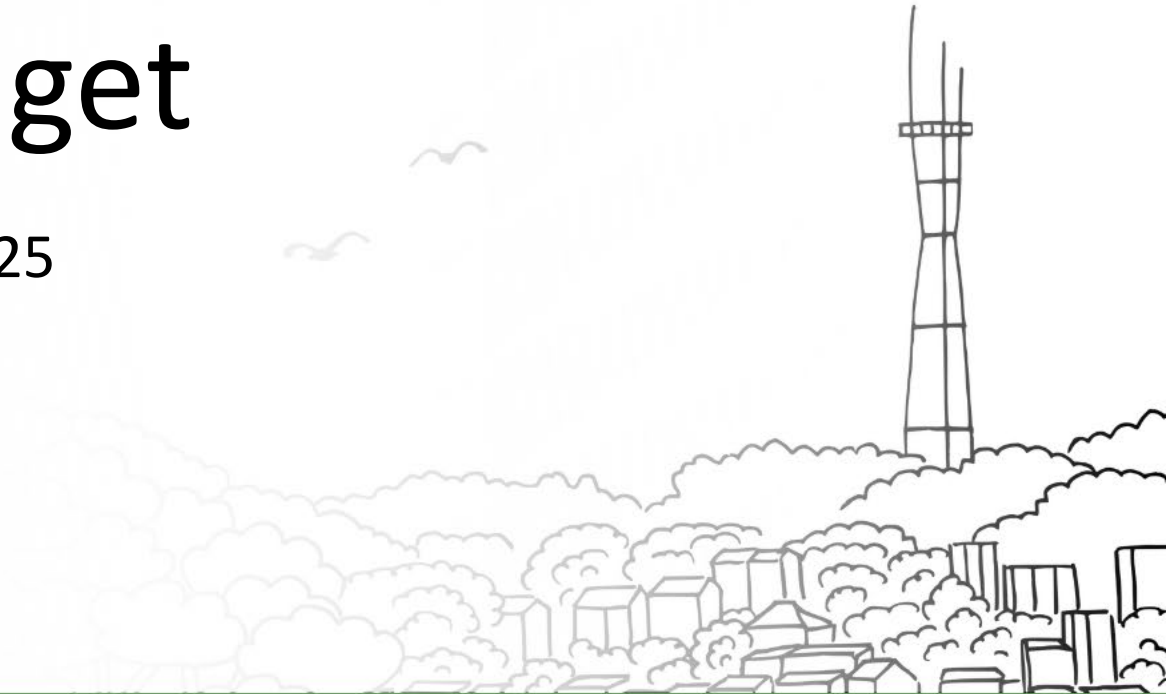




DEPARTMENT OF  
HOMELESSNESS AND  
SUPPORTIVE HOUSING

# FY 2025-26 & FY 2026-27 Mayor's Proposed Budget

Budget & Appropriations Committee | June 12, 2025





DEPARTMENT OF  
HOMELESSNESS AND  
SUPPORTIVE HOUSING

# Breaking the Cycle and Interim Housing Expansion

1. Breaking the Cycle
2. New Mayoral Initiatives
3. Other Investments

# Focus on Street Conditions

## Street Conditions

- Three interconnected crises that compound each other's effects
- Necessity for comprehensive, multi-domain interventions

## Drug supply & accessibility

- Proliferation of synthetic opioids, particularly fentanyl
- Establishment of open-air drug markets
- High availability coupled with decreased cost barriers

## Homelessness

- Limited inventory of the “right beds” and affordable housing capacity
- Systemic barriers to sustained recovery
- Inflow from other cities/counties

## Behavioral health crisis

- Inadequate treatment for severe mental illness
- Co-occurring substance use disorders
- Critical shortage of psychiatric facilities and services

# Breaking the Cycle

## Goal:

Improve our behavioral health and **homelessness response system** to have greater **accountability**, better **integrated service delivery**, and **improved outcomes** that prioritize both compassionate care and responsible governance.

1. Build a system that helps people achieve lasting stability

2. Restore public spaces to achieve clean and safe streets

3. Drive more responsible governance and accountability

# New Mayoral Initiatives

HSH's budget includes new investments to support the Mayor's **Breaking the Cycle** initiative.

Interim Housing  
Expansion

Addressing  
Vehicular  
Homelessness

Journey Home

Neighborhood  
Street Teams

Capital Investments  
& Backfilling  
Emergency Rental  
Vouchers

Addressing youth  
and family  
homelessness

# Interim Housing Expansion

**\$122 million** over 3 years to operate **~630** new interim housing beds and maintain current system capacity.

## FY 2025-28 Investments

**\$91M**

- Up to **630 new interim housing beds** at both new and existing sites serving adults, families, people in recovery and people fleeing violence.

**\$31M**

- Continues projects funded last year with one-time resources including **56 beds** of recovery transitional housing and **130 hotel vouchers** for families.

## Interim Housing Key Principals

Ensure service and program types are selected to best serve the **different segments of need** in our unsheltered population

**Bring services to those who need them**, while ensuring communities have the resources they need to serve their unsheltered population and address street conditions, and **ensure sites are as safe outside as they are inside.**

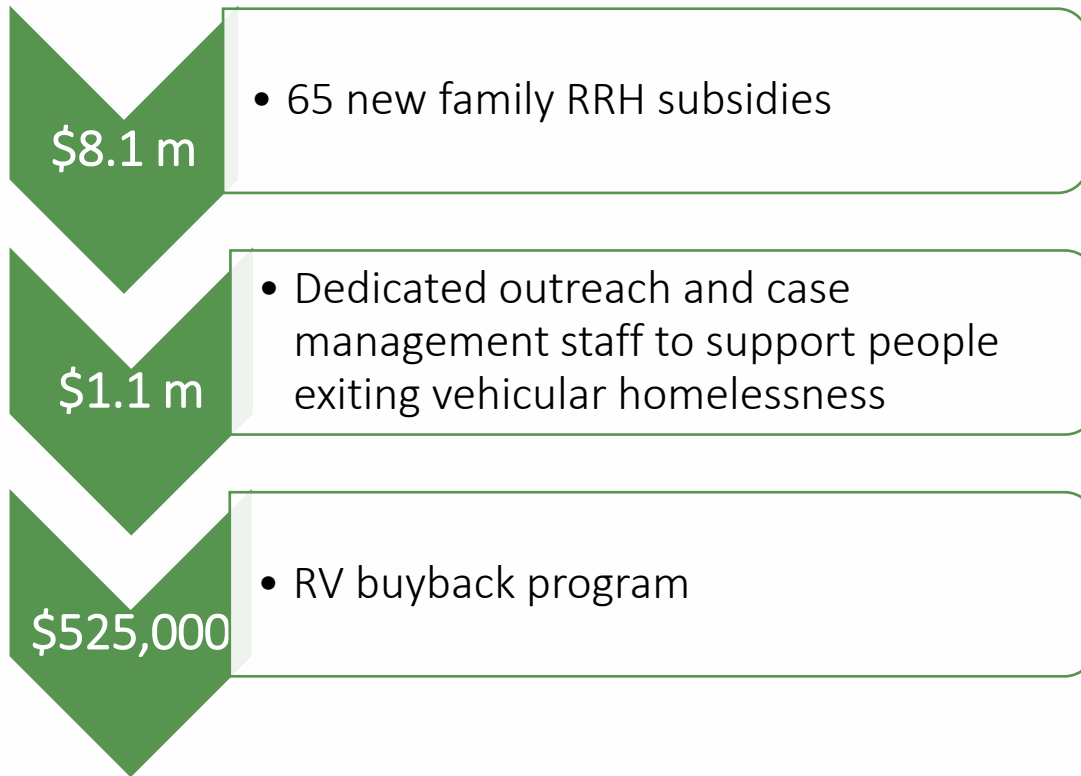
Build transparent, accountable partnerships between the City and service providers to **ensure high quality service delivery** and responsible stewardship of taxpayer resources.

**Temporarily surge** capacity of interim housing while making **systemic changes** in parallel to improve outflow to stability, that will ultimately allow us to operate efficiently with reduced resources.

# Addressing Vehicular Homelessness

The city is proposing a **multipronged strategy** that combines best practices from around the country to address vehicular homelessness.

## FY 2025-27 Total Investments



## Key Principals

Implement innovative and humane approaches that **reduce vehicular homelessness** by addressing the immediate safety and stability needs as well as **creating pathways to permanent housing** for people living in vehicles, who represent our most vulnerable residents.

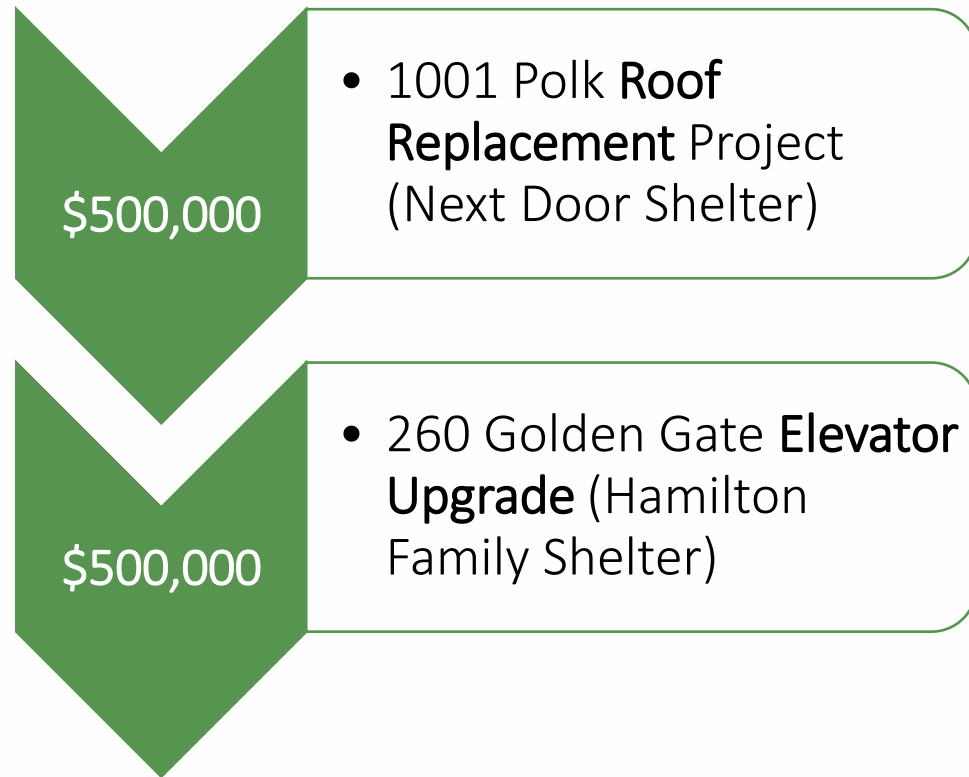
Restore public spaces, **public safety, public health and neighborhood livability** by effectively enforcing and managing oversized vehicle parking **without criminalizing poverty**.

Maximize efficiency through data-driven approaches and **coordinated interdepartmental efforts** across agencies responsible for homelessness, transportation, public safety, public health, financial empowerment and public works.

# Critical One-Time Investments

Additional **one-time investments** make critical **capital improvements** in legacy shelter sites and account for loss of federal funding.

## FY25-26 Capital Funding Allocations



## EHV Federal Reserve Fund

- **\$27 m** for an **Emergency Housing Voucher (EHV) Reserve Fund** in FY 26-27.
  - Accounts for the loss of federal funding for SF Housing Authority.
- HSH and the San Francisco Housing Authority distributed **over 900 EHV**s.
  - **58%** issued to families and young adults, **33%** issued to households in District 10.



# Journey Home & Neighborhood Street Teams

## Journey Home

- Merges relocation assistance programs under HSH to serve up to 600 people in Year 1 and expand to up to 900 on an ongoing basis.

**\$4.9 million over 2 years**

- Funds 24/7 response as well as direct client assistance.
- 8603 Emergency Coordinator from HSA.

## Neighborhood Street Teams

- Maintains the SFHOT street outreach model to support the Mayor's Integrated Neighborhood Street Teams.

**\$3.4 million over 2 years**

- Supports the loss of one-time state grant funding that is sunseting over the next two years.

# Addressing Family Homelessness

Adds **new resources** and **continues critical funding** for programs that would have had to wind-down without sustained funding.

## Family Housing (\$53.2M)

- 65 new rapid rehousing subsidies **(\$8.1M)**
- Continues 215 medium-term housing subsidies for families released in FY 24-25 as part of the Safer Families Plan **(\$35M)**
- EHV Reserve Fund for Families served through HUD's Emergency Housing Voucher program **(\$10.1M)**

## Family Shelter (\$26.8M)

- New family shelter beds at Raphael House (24 beds serving 8 households) **(\$4.2M)**
- 10 new hotel vouchers for households fleeing violence **(\$1.6M)**
- Elevator upgrades at Hamilton Family Shelter **(\$500,000)**
- Continue funding for 80 beds at the SFUSD Family Stayover Program at Downtown High School **(\$2.3M)**
- Continue funding for 130 family hotel vouchers for an additional 18 months. **(\$18.2M)**

# Flow of Families in Homelessness Response System

**Prevention** = ~1,000 families prevented from entering homelessness

**Shelter Waiting List:** 311 families

**Families in Shelter:** 253 families

**Families in RVs:** 147 families

**Total Family Population Needing Support:** 711 families

15% Self-Resolve =  
107 Families Removed

**Remaining Families Needing Support:** 604 families

**Permanently Exit = 576 slots**

- Rapid Rehousing / Shallow Subsidies
- Permanent Supportive Housing
- Problem Solving

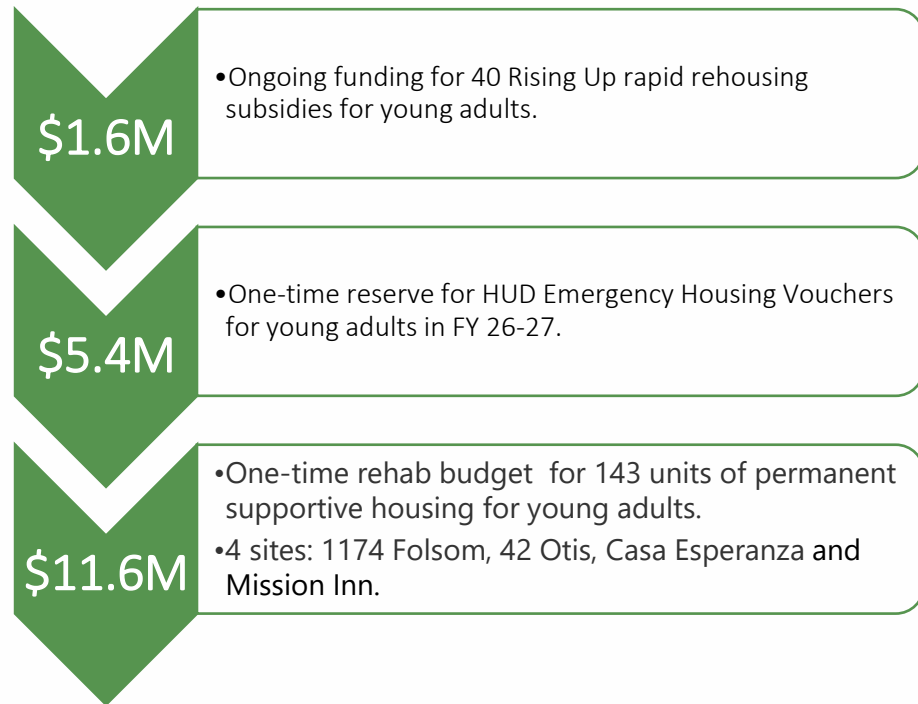
**Temporary Housing = 610 slots**

- Shelter Beds
- Hotel Vouchers

# Addressing Young Adult Homelessness

**New investments** in the FY 2025-27 budget supplement over **\$30 million investments** made in FY 24-25 for young adults, which are now rolling out.

## New Investments in FY 25-27 (\$18.6M)



## FY 2024-25 Investments (\$47.5M)

- **50 Rapid Rehousing for Parenting Young Adults**
  - Families headed by young adults
- **Bridge Housing**
  - Planning in process, anticipated to open in FY 25-26
- **Operate 66 new units of permanent housing for young adults**
  - 1174 Folsom and 42 Otis
- **285 Rapid Rehousing Subsidies**
  - 60 for exits from Transitional Housing
  - 50 for TAY-headed family households
  - 15 for households impacted by violence
- **25 Flexible Housing Subsidies**
  - Scattered-site permanent housing
- **12 Housing Ladder Subsidies**
  - Lower-service model for households exiting permanent supportive housing (PSH)

# Mayor's Proposed Our City Our Home (OCOH) Budget

- **Maintains** and **sustains** investments in OCOH-funded programs to continue service levels.
  - **No cuts** to any existing OCOH funded programs.
- Invests **\$101 million** to expand interim housing for three years as part of the Mayor's **Breaking the Cycle** initiative, including:
  - Services and operating costs for new Interim Housing beds
  - 10 new hotel vouchers for domestic violence survivors
  - FY25-27 extension of 130 hotel vouchers for families
- Invests **\$9.9 million** to address **vehicular homelessness**.
  - Includes 65 new rapid rehousing subsidies for families
- Allocates **\$27 million** for an **Emergency Housing Voucher reserve** to account for the loss of federal funding for SF Housing Authority.



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# Measuring Performance

- Measuring Performance
- Controller's Performance Metrics

# Measuring Performance

To support the **standardization** and **optimization** of our contracts including new **performance measures** and **budgets**, HSH is implementing three initiatives to strengthen and simplify our contracting process and monitoring:

- **Multi-Year Procurement Plan (MYPP):** Competitive re-procurement of all HSH contracts by program area.
- **Performance Measurement Plan (PMP):** Identifies performance measure metrics to monitor system and program performance.
- **Contracting Lifecycle Management System (CLMS):** Replacement of HSH's legacy system CARBON.

## Related Efforts

**Harvard Government Performance Lab (GPL) Pilot:** work on Prevention and Problem Solving metrics and performance based contracting practices.

**Updates to HSH Program Monitoring Process:** Improved program monitoring practices to standardize process across program types and align with MYPP and PMP.

# Performance Measures

FISCAL YEAR		FY2023-24		FY2024-25	
Goal	Actual		Projected	Target	Progress Towards Target (%)
<b>Homelessness Prevention</b>					
Number of people at imminent risk of homelessness who receive prevention assistance.	1,396		2,472	1,200	206%
<b>Housing Problem Solving</b>					
Number of households whose homelessness was resolved through Problem Solving interventions.	1,209		1,034	1,000	103%
<b>Temporary Shelter</b>					
Average monthly occupancy rate within all year-round temporary shelter or crisis intervention programs	94%		94%	95%	99%



# Performance Measures (cont.)

FISCAL YEAR		FY2023-24		FY2024-25	
Goal	Actual		Projected	Target	Progress Towards Target (%)
<b>Rapid Rehousing (RRH)</b>					
Unduplicated number of households who moved into housing through a Rapid Rehousing program.	544		618	575	107%
<b>Permanent Supportive Housing (PSH)</b>					
Unduplicated number of households who move-in to permanent supportive housing.	1,933		1,722	1,786	96%



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# FY 2025-27 Budget

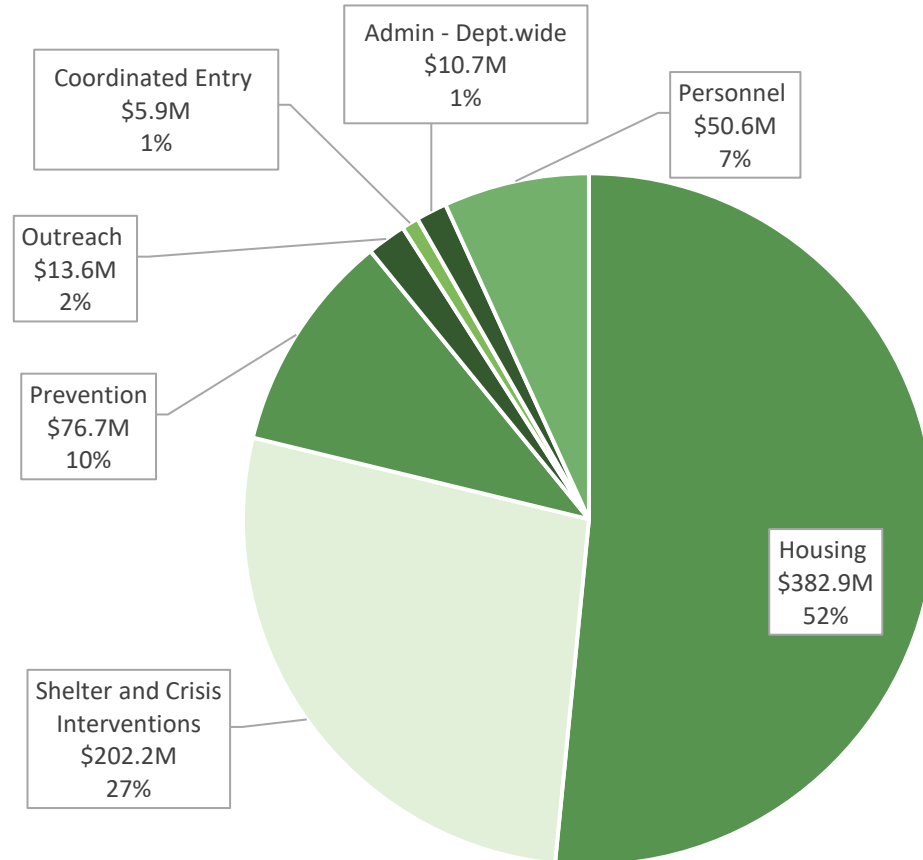
- Budget Overview
- Changes and Reductions

# Overview: FY2025-26 & FY2026-27 Budget

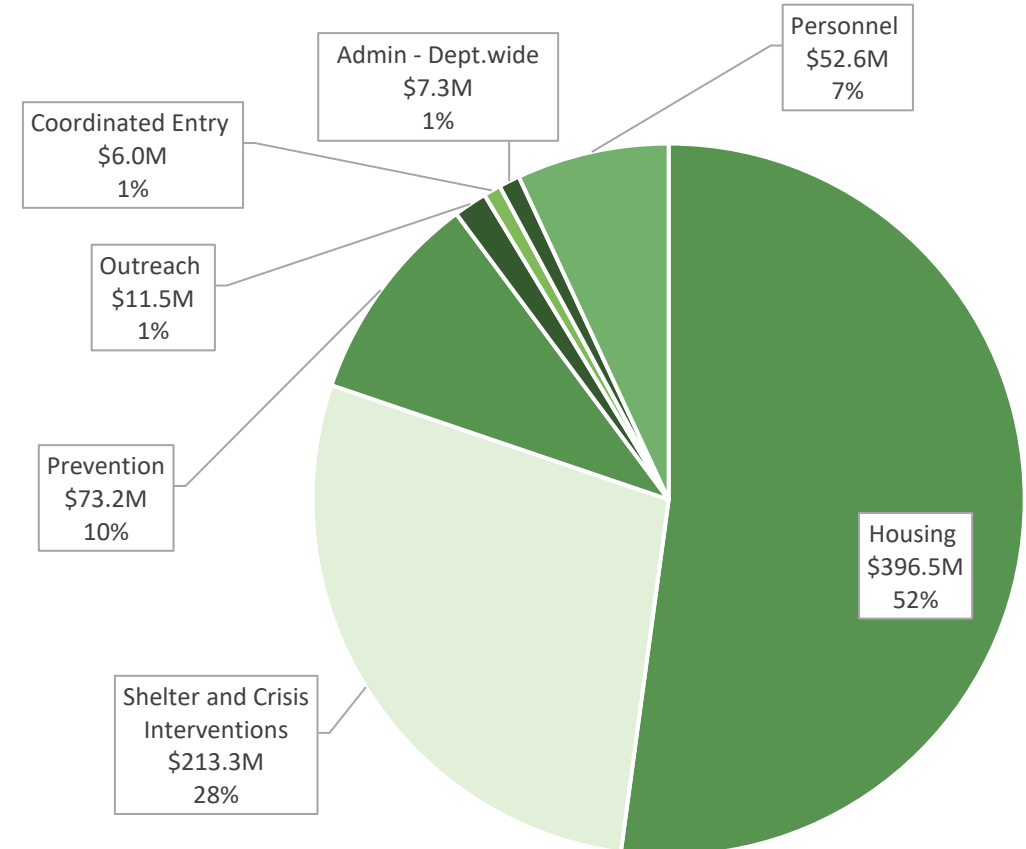
\$ in millions	FY24-25 Adopted	FY25-26 Mayor's Budget	\$ Change from FY25	% Change from FY25	FY26-27 Mayor's Budget	\$ Change from FY26	% Change from FY26
<b>Total Budget</b>	<b>\$846.3</b>	<b>\$742.7</b>	<b>(\$103.7)</b>	<b>(12%)</b>	<b>\$760.3</b>	<b>\$17.7</b>	<b>2%</b>
<i>Revenue</i>	<i>\$530.5</i>	<i>\$463.5</i>	<i>(\$67.0)</i>	<i>(13%)</i>	<i>\$484.7</i>	<i>\$21.2</i>	<i>5%</i>
<i>General Fund</i>	<i>\$315.8</i>	<i>\$279.2</i>	<i>(\$36.7)</i>	<i>(12%)</i>	<i>\$275.7</i>	<i>(\$3.5)</i>	<i>(1%)</i>

# FY26-27 Budget Comparison

FY25-26 Budget by Service Area



FY26-27 Budget by Service Area



Total Two-Year Mayor's Budget: \$1.5 Billion

# General Fund Operating Budget Expenditures

\$ in millions	FY24-25 Adopted	FY25-26 Mayor	Change from FY25	FY26-27 Mayor	Change from FY27
<b>Salaries and Benefits</b>	\$27.0	\$26.5	(\$0.4)	\$27.1	\$0.6
<b>Grants and HSH Programs</b>	\$169.6	\$164.6	(\$4.9)	\$164.2	(\$0.4)
<b>Professional Services</b>	\$25.7	\$32.4	\$6.6	\$33.7	\$1.4
<b>Materials and Supplies</b>	\$0.2	\$0.2	-	\$0.2	-
<b>Interdepartmental Services</b>	\$48.2	\$12.1	(\$36.1)	\$12.3	\$0.3
<b>TOTAL</b>	<b>\$270.6</b>	<b>\$235.8</b>	<b>(\$34.8)</b>	<b>\$237.6</b>	<b>\$1.8</b>



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# Staffing

- HSH Staffing Overview
- Year over year staffing comparison

# Changes in HSH Personnel Funding

	FY2024-25 Adopted	FY2025-26 Mayor's	Change from FY25 Increase/ (Decrease)	FY2026-27 Mayor's	Change from FY26 Increase/ (Decrease)	Two Year Budget Change
<b>Total Full-Time Equivalent (FTE)*</b>	<b>256.63</b>	<b>254.67</b>	<b>(1.96)</b>	<b>253.95</b>	<b>(0.72)</b>	<b>(2.68)</b>
<i>Permanent FTE</i>	<i>250.41</i>	<i>245.65</i>	<i>(4.76)</i>	<i>244.93</i>	<i>(0.72)</i>	<i>(5.48)</i>
<i>Temp FTE</i>	<i>6.22</i>	<i>9.02</i>	<i>2.8</i>	<i>9.02</i>	<i>-</i>	<i>2.8</i>

## FY26 FTE decrease detail:

- 1.96 net FTE decrease: 4.76 FTE funding for permanent positions offset by 2.8 FTE increase for temporary staffing.
- Change in year-over-year attrition level from 17.8 FTE to 4.6 FTE
- 1.4 FTE to annualize new positions added as partial positions last fiscal year

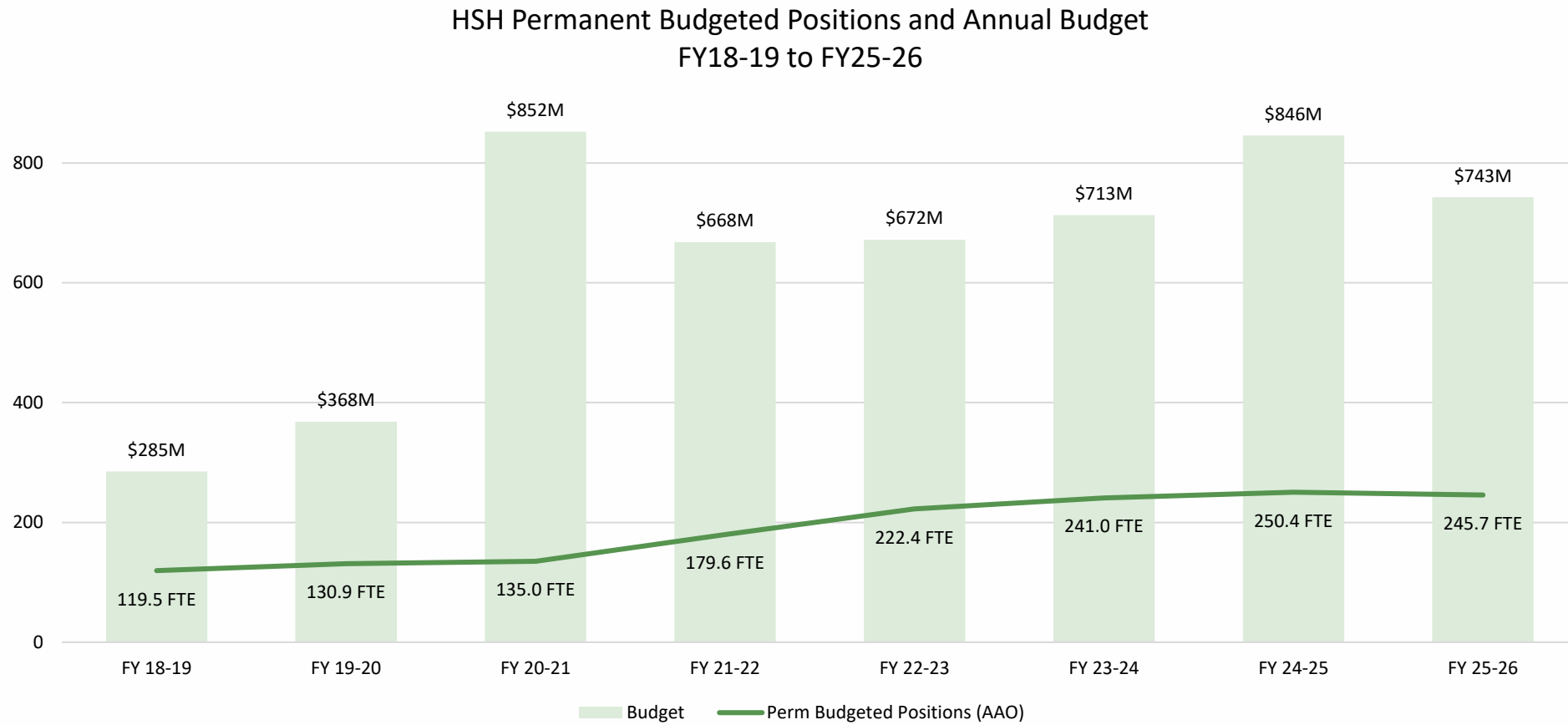
\*Position summary does not include “off-budget” positions funded outside of the annual budget

# Position Changes

- Proposed FY2025-27 Budget **reduces 20** General Fund vacant positions and **transfers 11** General Fund filled positions to DPH.
- No proposed layoffs.
- 11 new Non-General Fund positions added to implement the Mayor's Breaking the Cycle Directive:
  - 0932 Director of Special Projects
  - 1823 Senior Special Initiatives Analyst (2)
  - 2917 Shelter Program Support Analyst
  - 1634 Principal Account Clerk (Fiscal Billing)
  - 1823 Senior Data Analyst
  - 7334 Stationary Engineer (2)
  - 7524 Institution Utility Worker (2)
  - 1823 Senior Contracts Analyst
- 1 position (8603 Emergency Services Coordinator) transferred from HSA for Journey Home program.
- Adds 2 positions to temporary salaries to analyze permanent supportive housing portfolio



# HSH Permanent Budgeted Positions and Annual Budget





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# Trailing Legislation

- HSH Fund
- OCOH Funding Reallocation

# HSH Fund: Trailing Legislation

- Administrative Code Sec. 10-100.77(f) requires the Department to submit an **expenditure plan** if the proposed appropriations from the HSH Fund exceed \$11.8 million.
- The HSH fund supports formerly homeless recipients of the Human Service Agency's **County Adult Assistance Program (CAAP)**.
- Resolution approves the FY 2025-26 and FY2026-27 Expenditure Plans.

# Our City Our Home (OCOH) Fund: Trailing Legislation

- The legislation supports the City to **address the crisis** on our streets and **does not make any cuts** to existing OCOH funded programs. It includes:
  - **One-time reallocation of \$88.5M** in unencumbered funds and expected interest earnings to fund the Mayor's Breaking the Cycle Initiative.
  - **Suspends 12%** cap on short-term (<5 years) rental subsidies.
  - Authorizes the City to **expend future OCOH Fund revenue** on any eligible programs, rather than allocating funds based on expenditure percentages specified in the tax code.

# Our City, Our Home (OCOH) Fund: Trailing Legislation

<u>Expenditure Categories</u> (\$ in Millions)	<u>FY25-26</u>	<u>FY26-27</u>	<u>FY27-28</u>	<u>Total Expenditures</u>
<b>Shift From:</b>				
General Housing	\$6.1	\$12.4	\$8.9	\$27.4
TAY Housing	\$2.2	\$8.5	\$20.7	\$31.4
Family Housing	\$2.8	\$9.1	\$7.9	\$19.8
Homelessness Prevention	\$3.3	\$6.5	-	\$9.8
<b>Expenditure Category Total</b>	<b>\$14.5</b>	<b>\$36.5</b>	<b>\$37.5</b>	<b>\$88.5</b>
<b>Shift To:</b>				
Shelter & Hygiene	\$14.5	\$36.5	\$37.5	\$88.5
<b>Mayor's Proposed Budget Total</b>	<b>\$14.5</b>	<b>\$36.5</b>	<b>\$37.5</b>	<b>\$88.5</b>



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# Questions

Thank you.

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