



DEPARTMENT OF
HOMELESSNESS AND
SUPPORTIVE HOUSING

Elevator Modernization and Capital Improvements in PSH

Government Audit and Oversight Committee | April 18, 2024

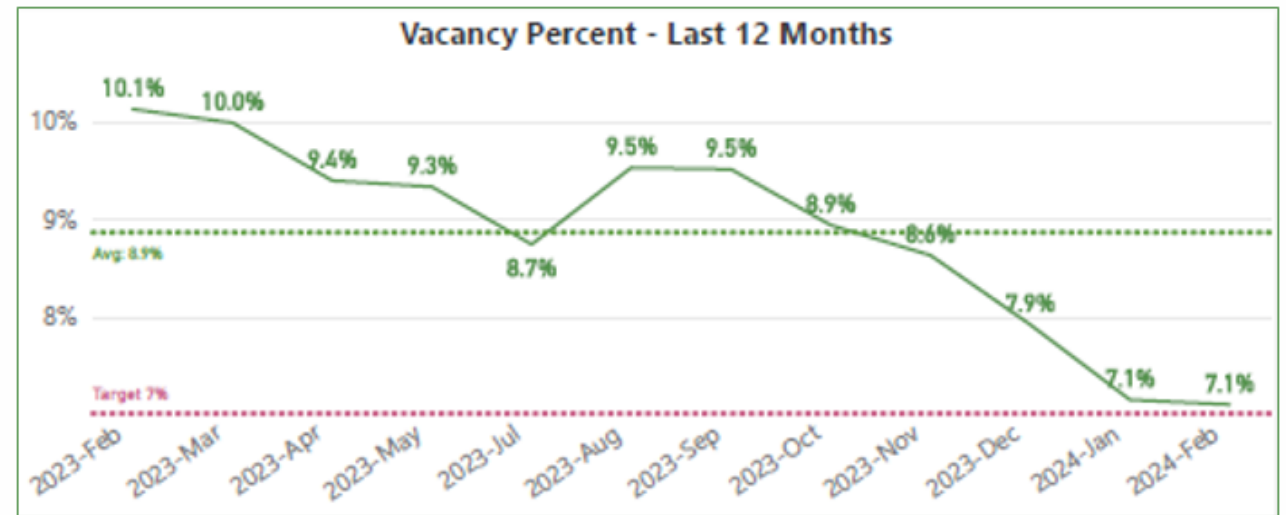


Overview

- 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.



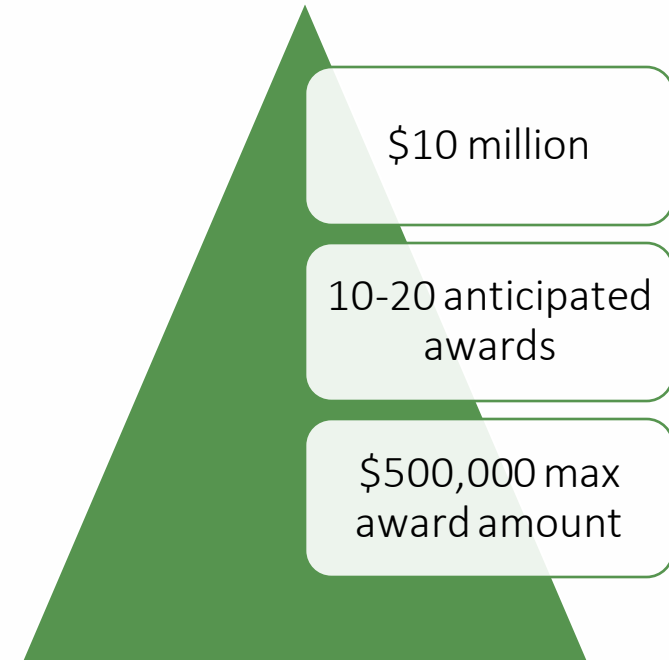
For more information, please visit [HSH's Housing Inventory public dashboard](#).

Site-Based Supportive Housing Portfolio

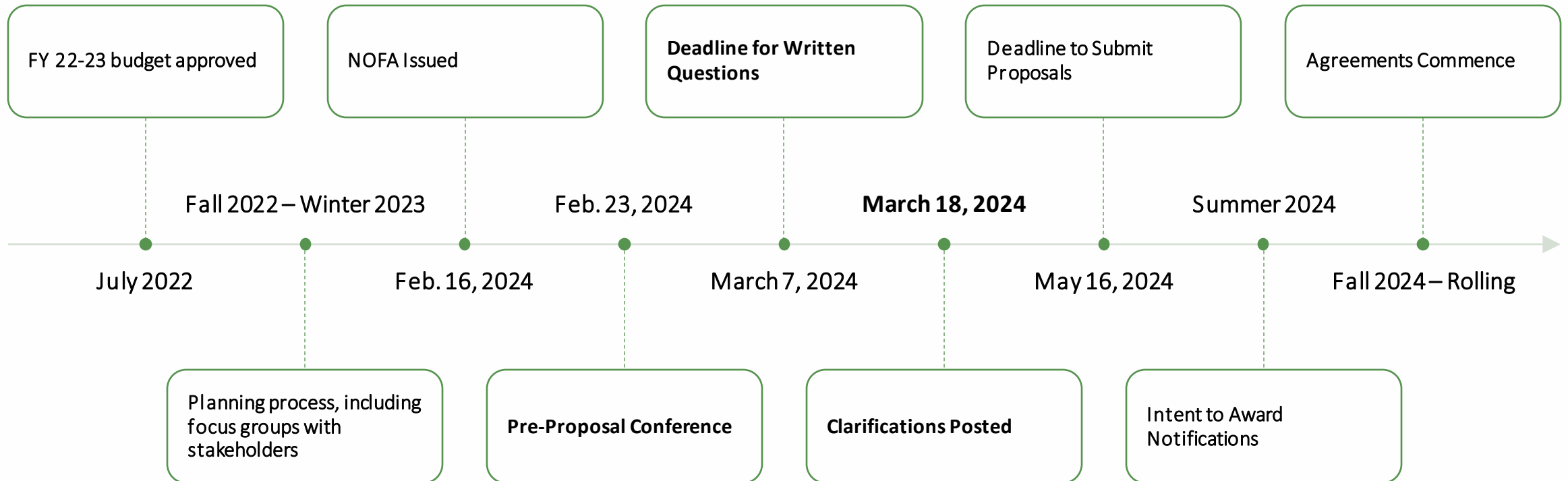
- As of March 2024, HSH has **9,203** units across **151 buildings**.
 - **66%** are non-profit owned buildings
 - **30%** are master-leased buildings
 - **4%** are city-owned buildings
- **68** of the 151 PSH buildings are Single Room Occupancy (SRO) buildings
- Of the 68 SRO buildings operating as 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">• 10 sites• 1,053 units• 1,551 bedrooms	<ul style="list-style-type: none">• 670 adult units• 143 young adult units• 240 family units



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Questions?

Thank you.