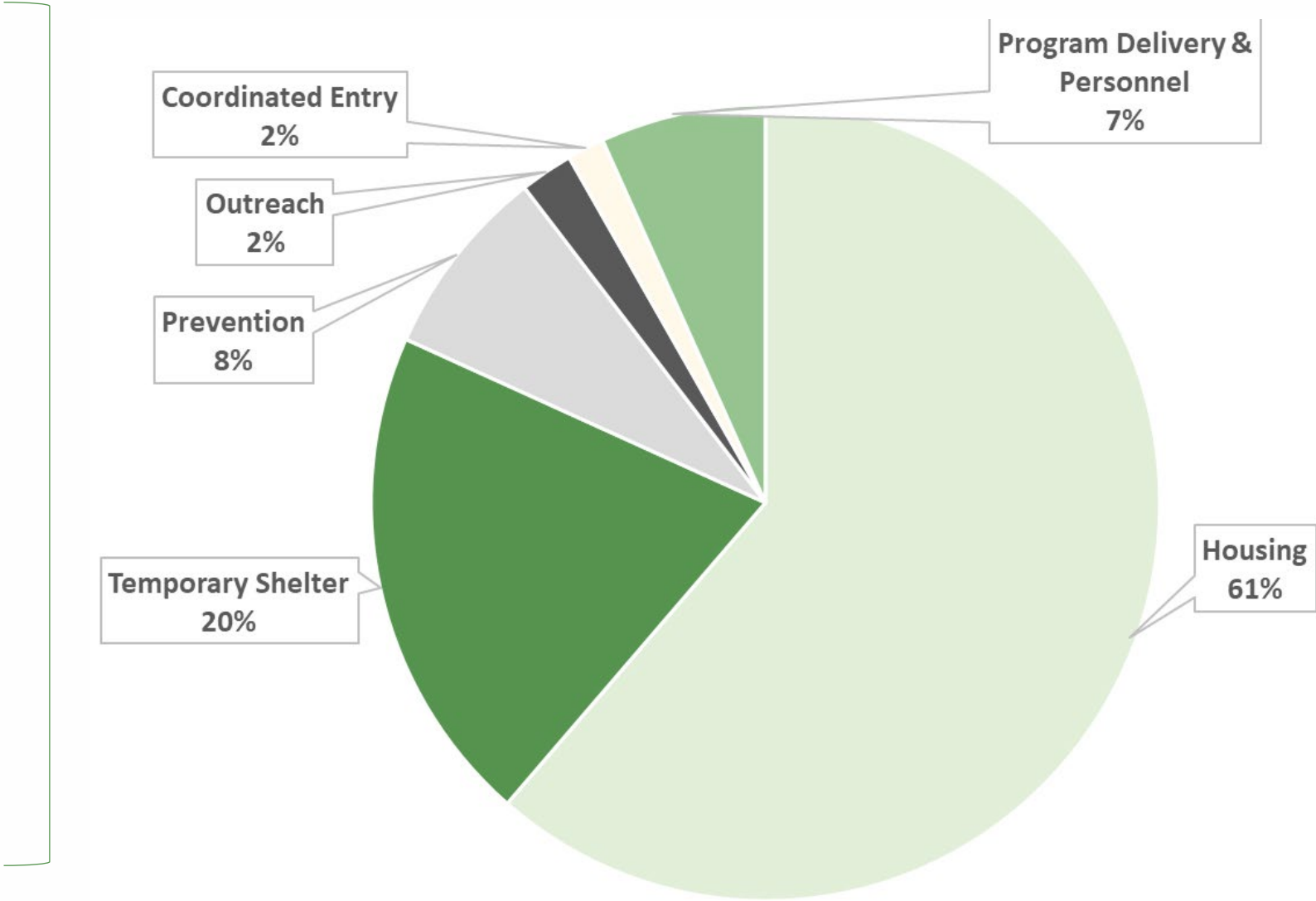


FY2022-23 & FY2023-24 Budget: Population Served



***Adult/mixed funding:** programs or agreements that primarily serve adults but can serve other subpopulations like veterans or youth.*

FY2022-23 & FY2023-24 Budget by Service Area



Supportive Housing Acquisition Strategy

- Since July 1, 2020, the City has acquired or leased **over 2,500 units** of supportive housing; exceeded goal of 1,500 **by ~70%**.
- HSH has received **four state Homekey awards (more than \$139 million)** to support this acquisition work.
- Local acquisition dollars (Prop C) have been spent for **adults and families**.
 - **~\$58 million** remain for **youth housing**.
 - Issued new Request for Information (RFI) to identify available properties for TAY housing.
 - Continue to leverage available local, state and federal funding.
- HSH is moving from an **emergency acquisition** model to a **long-term sustainable** model of acquisition and operations:
 - Moving to lease agreements with non-profit providers for recent acquisitions.
 - Developing **standard processes** to review, acquire, and open new supportive housing sites.

Other Key Proposed Investments.

\$1.2 million
ongoing:

Support Street Wellness Response Teams.

\$900,000
over 2 years:

Pilot HSH Street Ambassadors program.

\$300,000
annually:

Mental health training & support for frontline staff.

\$230,000
annually:

Implement overdose requirements; reduce overdoses.